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ELDERS – ELDER EMPLOYEES IN COMPANIES EXPERIENCING RESTRUCTURING: STRESS AND WELL-BEING

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Section I

THE INTERNATIONAL FRAMEWORK

Part I
Restructuring, age and stress:
General overview
and international literature review

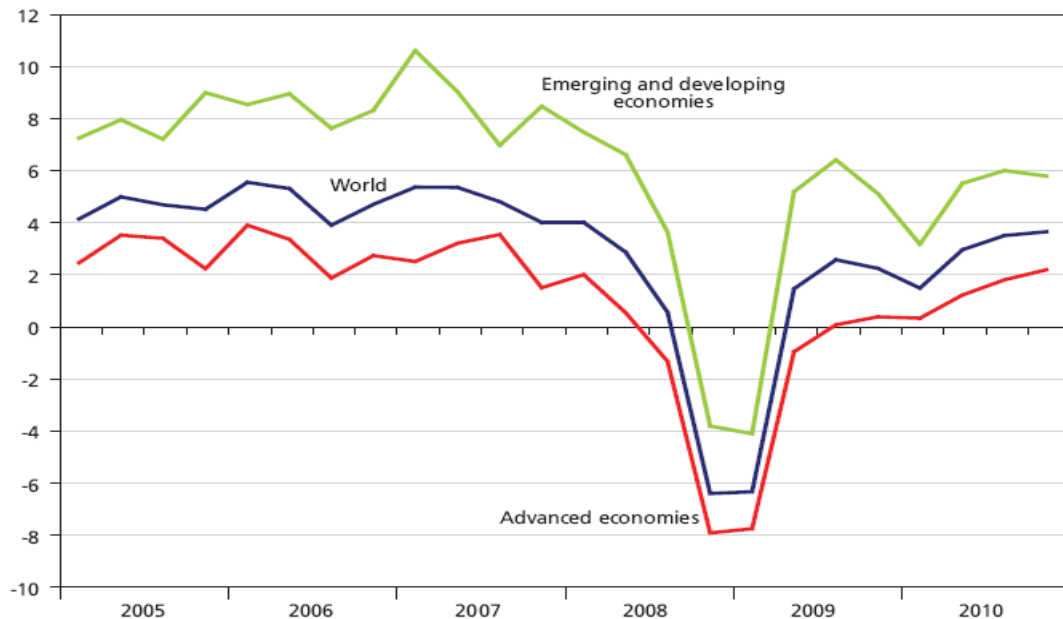
1. The issue of restructuring: drivers of change

Nowadays, the need for enterprises to tackle changes featuring economies and societies worldwide is widely acknowledged.

Some of the main trends and drivers of change affecting enterprises today can be summarised as follows:

- **The slow recovery from the economic crisis.** The truly distinguishing characteristic of this recession is a globally synchronised banking crisis, multiplied by high financial volatility at global scale, which has led to a remarkably severe global recession (European Foundation for the Improvement of Living and Working Conditions, 2009). The following figure illustrates how the trend towards the recovery is slower in advanced economies, and this applies particularly to several European countries.

Figure 1: Global GDP growth, quarter over quarter, annualised (%) (Source European Foundation for the Improvement of Living and Working Conditions, page 5, 2009, based on IMF staff estimates)



- The crisis and the sluggish recovery have also had severe consequences on **employment**. Employment in the European Union declined by 2.5 million persons between the first quarter of 2008 and the first quarter of 2009. The largest relative, and absolute, declines were observed in manufacturing and construction: as a result, it is mainly younger men working in manual occupations in manufacturing who have lost their jobs (European Foundation for the Improvement of Living and Working Conditions, 2009).
- **Restructuring processes:** The economic crisis all over the world led to major restructuring, mergers and acquisitions and change of capital ownership (all the forms of restructuring are listed below). Simultaneously, in many countries a trend towards increased employee ownership of companies e.g. through different pension schemes, stock options, can be observed.
- **Globalisation of markets:** This driver of change refers to the ‘increasing integration of economies around the world, particularly through trade and financial flows. The term sometimes also refers to the movement of people (labour) and knowledge (technology) across international borders (IMF Staff, 2000). As a result an increase in **subcontracting and outsourcing** has taken place

in order to remain competitive on the global market. A rise in short-term contracts, new **working patterns**, such as teleworking, self-regulated work and teamwork, an increase in the use of computerized technology, and the development of a more flexible workforce has taken place.

- The **ICT revolution** is another powerful and highly visible driver of change. It has started over fifty years ago with the invention of computing, and ever since it has been steadily gathering momentum. In the past 8 years it exploded into wide public attention and use, with the take-off of the Internet. The Spanish sociologist Manuel Castells proposes the following definition of this driver of change ‘Due to the new technological conditions occurring in this historical period, (...) a specific type of social organisation in which the generation, processing and transmission of information become the fundamental sources of productivity’ (Castells, 1998).

- **Liberalisation of markets:** one of the long term trends affecting restructuring processes over the last 30 years is the shift toward deregulation and liberalisation of trade and markets. More and more important economies all over the world have entered the world trade organisation, and particularly after the end of communism, free trade became the dominant paradigm also in previously state-led economies in Europe. The need to compete world-wide has led to deregulation (although this is a patchy trend). Moreover, both several member states and the European Union have pushed the liberalisation of public utilities and network companies (for instance in the telecom sector).

- **Move towards a knowledge-based economy and society:** Human capital is today regarded as the most important strategic resource challenging traditional job, work and motivation concepts. This is leading to new work processes and flows, as well different recruitment and personnel management practices.

- **Changing demographics:** Within this dimension one may include, particularly in advanced economies, the deployment of the so-called ‘Aging society’, determining also potential shortfalls in the size and capacity of the workforce. Changes in the age structure of the population will affect every category of public spending to some degree. Three areas of public spending are particularly sensitive to demographic shifts: income security, health care and

education. Another important trend is the augmented participation of women and minority groups to the labour market.

Types of restructuring

In this context, the EMCC (European Monitoring Centre on Change) identifies several forms of restructuring in its European Industrial relations dictionary. These are listed below:

- **relocation** – when the activity remains within the same company, but is relocated to another location in the same country;
- **outsourcing** – when the activity is subcontracted to another company within the same country;
- **offshoring/delocalisation** – when the activity is relocated or outsourced to another country;
- **bankruptcy/closure** – when an industrial site is closed or a company goes bankrupt for economic reasons, not directly connected with relocation or outsourcing;
- **merger/acquisition** – when two companies merge or one company makes an acquisition; this can subsequently lead to an internal restructuring programme aimed at ‘rationalising’ the organisation by cutting jobs;
- **internal restructuring** – when the company undertakes a job-cutting plan, which is not linked to another type of restructuring defined above;
- **business expansion** – where a company extends its business activities, hiring new workers;
- **other** – when a company undergoes a type of restructuring that is none of the above.

This list demonstrates that restructuring can take several forms and represent situations, which might also overlap or be complementary. It can also have an impact at different levels: it can affect an SME as well as a large enterprise, it can involve few employees in a small unit within an organisation or thousands of workers in different countries. It is mainly associated to the private sector although it can take place also in the public sector.

Restructuring and labour market

The most evident effect of a restructuring process is a loss of employees. A range of approaches exists in order to prevent, manage or reduce the effect of the loss of employees connected to restructuring processes. First of all, company and employees representatives should collaborate in order to agree on a shared strategy to tackle effectively restructuring processes. This collaboration should take place at an early stage.

Also policy makers should facilitate and support the collaboration between social partners, as well as interventions and regulations in order to minimise or reduce the impact of on the restructuring processes labour market, possibly in an early phase.

According to a study dealing with restructuring in Europe for the European Commission (Haahr, Hansen, Andersen, 2007) it is possible to identify different approaches to anticipation in relation to the objectives of anticipation: whether anticipation seeks to prevent, manage, or mitigate the negative effects of restructuring.

- Preventive anticipation seeks to influence restructuring processes in an early phase so as to entirely avoid negative labour market effects. The objective is to ensure such conditions for restructuring processes so that no loss of human resources occurs at any point of time.
- Managing anticipation seeks to influence restructuring episodes that could potentially lead to a loss of human resources. The objective is to manage the restructuring episode to minimise the loss of human resources.
- Mitigating anticipation seeks to mitigate the negative labour market effects that have been caused by specific restructuring episodes. The objective is to support redundant employees so as to minimise the loss of human resources during unemployment.

The following table illustrates how these approaches can be applied at several levels (economy/region, sector/industry and corporation/enterprise) and at different stages.

Figure 2: Levels and Objectives and Broad Types of Intervention Areas in Anticipation.

	“Early stages”		----	“Late stages”
Objective	Prevent Negative Labour Market Effects	Manage Negative Labour Market Effects		Mitigate Negative Labour Market Effects
Level				
Economy/Region	Framework conditions	Regulation, intervention		Regulation, intervention
Sector/Industry	Framework conditions	Regulation, intervention		Regulation, intervention
Enterprise/Corporation	Corporate development	Dialogue and agreements		Dialogue and agreements

Whatever is the level, the scale or the restructuring stage, an effective and strategic approach to this issue is fundamental in order to minimize the effects of this process and cope with work-related stress of employees witnessing restructuring.

The Section E – Prevention management for elderly workers: organisational implications and stressors detection will provide more details on effective approaches.

2. Managing restructuring processes

European level

The European union provides member states with some funding opportunities which can be used in order to manage restructuring processes and minimize costs which are generated by such changes. There are three funds which might regard restructuring (European Commission, 2008):

1. The European Social Fund (ESF) was created in 1957 as an aid fund related to restructuring in order to enhance employment and mobility. The objective of this fund was to counterbalance loss of workplaces in the heavy industry thanks to training and support for migrants (in the fifties of the last century it was mainly addressed to Italian migrants) and mobility by training redundant and transferring

them to sectors which required new workforce. ESF is now part of the cohesion policy for the period 2007-2013. It represents 8% of the European budget and 20% of the structural funds. It helps to support professional training;

2. The European Regional Development Fund as an instrument for endorsing economy and infrastructure is useful in the preparation phase;

3. The European Global Adjustment Fund (EGF) is to be taken into consideration at the end of the process in order to support active measures and to help persons dismissed;

European Structural Policies (in the fields of research, industry, trade, competition) can equally help to manage restructuring.

National level

There are of course several responses to restructuring pressures in different countries. According to a recent report (European Restructuring Toolbox, 2010) the most frequent responses can be classified as follows. Continental countries like France, Italy, Germany featured by internal labour markets (i.e. mainly stabilised careers) tend to reduce employees number (e.g. through early retirement schemes) or work volume, while the U.K., having reduced significantly in the 80s the influence of the unions, tend to reduce wages and labour costs. On the other hand, Nordic country like Sweden, with their long lasting tradition of collective bargaining and of active labour market policy, tend to focus on active labour market policies, flexicurity schemes and workers' training.

At least three kinds of adjustment regimes in the case of restructuring can thus be distinguished: –Administered regimes, Market-led regimes and –Negotiated regimes.

Figure 3: Adjustment regimes in case of restructuring Source: European Restructuring Toolbox, 2010.

<div> Main adjustment channels Role of Labour Market Policies </div>	Wage and labour costs (Predominance of external labour market)	Work and workers volume (Predominance of Internal labour market)	Work and workers quality (training) (Predominance of professional labour market)
Limited role	« Market – led regime » Dominant measure : Severance Pay Control focus : Discrimination		
Important role		« Administered regime » FR Dominant measure : Early retirement Control focus : Justifications of the dismissal decision; Social Plan	« Negotiated regime » GE SW Dominant measure : Coaching with collective support Control focus : negotiation

Company level

An effective restructuring strategy at local or company level requires social dialogue among all actors. Local authorities should play an essential role in order to alleviate the dialogue between all parties involved.

At company level, several actions can be undertaken in collaboration with public authorities, social partners and relevant stakeholders in order to mitigate the effects of restructuring.

Esser and Ozoux (2003) identify several ways in which companies can help employees affected by restructuring. Some of them are: training for employability, time off to search for jobs, skills assessments, job fairs, psychological counselling, financial planning and information on government benefits, to foster the creation of new enterprises among the laid-off workers, to support mobility either through a change in place of work (geographical mobility) or a change in job (job

mobility), early retirement, part-time jobs which imply a reduction in production capacity as an alternative to layoffs, flexible leave, sub-contracted workers to be deployed to other companies for a limited period.

3. Older workers during restructuring: introduction

In recent years, there has been a growing interest in the experiences of older workers. The immediate drivers have been European social policy aimed at increasing older people's labour market participation; as well as national government initiatives to close early retirement routes. However, the longer term drivers are steadily ageing populations across Europe, coupled with lowering real retirement ages in most EU member states.

Various projects have focused on push and pull factors leading to early retirement including discrimination, pensions, caring responsibilities and redundancy. The Elders project is focused on one particular push factor: the impact of workplace restructuring on older workers' employability, as well as health and well-being. There are three interrelated reasons why the topic is particularly in relation to older people's employability. First, older workers have long been regarded by both employers and State as a reserved army of labour, brought into and forced out of the labour market as economic conditions require (Riach, 2006; Bruginiani *et al.*, 2001). This places them in a precarious position, relative to their younger colleagues during both organisational and economic restructurings. Second, as Blossfeld *et al.* (2006) noted, organisational restructuring can have a particularly strong impact on older workers who find it difficult to adapt to technological change. Finally, older workers are concentrated in traditional industries and therefore adversely impacted in shifts toward service based economies (Quadagno, Hardy, Hazelrigg, 2003). The purpose of this report is to provide a review of literature on the relationship between age, job insecurity and health and well-being. The report has two main objectives:

- To review the literature on causality between job insecurity and poor health in order to identify the impact of workplace restructuring on older workers;
- To identify good practice which has been carried out by employers, unions and other organisations to mitigate the effect of job insecurity on older workers' health.

This report is divided into five sections. First, we will briefly discuss different models for understanding job insecurity. Second, we will discuss the impact of job insecurity of different groups of workers. Third, we will review the literature which has identified specific health risks which have been associated with job insecurity. Fourth, we will discuss the impact of health problems associated with job insecurity on older workers' employability. Fifth, we will discuss health interventions which have been tested and proven effective. Finally, we will draw conclusions.

Job insecurity- three models

First of all, it is worth clarifying how job insecurity is defined in order to identify causal relationships. The research briefly focuses on the impact of workplace restructuring on older workers' health and well-being. However, it is not the workplace restructuring itself which has a direct impact on health and well-being, but rather the associated impact on work orientation. There are three useful models to capture the impact of job insecurity on workers:

- The job loss model which calibrates the negative impact of job insecurity against the real or perceived loss of intrinsic and extrinsic benefits from work (e.g. Doogan, 2001);
- The job demand model which measures the balance between workers' psychosocial expenditure in work relative to its benefits (Lewchuk, Clarke, de Wolff, 2008) (alternatively referred to as the Effort-Reward imbalance model (Siegrist, von dem Knesebeck, Pollack, 2004);
- The job control strain model which measures the degree to which workers feel in control of their working conditions (Karasek, 1990).

The differences between the three models are important in determining causality. The job loss model might seem the closest associated with workplace restructuring since the situation can be seen to result in a loss of tangible workplace benefits such as job security, career progression routes, workplace social networks and ultimately work itself. Indeed there is a raft of literature resulting from a large scale survey of UK civil servants whose careers were interrupted as a result of Government restructuring (Ferrie *et al.*, 2001; Stansfeld *et al.*, 1998). There are, however, two limitations to the model. First, because of the diversity of work orientations, the focus of what benefits are lost during a work transition may vary from person to person. In a study of Israeli teachers, for example, Rosenblatt *et al.* (1999) suggested that men were more concerned with the loss of financial security, while women were concerned with the loss of more intrinsic benefits of work. The second limitation is that the intensity of perceived job loss depends on the individual having hitherto enjoyed high quality work. Indeed, what made the Whitehall II survey such a valuable dataset was the fact that the respondents occupied what they had perceived to be jobs for life. While the model can capture the impact of the shock of workplace restructuring on permanent employees, it is not so effective in measuring the impact of low quality work on the job occupant's well-being. Some evidence suggests that contingent employees may be less affected by workplace restructuring than permanent employees simply because they had previously adapted to precarious employment (Virtanen *et al.*, 2001). The second limitation is particularly important in relation to older workers since (as can be seen In the ISSP figures mentioned below) perceptions of job insecurity may increase gradually over time. Therefore, older workers (particularly those who have experienced job loss) may have developed coping strategies to deal with loss.

The job demand model may be a better way to measure the impact of job insecurity across a heterogeneous workforce. Here the measurements are quantified in terms of inputs and outputs. Inputs might include not only work effort, but also emotional labour, stress, damage to health and other factors. Under this paradigm, social protection through employment law or collective bargaining

acts as a buffer to mitigate the demand of work on the individual. Contingent workers can accordingly be seen to occupy high input/low output jobs in which the detrimental effect is cumulative rather than immediate. For example, some evidence demonstrates that past experience with job loss can have a lingering impact on workers, even where they subsequently find re-employment (Mathers, Schofield, 1998).

Finally, the job control strain model posits that workers face mental and physical health risks when facing high workload and little control or decision-making when managing work (Karasek, 1990). Control and decision making are key factors within this model since they determine the extent to which workers can emancipate themselves from the constraints of a stressful work context, such as precarious employment. Low levels of control could result in maladaptive work practices and/or deterioration of mental and physical health (Gershon, Lin, Li, 2002).

The three models are not mutually exclusive, and manifestations of one type of job insecurity are likely to be present in other models as well. However, the three models suggest different approaches to intervention. The job loss model would suggest that efforts to protect workers' health should focus on mitigating the shock associated with workplace restructuring. Compensatory benefits such as redundancy or early retirement routes could reduce the loss associated with unemployment. The job demand model would suggest that solutions could come in the form of either reducing the input or increasing the output from work. As mentioned above, social protection in the form of, for example, a collective agreement on job security could act as a buffer against the impact of threats associated with workplace reorganisation. Alternatively, the outputs in terms of work benefits could be increased. Opportunities for job rotation, flexible working and learning have been posited as benefits which could be of high value to older workers (Walker, 2002; Flynn, McNair, 2007). Finally, the job control model would suggest that measures to increase older worker autonomy and decision-making would reduce the stress associated with job insecurity. This could be in the form of either collective decision-making (for example, negotiated agreements

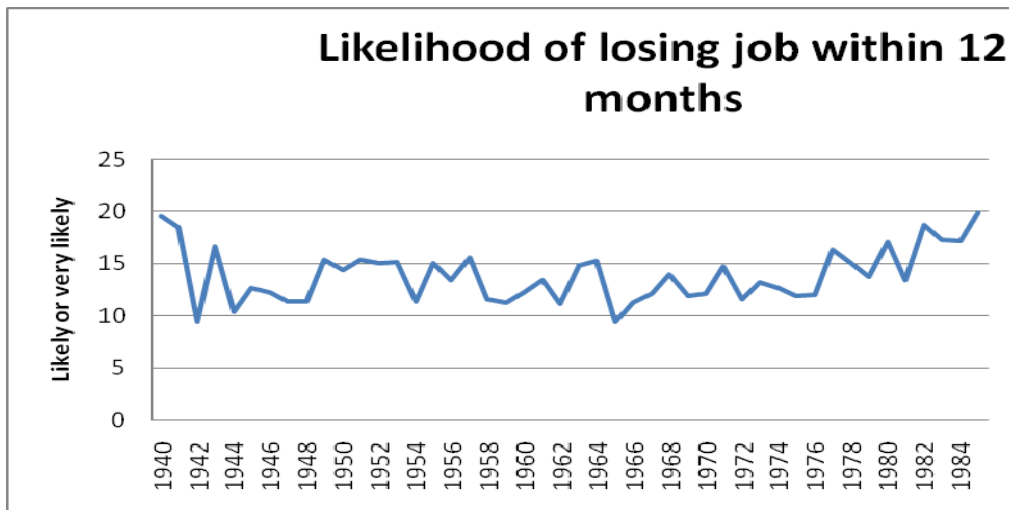
on how redundancies would be handled) or individual autonomy (for example, increasing a worker's skill to increase the chance of re-employment).

Job insecurity and groups of workers

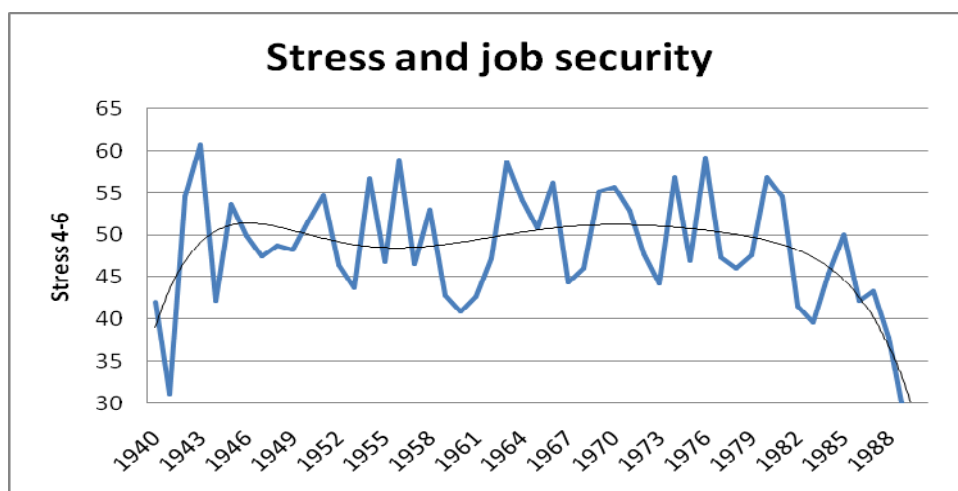
This section will discuss the impact of job insecurity on different groups of workers. The objective here is to consider whether certain groups of workers require particular interventions in order to mitigate health risks. The most logical place to start would be to consider whether age itself impacts on job insecurity, health and well-being. As mentioned above, older workers' labour market positions make them particularly vulnerable to job insecurity. In addition, strong evidence exists of the prevalence of age discrimination (Sargeant, 2001); barriers to re-employment (Heap, 2004); and negative attitudes from management (Itzin, Phillipson, Laczko, 1993; Taylor, 2003) which would each reinforce feelings of job insecurity.

Comparisons between age groups are somewhat complicated by two factors. First, there is a level of heterogeneity within all age groups, and not all segments of the populations follow the same pattern. There is strong evidence suggesting that older workers with qualifications for example, have higher levels of job control and job satisfaction than those who do not (McNair *et al.*, 2004). Second, data on older workers' patterns are affected by the 'survivor factor' (Griffiths, Knight, Nor Mohd Mahudin, 2009). From 50 years of age onward, workers with low levels of job security or job satisfaction will leave the labour market through early retirement routes. Workplace 'survivors' would then report higher levels of job satisfaction than would those who had exited. Understanding these limitations, cross-national data can provide some insight into patterns of work orientation.

Chart 1 shows the differences in perceived job insecurity. Data were drawn from the European Social Survey which asked respondents about the likelihood of losing their jobs within the next 12 months. The chart shows that feeling of job insecurity is U shaped with high levels of concern amongst the younger and older populations.



Job related stress, on the other hand, is an inverse U shape, felt most acutely by people in their 40's and 50's (Health and Safety Executive). The relationship between age, stress and job insecurity is mixed. Using the ESS data only of people who report their job loss to be likely or very likely, the likelihood of stressful working conditions is again mostly U-shaped (although it drops off for the very young and people over 65). People in their 60's who are facing job threat are most likely to be experiencing workplace stress. Similar results are reported also by Milczarek *et al.* (2009), who found that workplace stress was highest for people 40-54. Similar trends were observed for other stress-related symptoms such as overall fatigue, sleeping problems, anxiety and irritability.



This would suggest that the threat of job loss rises as people approach retirement age. Such stress is most likely accelerated by the lack of re-employment prospects. McNair *et al.* (2005) studied job transition patterns and found, while people under 60 were most likely to make transitions for career-related reasons, by the age of 60, transitions were more likely to occur for redundancy than career promotion. Gallo *et al.* (2006) suggested that proximity to retirement increases the probability that job loss would lead to depression. However, Breslin and Mustard (2003) identified the 31-55 year age group as most susceptible, citing the threat of financial hardship as the main causal factor.

Hansson *et al.* (2001) suggested that older workers may have adopted coping mechanisms which reduce the impact (or at least the appearance of impact) of workplace stress on well-being. Such coping mechanisms include setting realistic goals and calibrating stressful situations against previous experiences. He quotes Lazarus (1996) as well, in suggesting that older workers may position themselves in work situations which mitigate stress (for example, not seeking a promotion if it is expected to be denied). Hansson concludes that older workers may exhibit higher tolerances to workplace stress. However, there are some questions over whether such coping is real or just a masking mechanism. McNair (2010) suggests that older workers may hide job deficits such as training needs for fear of being 'caught out' in the workplace. Such a phenomenon could also occur in relation to feelings of job insecurity, with older and more vulnerable workers not willing to voice concern over job threats. Hanson himself notes that older workers' coping strategies could result in some becoming overwhelmed, as problems at work remain unarticulated and unrectified.

There is some evidence to suggest that job control decreases with age, although the consensus seems to be that other factors such as qualifications and job status have greater impact (EFA, 2002; Barnes, Parry, Taylor, 2004). Older workers with high levels of human capital tend also to have a high degree of job autonomy, including on the decision over when to retire, while those with low skills are more vulnerable to being either pushed or pulled from the labour market, or compelled to stay in work for financial reasons (Flynn 2010). D'Souza *et al.*

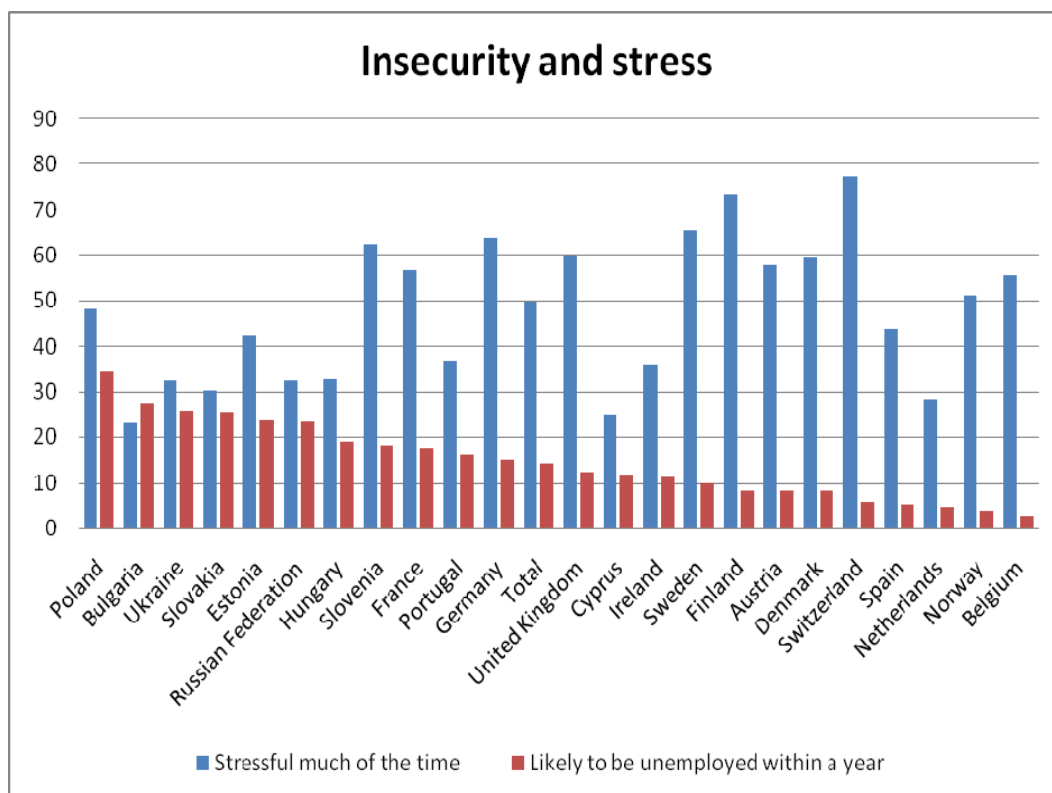
(2005) considered the relationship between job status, job control and mental health. They found that people in higher status jobs had lower levels of depression and anxiety. However, they also found that high job strain was more likely to be associated with depression for high status workers than for lower status ones.

Pension entitlements play a strong role in determining job control, particularly in contexts such as the UK in which the majority of pension funds come from occupational and private sources. Parry and Taylor (2007) noted that people who need to work after the State Pension Age for financial reasons may frame their contexts in terms of work orientation, such as having a strong work ethic, in order to make sense of their labour market positions.

Others, however, have noted that white collar workers have most acutely felt the impact of workplace restructuring associated with globalisation. In a national sample, 60% of British managers had experienced a workplace restructuring resulting in downsizing or outsourcing (Worrall, Cooper, 1998). As Sparks *et al.* (2001) noted, managers who would be assumed to be most in control of their work context experienced job insecurity and loss of morale as a result.

Turning to the impact of national context, variations of older workers' perceived job security would be expected when comparing cross national data. A small number of studies compared age management strategies cross-nationally, identifying the influences of culture (Chiu *et al.*, 2001); institutional regimes (Muller-Camen *et al.*, 2010) and perceptions of age discrimination (Brooke, 2003). European Social Survey data present a picture which would seem somewhat counter-intuitive. On the one hand, the highest levels of job insecurity for people 50-55 is consistently shown to be within Eastern Europe. Somewhat surprisingly, older workers in the liberal market economies of the United Kingdom and Ireland show lower levels of insecurity than France or Germany which both have stronger employment laws than their two European counterparts. Bockerman (2003) suggests that there may be a trade-off between levels of job protection and prospects for re-employment. The Netherlands, Belgium, Switzerland and social democratic countries of Denmark and Finland have the lowest levels of job insecurity.

Surprisingly, the pattern on workplace stress in relation to 50-55 year olds appears to be almost inverse to that of job insecurity. Countries such as Belgium and Switzerland which have the lowest levels of job insecurity also have the highest levels of stress, while many of the Eastern European countries show that workplace stress for this age group is relatively infrequent. There may be a few intervening factors which could explain the difference. Differences in welfare regimes are likely to create differences in perception. Across Europe, national governments are rapidly closing off early retirement routes (OECD 2005) and the impact is most acute in State-funded rather than mixed pension regimes. For example the German government's withdrawal of the *Altersteilzeit* scheme started to be phased out from the beginning of 2010 with older workers expected to work longer before they can retire.



Turning to the impact of gender, the evidence paints somewhat of a mixed picture. Most of the evidence suggests that women are more likely to suffer workplace stress than men (Griffiths, Knight, Nor Mohd Mahudin, 2009). However, some

studies (Cheng *et al.*, 2005; Rosenblatt, Talmud, Ruvio, 1999) suggest men and women in managerial positions are more likely to feel the insecurity associated with potential job loss.

It has been noted that women are more likely to be in high demand/low output jobs, which in turn offer fewer buffers to job insecurity (Bardasi, Jenkins, 2002). Women traditionally have smaller and fewer occupational pensions than men (Dixon, 2003). They also tend to be lower paid and largely work part-time, and their work histories are often interrupted to raise families or care for other relatives (Gough, 2001, Campbell, 1999). They are also more likely to be subject to age discrimination. For example, Duncan and Loretto (2004) noted that employers tend to perceive female workers to be old at an earlier age than men. Such workplace disadvantages can be reflected in health conditions. For example, both Rugulies *et al.* (2008) and Lee *et al.* (2004) have linked job insecurity with heart problems for women, particularly for women with poor job prospects.

The stress associated with combining work and caring responsibilities has also been noted as having a detrimental effect resulting in tiredness and lack of leisure (Hirsch, 2003). It has also been noted that for some older people unpaid caring work is as damaging to health and wellbeing as the worst kinds of paid work, damaging the quality of life of both carer and cared for (McKie, Bowlby, Gregory, 2005; Mooney, Stratham, 2002). Costa and Sartori (2007) noted that women on average see a decline in their workability index from the age of 35, ten years earlier than men, owing to dual home and work responsibilities. Caring responsibilities can also impact on employability (Vickerstaff, 2006) particularly as access to flexible working is more limited for older women with caring responsibilities than younger women with children (Yeandle *et al.*, 2003). That said, women who have had caring responsibilities throughout their careers may, at the end of their working lives, be more adaptable to flexible working as an alternative to retirement (Owen-Hussey, McNair, Flynn, 2006).

Griffiths *et al.* (2009) noted that women are more likely than men to have adopted coping mechanisms for dealing with stress such as verbal expression and positive self-talk. However, as discussed above in relation to older workers generally,

there is somewhat of a fine line between coping and masking. Mooney and Stratham (2002) note that older women with caring responsibilities can tend to let the stress associated with work and home responsibilities accumulate until the point of unsustainability, upon which they may prematurely exit the labour market.

Finally, we turn to the relationship between work contract and job insecurity. There is some contradictory evidence in relation to how permanent and contingent workers perceive their own job security and its impact on their health. Benach and Muntaner (2007) argue that atypical working patterns associated with flexible production can have as detrimental effect on individuals' mental health as unemployment. Like unemployment, atypical work is associated with deskilling, financial insecurity, lower compensation, impaired working conditions and work uncertainty. Kim *et al.* (2006) also note the link between non-standard working conditions and poor mental health, identifying a relationship in men between atypical work and suicidal ideation. Benavides *et al.* (2006) note that temporary workers have higher incidences of workplace injury than permanent workers, in part due to lack of training.

Virtanen *et al.* (2001, 2002) suggest that fixed term workers have better self-rated health than permanent ones. They are less likely to be absent from work for health reasons, although it is also noted that this may be due to them also being less likely to benefit from paid sick leave. Their research, focused on permanent and contingent health care workers in Finnish hospitals, suggest the impact of job insecurity on health is more acutely felt by permanent employees. Virtanen *et al.* (2005) suggest unstable career trajectories can have a detrimental effect on fixed term employees' mental health, but psychological distress can be reduced where the employee is on a career trajectory toward permanent employment.

In conclusion to this section, evidence of the impact of job insecurity on the health of different groups of older workers can support all three models. On the one hand, some evidence suggests that workers in better labour market positions may feel the greatest shock from loss of job security. This can be seen in relation to permanent employees, and perhaps to a certain degree from a cross-national

comparative basis across Europe. Workers in more precarious employment conditions (e.g. older workers, temporary workers, women with caring responsibilities) may have developed coping strategies to manage. On the other hand, there is also strong evidence to suggest a cumulative (but perhaps reversible) impact of precarious employment on health and well-being. Finally, the experience of older workers with high and low skills suggest that control over career trajectories is an important factor associated with health and well-being of older workers. For older workforce, control is particularly manifest in terms of decisions of whether or not to remain in the labour market. Highly skilled workers can either emancipate themselves from jobs with health risks or perform high-value work.

In the next section, we will discuss the specific health risks which have been associated with job insecurity.

Job insecurity and health

Over the past two decades there has been an increase in literature describing the relationship between job insecurity and health. The main drivers for this interest have been technological change, globalisation and privatisation which have changed the nature of work. It has further been noted that job insecurity is gaining attention because it is not only affecting blue collar workers, but managers and professionals as well (Sparks, Faragher, Cooper, 2001). There has been a growth in flexible and contingent work which, as discussed above, may also have health implications. The relationship between insecurity and health may be particularly important in relation to older workers because of their adaptability to technological change. Furthermore, it has been noted that job insecurity is felt most prominently by the youngest and oldest members of the labour market (Burchell *et al.*, 2001). Finally, the main cause of labour market exit before the age of 60 is ill health incapacity (McNair *et al.*, 2004).

As Ferrie (2001) notes, the main focus of most studies has been the link between job insecurity and psychological morbidity, with all but one study establishing a link. Most of the research relies on self-reporting and cross sectional. As Ferrie

notes, one notable exception is the Whitehall II longitudinal study which was able to chart the changes in UK civil servants' self-reported mental well-being during a three year period of privatisation. One of the interesting results from the study was that the impact of *rumours* of the privatisation three years before it occurred had a greater impact on civil servants' mental health than the privatisation itself (Ferrie *et al.*, 1998). Another longitudinal study (Dekker, Schaufeli, 1995) suggests the impact on mental health is cumulative. While the initial shock of a workplace restructuring can have an immediate impact on workers' health, more long-term consequences can result in withdrawal from work and burnout.

In a study of German manufacturing workers, Frese and Mohr (1987) show that unemployment leads to higher levels of depression. They attribute the mental health complaint to the knock on effects of unemployment such as financial problems and 'the daily hassles of unemployment'. Age is not found to be a compounding factor. However, they do note that depression starts to recede either when workers find permanent jobs *or* when they move to full retirement. A second study (Linn, Sandifer, Stein, 1985) found a relationship in men between unemployment, depression and anxiety, with unemployed men more exposed to mental health risk than those employed. However, they also found wide variations within the unemployed group, and surmised that men with strong familial and social networks also had higher self-esteem.

Studies have focused on the issue of job control as the link between insecurity and mental health. Amick *et al.* (1998) used the Karasek job control model to assess the impact of high demand/low control work on women working in nursing homes. Their findings suggested a causal relationship between high strain work, poorer mental and physical health and lower functionality. Decision making latitude was associated indirectly with low strain work, and it was suggested that job control could increase functionality as well as improve health.

D'Souza *et al.* (2005) investigated the relationship between job control, insecurity and mental health. They found that both job strain and job insecurity were independently associated with depression, anxiety and GP visits.

Adams and Flatau used an Australian national longitudinal dataset to measure the change in job security and its impact on mental health as measured by self reporting. They surmised that a one percent change in job security (as measured as likelihood of losing one's job) results in a positive 0.22% change in mental health. Hellgren and Sverke (2003) considered the causal relationship between job insecurity and physical and mental health. While most studies have focused on whether job insecurity causes health risks, they considered whether impaired well being could result in precarious employment. For example, mental health issues could impair a worker's ability to build social networks which could act as a buffer to job insecurity. At the same time, health problems could limit a worker's career development opportunities, leading to high demand/low output employment. They found that the causal relationship between job insecurity and mental health complaints was significant, but that the reverse was not. They also found that there was no significant relationship between job insecurity and physical health complaints. Similarly, Jin *et al.* (1995) argue that more research is needed before the causality between unemployment and adverse health outcomes can be established.

Turning to physiological health issues, an early study of men who suffered job loss determined a relationship between job loss and increased blood pressure. High blood pressure was persistent for men who stayed in unemployment or probationary employment for up to two years, although reduced for those who regained permanent employment (Schnall *et al.*, 1998).

Beale and Nethercutt (1987) looked at the impact of plant closure on the physical health of not only employees, but also family members. Health complaints were measured by GP and hospital visits. They found a strong relationship between physical health complaints and job insecurity. Similar to the findings of Whitehall II study, the threat of redundancy was found to be as large a causal factor in health complaints as the job loss itself.

Further analysis of the Whitehall II study found that job insecurity was associated with higher blood pressure, but only for the female respondents. A study of New York city male blue- and white-collar workers found that older men with at least

25 years work experience in which over 50% of their time was exposed to high job strain (i.e. high demand and low control) was higher both at work and at home (Schnall *et al.*, 1998).

Arber (1996) used British General Household Survey data to chart the impact of inactivity on ill-health. She found that job class has the most significant impact on long-term health problems. Surprisingly, the impact of job class on health was greater for inactive people than for those employed, which would suggest that social differences in relation to health increase after people exit the labour market. In another Whitehall II study, Bosma *et al.* (1997) investigated the relationship between job insecurity and the risk of coronary disease. Over a three year period, measuring new cases of angina, pains across the chest, and any coronary event, he found a relationship between the two for both men and women. Job demand and social support were not found to be associated with the link to heart disease, although job control was. He recommended that policies giving workers a stronger say in decision would contribute to better cardiovascular health.

Kivimaki *et al.* (2001) showed a causal link between workplace downsizing and musculoskeletal problems. They estimate an odds ratio between severe musculoskeletal pain and major and minor downsizing of 2.59 and 5.50 respectively. The likelihood of such health problem increased particularly for women and people on a low income. They attributed the association to increases in physical demands, reduction of skills discretion, and psychosocial factors. Cole *et al.* (2001) similarly found an association between high job strain and musculoskeletal pain, although only in women. In a survey of flight attendants, Lee *et al.* (2002) found that those with lower back disorders were more likely to have high perceived job demand, job insecurity and physical load. Carayon *et al.* (1999) argue that psychosocial factors can contribute to the prevalence of work related musculoskeletal disorders. However, solutions need to take into account both psychological and ergonomic factors simultaneously.

Evidence on the link between job insecurity and lifestyle is mixed. Green and Johnson (1990) does not find a link between the take up or cessation of smoking and job strain, but does find that smokers whose job strain increases are likely to

smoke more intensely. Lee *et al.* (2002) compared the smoking habits of employed and unemployed cohorts in Scotland and found the latter more likely to take up the habit. However, this was considered in part to be influenced by previous social factors such as upbringing. Therefore causality could not be fully determined.

Research on the association between job insecurity and alcohol consumption seems to centre on the ‘spill-over’ theory (Steffy, Laker, 1991) succinctly that poor working conditions drive one to drink. Some evidence is presented which shows temporary workers more likely to be alcohol dependent than permanent workers (De Cuyper *et al.*, 2008); although other researchers question the line of causality (Sikora *et al.*, 2008).

HSE data (Health and Safety Executive, 2009) on workplace injuries suggest that men over 55 are less likely to have workplace injuries than younger colleagues, while for women the reverse is true. It is suggested that older women’s susceptibility to injury may be due to higher rates of blue collar work relative to younger colleagues. The relationship between precarious employment and workplace injury has been studied by Benavides (2005) who found a higher likelihood of injury amongst temporary than permanent employees. However, this was attributed more to the length of service and lack of training rather than to the employment status itself. Barling *et al.* (2003) found that people in high quality jobs (extensive training, variety and autonomy) were less likely to have occupational injuries and higher job satisfaction, which again may indicate that the psychosocial factors are less influential on the prevalence of injury than the training and support provided by the employer.

The evidence on working hours, particularly, shift work, and well-being is not as clear cut as one would assume (Griffiths *et al.*, 2009). Allen *et al.* suggest that the impact of working hours on health may be age related but only for those working very long hours (60 or more) Griffiths *et al.* mention one intervention of veterinarians (Reijula *et al.*, 2003) to reduce long hours by cutting back on-call time. Shields (2002) found that shiftwork for men (both younger and older) may increase the risk of chronic conditions, while for both men and women, night

work was associated with psychological distress. Some suggestions have been made that interventions for older workers should focus on reducing working hours and shifting older workers onto daytime rotas (Costa, Sartori, 2007). Other evidence suggests that impact of shift work may be cumulative (Harma, 1996). Therefore moving an older employee onto day work is akin to shutting the proverbial door after the horse has bolted.

Finally, we were not able to find studies focused on the relationship between job insecurity and work functionality. In terms of intellectual capacity, evidence compiled for the then UK Department for Trade and Industry found consensus that, up until the age of 70 at least, work capability does not decline. For workers over the age of 70, there have been too few studies to reach a conclusion. As people age, the speed with which information is processed declines, but their ability to process large chunks of information increases (Warr, 1994). This has sometimes been posited as a distinction between ‘fluid’ and ‘crystalised’ knowledge (Crawford *et al.*, 2009).

Physical capacity does decline with age, although the decline is not necessarily uniform. The most widespread work-related problems reported by workers aged over 55 years all relate to physical functional capacity, which, due to ageing, tends to deteriorate among workers in this age group. Next in line are general fatigue, along with stress symptoms and headaches, followed by psychosomatic symptoms – such as sleeping disorders, anxiety and irritability (Ilmarinen, 1999). Older workers who have worked in physically demanding jobs may be slower in decline of physical strength than the general population (Schibye *et al.*, 2001). At the same time, few jobs require maximal exertion. Warr (1994) distinguishes between age impaired/ age neutral/ and age enhanced jobs to distinguish between occupations which depend on physical strength (which reduces with age) and mental capacity which may be neutrally or positively affected. Older workers may self-select themselves from ‘age impaired’ jobs by changing workload from physically demanding to intellectually challenging work.

In conclusion to this section, the various studies have identified an association between job insecurity and health and well-being, including both mental and

physical well-being; propensity to injuries, lifestyle, and long hours. While an association with functionality has not been identified, age impacted functionality can impact on older workers' real and perceived employability, particularly during periods of uncertainty such as a workplace restructuring.

In the next section, we will discuss interventions which have been identified for mitigating the negative impact of job insecurity on older workers' employability.

4. Workplace interventions

Ageing workforces have become a focus of international institutions. The impact of ageing demographics on both economic development and older people's social welfare has been identified as a priority issue by the United Nations which calls on governments and social partners to take measures including: identifying and removing barriers to work for the older inactive; promote lifelong learning, healthy living, and access to technology in order to enable extended work opportunities; address issues around the informal labour market which affect older workers' access to social security and adequate working conditions; and foster flexible retirement opportunities (United Nations, 2002, § 28). There is a particular emphasis on protecting older female workers as well as vulnerable older workers who are more likely to be in the informal sector (ibid, action d). The World Health Organization has also identified work opportunities in later life as a component of *Active Ageing* (World Health Organization, 2002); and the International Labour Organization, together with the International Organization of Employers, has convened a symposium of employer organisations to develop strategies for addressing the impact of ageing on sustainable economic growth (ILO, 2009).

Although many countries are facing demographic windows, the issue of ageing populations is particularly important to Europe. As part of the European Employment Strategy, in 2000 the Lisbon Council set a strategy to increase older worker participation in the workforce from 38.8 per cent to 50 per cent by 2010.

The Stockholm Council 2001 called for clearer strategies to extend working lives and reduce early labour market exit. Although the aim is to increase the employability of people aged between 55 and 64, the Council adopted a strategy which targets all generations of employable age, with the objectives of encouraging and facilitating people to extend their working lives. The Council's strategy rests on six pillars which include helping employees avoid early exit; improving job design in later life; removing incentives for early exit from national tax-benefit systems; eliminating age discrimination; increasing accessibility to learning opportunities; and 'developing a social partnership with employers and employee representatives to facilitate longer working lives' (European Commission, 2005).

Because of European initiatives to raise 55-64 year old people's participation rate to 50%, the European Union's research body, the European Foundation for the Improvement of Working and Living Conditions (Eurofound) has become a repository for good practice in relation to age management. There are a few sources of data which are particularly helpful. First, a database of innovative age management practices was developed. Data include HR management policies which have been adopted by organisations of different sizes across the EU. The database is searchable by head office location, organisational size, organisational sector, target worker group and policy area. HR policy areas cover health and well-being, recruitment, training and development, flexible working, health, ergonomics, retirement, and changed attitudes. Second, case studies have been synthesised into country reports which juxtapose employer practices with national government public policy initiatives. Third, synthesised reports have been produced drawing first on the EU-15 (Taylor, 2006) and subsequently on the New Accession States (Mandl, Oberholzner, Dorr, 2006). Finally, a good practice age management guide has been produced which draws on all of the case studies across the European Union (Naegel, Walker, 2006).

Because this is the international report for the Elders project, we will focus on the three cross European good practice guides, but draw on good practices across the

EU. We will focus on four main policy areas which are most directly related to the Elder project's brief:

- Health promotion and workplace design;
- Redeployment;
- Flexible working time;
- Learning and development.

Health promotion and workplace change

Naegel and Walker recommend the following practices:

- studies on health risks in the workplace;
- organisational health reports and working groups on health;
- the use of health experts to advise the organisation;
- employee surveys;
- employee participation and education;
- regular health checks;
- training supervisors and key workers in health management techniques;
- ergonomic workplace (re)design;
- preventive redeployment;
- health-promoting working time arrangements

The emphasis here seems to be on taking a systematic approach to reviewing health risks in the workplace. They emphasise early intervention (for example that health checks should be provided to all employees and not just older workers). They also suggest that employee participation is crucial in order to use the knowledge of older workers.

In reviewing the EU-15 case studies, Taylor noted that Nordic countries put significantly greater emphasis on the issue, with almost all of the case studies from this region featuring a dimension of health and well-being. In particular, he noted that the Finnish National Programme for Ageing which combined public policy initiatives with social partnership derived employer initiatives. By contrast,

only a small minority of case studies from the UK, France and Belgium featured health and safety measures.

It is also worth mentioning that subsequent to this publication, the first two sectoral level agreements on age were reached in Germany: first in Iron and Steel Industry, and subsequently in the Chemical sectors. (Frerichs, Sporket, 2007) The drivers for the initiatives were both the immediate shock of changes to the Block Retirement model (mentioned above) as well as long-term ageing demographic problems in the sector.

Mandl *et al.* (2006) noted that Eastern European governments have developed programmes around occupational health. The main drivers have been the rapidly ageing population and high proportion of the population of people with disabilities. They mentioned particularly an initiative in Estonia known as the Occupational Health Action Plan aimed at encouraging employers to adopt active ageing programmes.

In terms of employer initiatives, two are worth noting. The first is an initiative by Dell Slovakia to build employee networks across age groups in order to foster mentoring and professional communities. Such an initiative would seem to foster support networks and increase work autonomy, particularly for older workers who can share their experience and knowledge with co-workers.

The second initiative was that of Voestalpine Austria, a steel company. Due in large part to a long time freeze in recruitment and early retirement programme to further twenty years of downsizing, the company had a workforce within a narrow age range which was approaching retirement. The company therefore needed to persuade its older workforce to remain in work, and launched a programme to redesign physically demanding work. It also reviewed its night shift policy, identifying detrimental health impact in the form of stress and sleep loss. Work shifts were rescheduled and older workers were given greater discretion to reduce their night work. The company also developed new training programmes to enable workers of all ages to participate in learning.

This initiative is interesting in light of the Elders project remit since the company is addressing the cumulative health risks which have been associated with

continual downsizing. It is reducing the physical expenditure which workers need to put into their jobs in the form of physical strain, and is increasing the benefit in terms of investing in employees' human capital.

Redeployment/job redesign

Naegel and Walker (2006) note that redeployment can be used when, because of changes in functionality, older workers' skills are not being maximised in the job they carry out. They also recommend 'preventive redeployment' (p. 17) which they define as health protection or career development measure. However, they warn against 'sheltered occupation' (or what Japanese employers colloquially define as 'window jobs' that deskill the occupant and have little productivity). They noted that the indicator of success for redeployment was the ability of employees to maintain their level of productivity by using their skills in new ways.

Taylor noted that Western European companies are in some instances scaling back with the use of redeployment, opting instead to redesign their employees' work. This approach reduces the chance for the older worker to be moved to a window job, while improving the job design for the worker and for future occupiers of the position.

Mandl *et al.* (2006) note that redeployment is more firmly embedded in Eastern European workplace culture and has long been a practice to help workers maintain their employability. Redeployment has typically been offered to people with medical issues in order to avoid inactivity.

In regards to employer initiatives, the Slovenian construction company Lip Bed seems to have taken an innovative approach to retaining older employees. From the age of 50, employees can move to less physically demanding work such as mentoring or training apprentices. The programme is meant to enable older workers to shift from using physical labour to mental capital. Although the majority of workers in the company have no formal qualifications, they retain a high level of tacit knowledge which they can apply in productive ways.

The Netherlands' Ministry of the Interior runs a redeployment programme tailored to older white-collar workers. The government department had historically operated an early exit arrangement which employees had come to expect as an entitlement. When it was found that the Ministry had a skills shortage, it closed early exit routes but had simultaneously developed programmes for employee development, mobility and redeployment so that older employees could enjoy a degree of job variety as well as use their skills in different ways.

Flexible working time

Naegel and Walker (2006) argue that flexible working arrangements could offer benefits to both the employer and employee. For the employer, working hours can be tailored to meet business need and reduce manpower during off-peak times. For the employee, flexible working can 'humanise' work by suiting arrangements to the employee's work/life balance needs. They also note that where an employee can reduce his or her working hours, full retirement could be delayed. Finally, the provision of flexible work opportunities could enhance the employer's social image, for example by being known as a family friendly firm.

Taylor argues that Western European businesses are largely embracing flexible working because such arrangements are generally consistent with their vision of a flexible labour market. He notes in particular that in the UK, employer groups and think tanks have lobbied for an increase in the State Pension Age (although the main business organisation, the Confederation of Businesses and Industry has also lobbied for retention of mandatory retirement). Even if the danger of flexibilisation leads older workers into a contingent workforce paradigm, he also notes that many employers are adopting a lifecourse approach to flexible working, and allow workers of all ages to have access flexible arrangements when they need them.

Likewise, Mandl *et al.* (2006) note that Eastern European States are moving towards more flexible labour markets, and flexible working is consistent with governments' and employers' policies. However, many of these countries have traditionally had workplace cultures in which flexible working hours were

provided on the basis of individual agreements basis between employees and their manager.

In terms of innovative practice, a UK telecommunication company has developed a flexible work initiative in order to encourage older workers to delay retirement. The programme enables participants to reduce workload under a number of schemes known as ‘wind down’ (to work on a part-time or job-share basis); ‘step down’ (to reduce work responsibilities); ‘time out’ (to take a sabbatical); ‘helping hand’ (to pursue charity or community work); and ‘ease down’ (to reduce working hours in the twelve months prior to retirement). The company involved the recognised trade unions in developing and implementing the flexible work policy. The telecommunication company’s policy is somewhat novel in that it offers a variety of flexible work arrangements as organisational policy rather than limited to individual accommodation between an employee and his or her line manager.

Aalborg University similarly adopted a range of flexible work arrangements as alternatives to retirement. Knowledge retention was seen as the main driver, as the university identified a large number of staff who had key and unique skills. As with the telecommunication company Aalborg University offers employees both the opportunity to reduce working hours and reduce responsibilities. Also similar to the UK firm, the trade unions were involved in policy development.

Lifelong Learning

Naegel and Walker (2006) emphasise the importance of lifelong learning for both the employer and employee. For employees, learning provides adaptability skills. Hall Mirvis (1995) conceptualised older workers’ skills needs in terms of identity development (realising one’s skills and unique knowledge) and heightened adaptability (being able to use those skills in new ways, and perhaps in different jobs. Likewise, Naegel and Walker (2006) argue that employers can benefit from offering training and learning opportunities to older workers by being able to use skills within their workforces in different ways. They also note that learning can foster knowledge sharing and form a part of a company’s knowledge management system.

Taylor observes that many Western European countries still operate within a skills deficit paradigm, focusing learning opportunities on younger people while making little arrangement for retaining and enhancing older workers' skills. He notes that such an approach is unsustainable within a context of retaining older workers longer. Nevertheless, he notes a number of employer initiatives which are developed in order to enhance workers' abilities to work on different tasks.

Mandl *et al.* (2006) note that participation rates in learning vary significantly between member states. Slovenia has the highest participation rate. Almost 16% of men and 20% of women between 25 and 64 are involved in training. The government actively promotes learning through workplace campaigns.

Motherwell Bridge in Malta is a small metalworking company, but it offers an interesting example of an organisation linking lifelong learning with mentoring. All employees are trained in health and safety, skills, and technical training. During training sessions, older workers are actively involved in delivering training by passing their skills on to younger colleagues while learning new ones. All employees' skills are updated in order to maintain efficiency.

The approach to intergenerational learning has also been adopted, though on a much larger scale in BMW as part of its 'Today for Tomorrow' initiative. BMW in Germany has developed a comprehensive programme for making its workplace age ready through changes to the assembly line, adaptation of new recruitment strategies, it has also invested 200 million euros in new learning initiatives. The company delivers training through workplace learning and mixed age groups. Work teams were given discretion on how their learning would be carried out. It was noted that, 'the experienced staff members passed on their wealth of knowledge to the younger employees and, conversely, the experienced employees could obtain new technological and methodological know-how from their younger colleagues'.

5. Conclusion

The brief of the Elders' project is to identify the impact of workplace restructuring on older workers' health and well-being. The weight of evidence suggests that the job insecurity associated with workplace restructuring does have a negative impact on older workers in terms of the shock of job loss; the imbalance of effort and reward; and loss of job control. The literature suggests that there are particular health risks associated with job insecurity:

- Mental health risks;
- Cardiovascular disease;
- Musculoskeletal problems;
- Injury;
- Poor lifestyle habits;
- Decreased functionality.

In addition, attention must be paid to the impact of job insecurity on different groups of workers, particularly age, but also gender, qualifications and job class, and employment status.

The Eurofound case studies of good age management practice provide examples of how the negative impact of job insecurity could be mitigated through social partner initiatives. The focus was on four policy areas which could buffer against precarious employment, increase work reward or increase job control: healthy living to mitigate the impact of job loss on older workers; flexible working hours to enhance work reward; and job redeployment and lifelong learning to enhance adaptability.

Part II

New risks and psychosocial issues related to stress at work

1. Work-related stress: an overview

Introduction

The term 'Stress' has become a buzzword in contemporary society. It does not only describes a series of 'aches and pains' or as Cartwright and Cooper (1997:1) argues 'a vague yet often sense of disquiet', but a legitimate concern of our modern way of life. According to Wainwright & Calnan, stress is indicative of the natural limit of human endurance and resilience (Wainwright & Calnan, 2002) and is part of life, inevitable, good and bad, constructive and destructive. According to several estimates, the cost of this phenomenon for companies and individuals all over the world is very high. Studies suggest that between 50% and 60% of all lost working days have some relations with work-related stress (Cox, Griffiths, & Rial-Gonzalez, 2000). This has significant implications as far as economic performance and human distress are concerned. In 2002, the European Commission reported that the yearly cost of work-related stress in the EU15 was EUR 20,000 million each year (Levi L., Levi I., 2000).

All kinds of work generate stress to different degrees and people tend to associate stress with something bad. A certain amount of stress is not necessarily bad and can enhance job performance for some people (Luthans, 2002, 411). Getting a new supervisor or being transferred to a new position are examples of potentially stressful events. Such events are not necessarily negative since often can lead to new and better ways of doing their work (Weiss, Ilgen, Sharbaugh, 1982, 64).

People who work in jobs such as sales, journalism, or television and are subject to time pressures often benefit from moderate levels of stress (Forshaw, 2002, 75).

Stress has become a major problem of our time, affecting the individual and the organization where the individual works. A study conducted among 15,800 workers from EU Member States found that, after back pain (33%), stress (28%) and fatigue (23%), are at the second and third place, respectively, among the most frequently reported problems as far as health at work is concerned (Schaufele, 2003, 1; Sutherland, Cooper, 2000, 23). According to OSHA (OSHA, Web dossier on stress) «the number of people suffering from stress-related conditions caused or made worse by work is likely to increase. The changing world of work is making increased demands on workers, through downsizing and outsourcing, the greater need for flexibility in terms of function and skills, increasing use of temporary contracts, increased job insecurity and work intensification (with higher workload and more pressure), and poor work-life balance».

Changes such as cross-border mergers, joint ventures between organizations across national borders resulting in restructuring, staff re-allocation, job redesign, re-allocation of roles and responsibilities are very frequent nowadays and are often accompanied by job insecurity, clashes between different corporate cultures and managerial styles, and stress of employees is a very likely consequence.

It is foreseen that, due to an increasing workload associated with a decreasing labour force in a context of rapid change, corporate stress will be an issue to be tackled also in the near future. The pressure from globalisation of markets, particularly in the private sector, could inhibit individual control and autonomy over work organisation, health and safety at work, methods of production, distribution, and remuneration, thus provoking stress (Cartwright, Cooper, 1997, 3).

Stress and burnout

The etymological origin of the term 'stress' is related to the Latin word *stringere*, which means tightening. Stress was a common term since the 17th century: it was used to depict situations of intense difficulty or sorrow (Cartwright, Cooper, 1997,

3). There is a rich literature about the meanings of stress and work stress. Luthans (2002, 396) argues that stress at work can be considered an 'adaptive response to an external situation which causes physical, psychological, behavioural and organizational deviations for organizational participants. Moorhead and Griffin (1989, 193) define stress 'as a person's adaptive response to a stimulus that places excessive psychological or physical demands on that person'. Both definitions entail that individuals, when exposed to certain stress factors or 'stressors', react in a way that can generate stress (taking into account that individuals react differently when exposed to stress). A stressor can be physical, psychological or psychosocial:

- Physical conditions include environmental pollutants, environmental pressures, such as temperature changes, prolonged exercise, injuries and other trauma to the body, and exposure to disease;
- Psychological stressors refer to the individual thoughts, feelings, and concerns as a reaction from the environment;
- Psychosocial stressors are those that result from interpersonal interactions, e.g. those deriving from bad relations with colleagues at work or social isolation.

In a nutshell, a stressor can be defined as any stimulus perceived as a threat by individuals (Cotton, 1990, 28). Whatever it be the nature of the stressor (or stressors), this becomes stress when perceived by individuals as disproportionate compared to ones' own reaction capability or too difficult to handle.

Stress is commonly associated to negative events. According to the literature, this is called negative stress or distress. However, psychologists acknowledge also the existence of a positive stress, called eustress, (deriving from the Greek prefix 'eu' which means good). A marriage or a promotion in the workplace are examples of eustress (Moorhead, Griffin, 1989, 195).

Luthans (2002, 396) also points out what stress is not:

- Stress is not simply nervous tension. Nervous tension, like anxiety, may result from stress, but they are not the same. Some individuals may keep their stress 'bottled up' and therefore not display any nervous tension;

- Stress is not simply anxiety. Anxiety operates solely in the emotional and psychological sphere, whereas stress operates in both the aforementioned spheres, and also in the physiological sphere. Stress may be accompanied by anxiety, but the one should not be equated with the other;

- Stress is not necessarily something damaging, bad, or to be avoided. Eustress is not damaging or bad and is something individuals should seek out rather than avoid. Everyone will experience stress. The important issue is how the individual is able to handle stress. Distress, however, should be prevented or effectively controlled.

In this context it is important to clarify the relation between stress and burnout.

Maslach sees burnout as a psychological syndrome that occurs in response to chronic interpersonal stressors at work (Maslach *et al.*, 2001, 400). According to this author, burnout is associated with three factors: depersonalization, reduced sense of personal fulfilment and emotional exhaustion. Depersonalization refers to the interpersonal dimension of burnout, and can be described as a too detached or negative response to various aspects of the job (Maslach *et al.*, 2001, 402). People begin to lose interest in things around them (Forshaw, 2002, 75). They often lack sympathy for colleagues in their environment and can be described as emotionally flat. The second component is reduced efficacy or accomplishment (Maslach *et al.*, 2001, 402). It refers to feelings of lack of performance and productivity as well as perception of incompetence at work. Exhaustion is the basic individual stress dimension of burnout. It describes the feelings of being overextended and depleted of emotional and physical resources. Burnout can therefore be considered an extreme consequence of a long term stressful situation.

Occupational health psychology

Health psychology, and particularly occupational health psychology, is one of the disciplines which devote significant attention to the study of work related stress. Forshaw (2002, 1) defines health psychology as ‘the study of how thoughts, feelings, and behaviours stem from, interact with, or cause, physical or mental efficiency, efficacy, comfort and wellbeing’. Occupational health psychology

involves the application of both public health and health psychology to occupational settings. Tetrick and Quick (Quick, Tetrick, 2002, 4) state that ‘(T) the purpose of occupational health psychology is to develop, maintain, and promote the health of employees directly and the health of their families’. It achieves this goal by incorporating the preventive and therapeutic interventions developed to create safe and healthy working environments. In this context, health is intended in a broad sense.

Tetrick and Quick state that health, as defined by the World Health Organization in 1946, is not just the absence of disease but a state of complete physical, mental, and social wellbeing and should be viewed as ‘resource for everyday life, not the object of living’. Health is seen as ‘a positive concept including social and personal resources as well as physical capabilities’ (Quick, Tetrick, 2002, 4).

In order to appreciate the challenges facing occupational health psychology, the nature of stress and the most relevant causes occurring in the workplace will be examined in the following paragraphs.

2. Restructuring and job insecurity in the current scenario: psychosocial and economic causes of stress at work

Main stress factors

As outlined in the first chapter, restructuring is a massive trend affecting European economies particularly in the early 90s and over the last two years. In this context, research on occupational health has increasingly focused on causes of stress in organizations, i.e., work insecurity, role ambiguity, working time, management approaches and autonomy at work. The paragraphs below illustrate in more details the main stress factors that are more frequently described in the literature.

Work insecurity

The term employer or workplace flexibility is used frequently in all business circles, although it has a plethora of meanings and contexts. At the workplace level, ‘flexibility’ refers to:

- a *numerical flexibility*, which refers to ‘the ease with which the number of workers employed can be adapted to meet fluctuation in demand’ (EIRR, 1985). It embrace a wide range of phenomena, i.e. the downsizing of firms, the replacement of worker whose skills has become obsolete, and new form of employment, such as temporary work;

- a *functional flexibility*, which refers to ‘the ease with which the tasks carried out by the employees can be adapted to changes in demand’ (EIRR, 1985). Employers’ ability to move employees from one task to another, or to change the content of their jobs (job rotation, multi-skilling, retraining...) are related to this kind of flexibility;

- *wage flexibility* concerns the extent to which management is free to alter wages in response to changing labour market or competitive conditions;

- *temporal flexibility* refers to the possibility of adjusting the amount of labour utilized in accordance with cyclical or seasonal shifts in demand by varying the numbers of hours worked in a day week or a year.

While there are arguments that employer flexibility and worker security, i.e. flexicurity, can be achieved simultaneously (European Commission, 2006), others argue that in most cases employer flexibility can only be achieved through worker insecurity (Standing, 1997). It might indeed be true that each of the forms of flexibility mentioned above are potential sources of insecurity, particularly for vulnerable workers such as elderly employees.

Standing (1997) refers to several forms of insecurities. These include employment insecurity, work insecurity, working time insecurity, income insecurity, job insecurity, and labour market insecurity. ‘Employment insecurity’ is connected to circumstances where norms on hiring and firing are not strict and employers can arbitrarily dismiss or layoff workers without significant consequences. ‘Work insecurity’ refers to the lack of regulations (or regulations’ enforcement) in the

workplace, causing risks on employees capability to continue to work (due for instance to health and safety issues). ‘Income insecurity’ occurs when wages are not fixed or when payments are not ensured or regular. ‘Working time’ insecurity is connected to circumstances when the employer is able to oblige employees to work at irregular hours or at different time than foreseen without significant implications (if any). ‘Job insecurity’ is related to the employer’s possibility to move employees from one job to another or arbitrarily modify their job specifications or type of work. ‘Labour market insecurities’ occur when there is an excess of workforces supply and the likelihood of a fixed employment is scarce.

Work insecurity is a significant typology of work-related stress, since it can be extremely harmful for employees’ psycho-social well-being. This stressor can easily lead to an high degree of anxiety among those individuals experiencing situations in which there is uncertainty about the possibility of layoff, change of job profile, effects of organisational change. Several studies have demonstrated that there is a direct relation between work insecurity and increase in absenteeism due to illness, reduced motivation and commitment toward organisational goals and related duties, worsened quality of work (Sparks, Faragher, Cooper, 2001, 490).

Working time

Working time has proven to be a stressor particularly in certain occupations which require either night work or long working hours. There are evidences of the link between the incidence of pathologies such as coronary heart diseases and night work. Even when the consequences of shift work are not so extreme, there are negative implications of shift work on blood temperature, metabolic rate, blood sugar levels, mental efficiency, and work motivation. In the long term, the consequences can be chronic fatigue, nervousness, and depression (Sparks, Faragher, Cooper, 2001, 493). Flexible working hours have been found to have both advantages and disadvantages (Sparks, Faragher, Cooper, 2001, 494). Some of the advantages include lower stress levels, increased job enrichment, morale

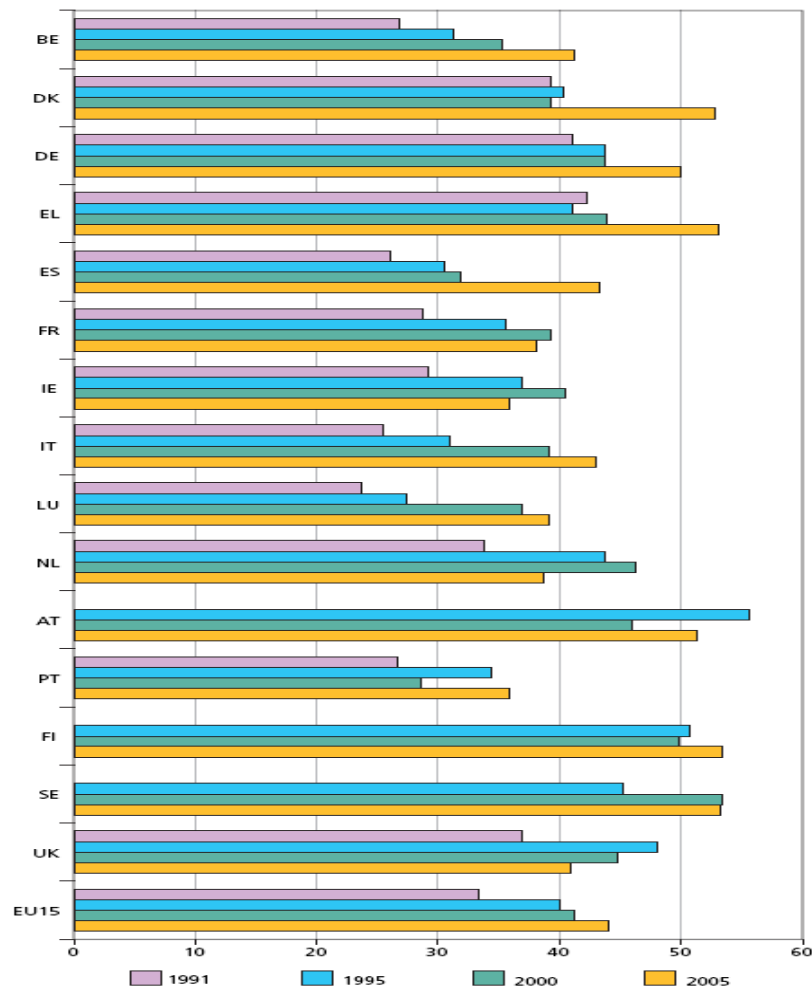
and autonomy, reduced absenteeism and tardiness, and improved job satisfaction and productivity. Disadvantages include increased costs, problems with scheduling and work co-ordination, difficulties in supervising all employees due to differing work hours, and changes in the organizational culture.

Moreover, one has to consider that the issue of working time is more and more important a) in recent years and b) in restructuring processes.

Research demonstrates that there is a relation between working time and restructuring processes. In many organizations experiencing restructuring and downsizing there is an increase in the number of working hours (Cartwright, Cooper, 1997, 15).

According to the European Foundation for the improvement of Living and Working conditions research (2005), figures indicate that, at European level, work intensity has been increasing.

Figure 4: Evolution in work intensity, EU15, 1991-2005



Note: Austria, Finland and Sweden, being outside the EU in 1991, were not included in that year's survey. Data for 1991 cover EU12 only.

This means not only that the working time has augmented in the EU15, but also that the pace of work perceived by employees has increased.

Role ambiguity

Role ambiguity is connected to uncertain or conflicting information on employees role and duties and blurred role expectations. In contexts with high role ambiguity, employees are not able to determine precisely what is expected from them and what to prioritize in their work. Individuals who experience role ambiguity are more exposed to stress jobs (Jackson, Schuler, 1985). Role conflict is related to conflicting role expectations. Employees experiencing such situations

will have to tackle contradictory expectations or conflicting requests formulated by colleagues and supervisors. Role ambiguity is a stressful experience which might provoke stress among employees (Jackson, Schuler, 1985).

Management approach

Research shows that management style may have a profound impact on workers' welfare (Sparks, Faragher, Cooper, 2001, 501). Due to their role and responsibilities, managers may provoke stress in their subordinates, be it intentionally or unintentionally. There is a rich literature about management styles and how different styles (authoritarian, democratic, or laissez-faire) have implications on employees (one may quote for instance the work of Kotter, Schlesinger, 1979). The consequences of management styles which are perceived negatively by employees are rather evident: employee's perception of stress and augmented pressure are likely to increase. Moreover, a negative management style is more likely to take place when managers themselves are under pressure (Sparks, Faragher, Cooper, 2001, 501).

On the other hand, also managers are at risk of stress, given the fact that they often have to take decisions bearing significant implications in short time and they are likely to be blamed for the consequences of such decisions. When mergers among companies take place, managers are often considered as the responsible of the negative consequences that such situations have for employees. For instance, workers of a company that experienced a restructuring process were reported to be highly 'stressed' due to 'feeling overworked, under pressure, hurt by the organization, bitter and aggressive towards management' (Campbell-Jamison, Worrall, Cooper, 2001, 46).

Autonomy at work

According to the existing literature, autonomy at work or perceived control is a fundamental element of individuals' experience at the workplace. This concept is defined by Luthans (Luthans, 2002, 275) as the extent to which employees feel that they master their lives and their work (either directly or indirectly) in order to

make their environment more rewarding or less threatening. In the specific context of the workplace, autonomy is related to the level of freedom in reaching organisational goals or in performing certain tasks (Theorell, 2002, 204). Perception of control and autonomy has direct and positive implications on workers motivation and ultimately wellbeing at work (Sparks, Faragher, Cooper, 2001, 498).

Several studies dealing with this issue have focused on organisational setting, time control, decision-making within organisations, human and material resources control (Troup, Dewe, 2002, 338).

Perceived loss or denial of control is a potential stressor, which is often associated to merger and acquisitions (as it is the case with several of the stressors described above). These circumstances are perceived as particularly stressful since in the large majority of cases employees are not psychologically prepared to tackle them and tend to be pessimistic even before the actual change happen. Moreover these are typical examples of perceived loss of control over organisations (Cartwright, Cooper, 1997, 33).

3. Effects of stress on individuals and organisations

A theoretical model

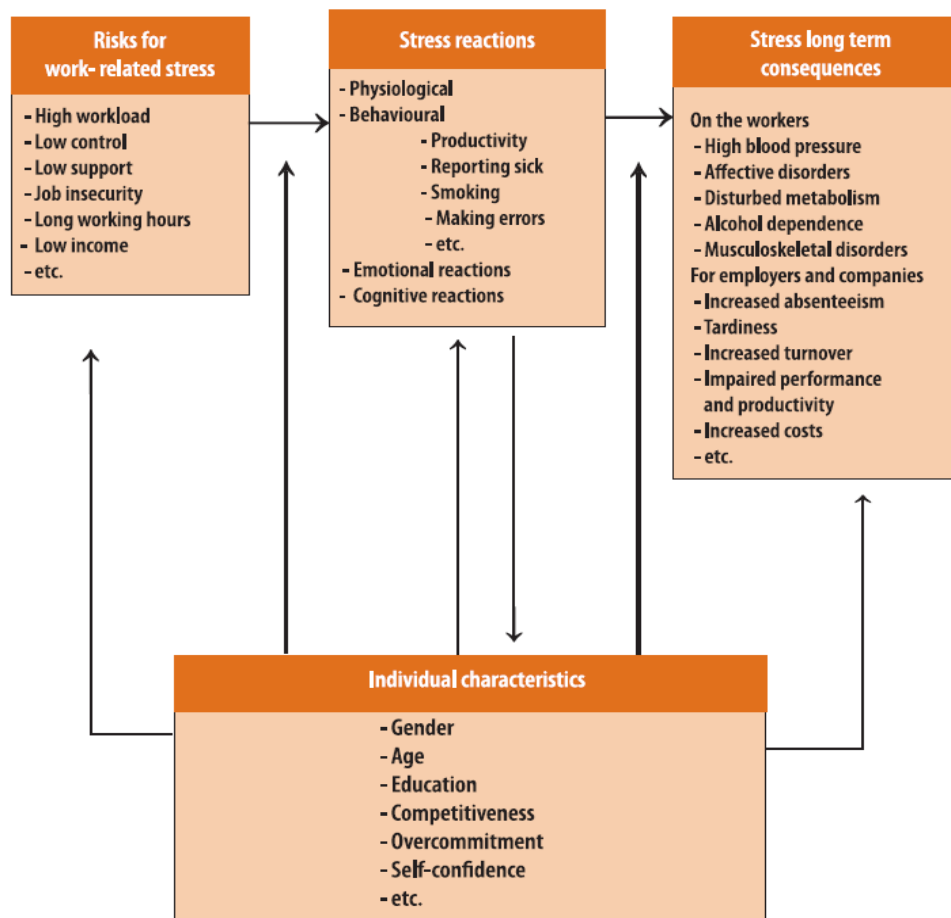
There are several consequences of stress, both at individual and organisational level. Organisations witness increased levels of absenteeism and staff turnover, while individuals may react quite differently to stress, either at physical, psychological, or behavioural level. Of course different reactions are related to the ability of individuals to cope with stressors and stressful situations.

Several approaches and theoretical models have been elaborated in order to clarify the links between causes and consequences of work-related stress. One is presented in the following Figure (European Foundation for the Improvement of Living and Working Conditions, 2007, 3). In addition to the causes of stress which have been illustrated earlier, this approach also takes into considerations

individual characteristics (such as personality, values, goals, age, gender, level of education, and family situation) the might affect their perception of the expectations from them and their working environment; the kind of responses to stress which might be triggered and how powerful those responses might be; the long term consequences of such stress reactions for the mental and physical well-being of employee and, as a result, for the performance of the entire organisation.

«Physical and psychological characteristics, such as physical fitness or a high level of optimism, may not only act as precursors or buffers in the development of stress reactions and mental health problems, but may also change as a result of the effects. For example, if workers are able to deal with risk factors at work, they will be more experienced and self-confident in overcoming similar situations the next time they have to face them. On the other hand, stress reactions, like fatigue and long-term health problems, will often reduce a person's ability to perform well, and thus aggravate the experience of stress, which will ultimately result in exhaustion and breakdown» (European Foundation for the Improvement of Living and Working Conditions, 2007, 3-4).

Figure 5 : Model of causes and consequences of work-related stress (European Foundation for the Improvement of Living and Working Conditions, 2007)



However, it is important to point out that the links between causes and consequences of work-related stress are not linear neither have to be analysed in a mechanistic way. The following paragraphs illustrate more in detail some of the most common consequences of stress for the individual.

Physical effects

There is a great body of evidences on physical implications of stress for the individuals' health. Luthans (2002, 412) summarizes these implications as follows:

- Musculoskeletal system pathologies, e.g. headaches and tension;
- Reduced functionality of the immune system, determining a lowered capability to neutralize infections and illnesses;

- Cardiovascular system problems, such as heart diseases or increased blood pressure;
- Problems for the gastrointestinal system, such as constipation and diarrhoea.

These consequences threaten not only individual health, but they also have an impact on organizations. The British Heart Foundation Coronary Prevention Group calculated that 180000 individuals die every year in the U.K. due to heart disease, and that this disease provoke 70 million lost working days to industry and commerce (Cartwright & Cooper, 1997, 10). Even though not all heart disease can be related directly to stress (and particularly stress at work) the consequences of health problems affecting the workforce due to stress at work for organisations are unquestionable.

Psychological consequences

While several studies demonstrate the effects of stress on physical health, the psychological consequences of stress are less investigated (Luthans, 2002, 413). Nevertheless, Mental problems deriving from stress may have consequences on organisational functioning and employees well-being which are comparable to physical effects.

Psychological consequences of stress include for instance frequent and sudden mood changes, annoyance, depression, apprehension, nervousness, powerlessness, bad temper, touchiness and boredom (Dormann, Zapf, 2002, 34).

Typical reactions from individuals with psychological problems to stressful situations include: hostile, negative and destructive actions, such as damages, unjustified quarrels or complaints, violence (Chen, Spector, 1992, 181). Also in this case mental problems and negative reactions of individuals often take place in the framework of downsizing or restructuring processes (Greenglas, Burke, 2001, 3).

Finally, there are documented effects of psychological problems associated with stress on employees performance, decision-making, and satisfaction amongst others. (Luthans, 2002, 413).

Behavioural problems

Behavioural problems which are connected with stress include exhaustion, increased attitude to drugs, alcohol or smoking abuse, undereating or overeating. Also the likelihood of accidents in the workplace and violence increases in relation to stress: stressed employees may be quarrelsome, obstinate, or argumentative. Alcoholism is often a way of dealing with stress leading to absenteeism and job turnover (Luthans, 2002, 414). Chen and Spector (1992, 182) discovered that a frequent reaction to stress at work was the intention to change employment or staying away from work. However, according to Moorhead and Griffin, a behavioural pattern of avoidance is also a likely reaction in stressful situations. In this case individuals behave in a passive manner, avoiding all situations which might turn out to be troublesome, be them important or not, up to the point of being immobilized (Moorhead, Griffin, 1989, 204).

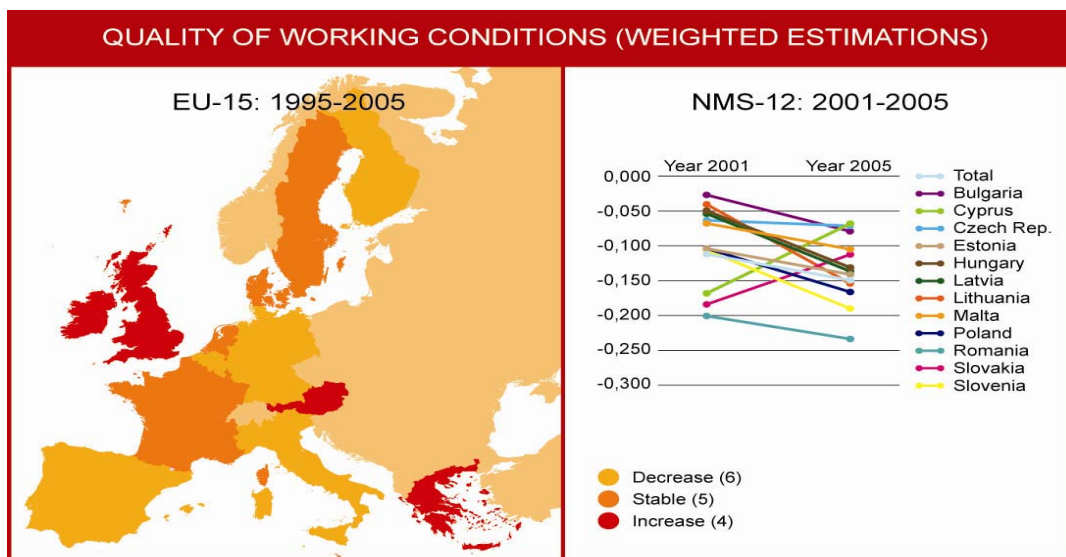
The reduced physical and mental health of stressed employees might have negative implications for the organisations not only in terms of absenteeism, increased personnel turnover and decreased productivity (see the initial paragraph of this chapter). There is also the problem of presenteeism defined as ‘lost productivity that occurs when employees come to work but perform below par due to any kind of illness. While the costs associated with absenteeism of employees has been studied extensively, the costs of presenteeism is newly being studied.’ (Levin-Epstein, 2005, 1). Presenteeism seems to be especially prevalent among workers experiencing stressful situations (Hemp, 2004, 7).

4. Aging and age-related psychosocial problems***Restructuring and elderly employees***

As mentioned in the first chapter, the issue of restructuring is featuring the transitions of the European economies over the last decades and is even more important in the current economic scenario. At the same time, due to demographic changes such as the aging population and the aging workforce, and along the lines

of current policies aiming at fostering active citizenship, lifelong learning and quality of work, there is a need to focus on older workers, which are increasingly to be considered a key asset to European Competitiveness. Older workers are more likely to be affected by restructuring processes and economic crisis, and these processes can be extremely stressful and affect their well-being. A growing body of international evidence indicates that organizational restructuring can have profound adverse effects on worker safety, health and wellbeing, e.g. in terms of poorer mental health outcomes, sickness absence and stress, particularly for older workers. In addition to direct health effects, restructuring is associated with considerable problems in terms of compliance with occupational health and safety (OHS) legislation and workers' compensation/social security systems. All these changes hit the most vulnerable population groups, including the older workers, particularly hard, in a context where also the quality of working conditions is decreasing in many countries (WORKS-Work Organization and Restructuring in the Knowledge Society, 2009) The following image illustrates this trend.

Figure 6. *Source rattling the Value Chain: Work in the Age of Flexibility*



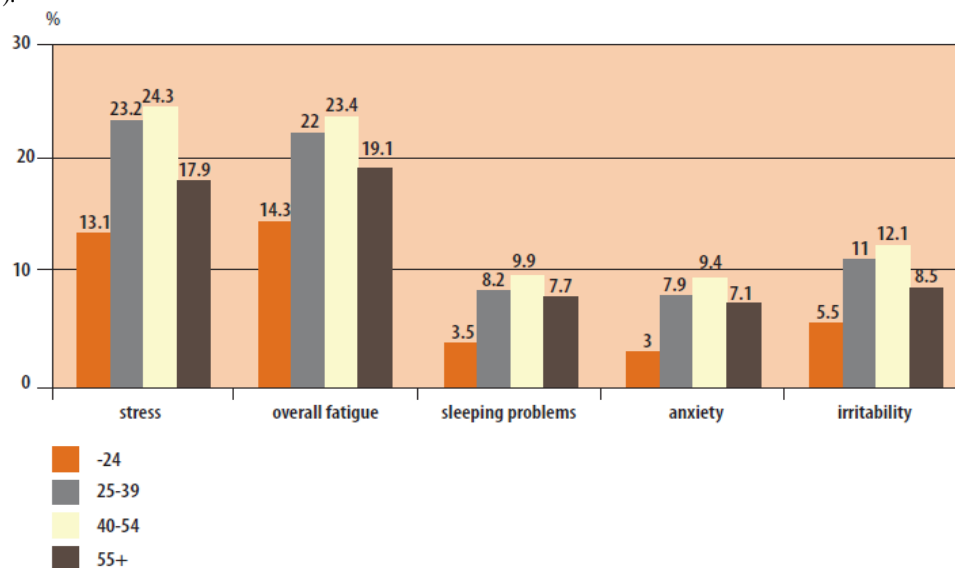
In particular, elderly employees are among the most exposed groups to job insecurity. The current trend, where organizations are restructuring and downsizing, has led to an increase in the level of perceived job insecurity

particularly among elderly employees all around the world. Not only blue-collar employments are affected, but also highly skilled, highly paid graduate employees are concerned with restructuring and downsizing. In the past, the workers that were laid off were mainly male, young, blue-collar workers (Greenglass, Burke, 2001, 1). According to the European Commission strategic report *Improving quality and productivity at work*, some categories of workers, particularly younger and elderly workers, workers whose jobs are insecure and unsafe, migrants, are still overexposed to occupational risks such as stress at work.

The findings of Burchell *et al.* (Sparks, Faragher, Cooper, 2001, 491) are consistent with the European commission report argumentations. These authors argue that the youngest and the oldest employees of an organization experienced high levels of employment insecurity and related stress.

The fourth European working conditions survey corroborates these outcomes (European Foundation for the improvement of Living and Working conditions, 2005). As regards to the relation between work-related stress and age, the graph below shows that, in 2005, stress was more often reported by 40-54 years old workers.

Figure 7: Workers (%) reporting stress, overall fatigue, sleeping problems, anxiety, and irritability by age (2005).



Source: European Foundation for the improvement of Living and Working conditions (2005) 4th European Working Condition Survey.

Along these lines, the report *Age and working conditions in the European Union* (2006) of the European Foundation for the Improvement of Living and Working Conditions illustrates the results of a research dedicated to occupational risks of elder workers in Europe. The summary provides the main results of the study.

Physical demands of work

Even though physical demands of work primarily concerns the youngest workers, these demands are becoming greater for workers in the intermediate age range (35-44 years). The oldest are still ‘protected’ to some extent from these demands, but the opportunities to be shielded from them are reducing. Furthermore, exposure to these demands is very often accompanied by osteoarticular pain: of the workers who carry heavy loads, 70% of the men between the ages of 45 and 54 and 80% of women over the age of 50 suffer from back problems.

Shift and night work

The proportion of shift workers drops significantly from the age of 45, indicating a continuing trend to return to more ‘normal’ working hours. Workers who find it difficult to tolerate these working hours are increasingly giving up this type of work, and those who remain frequently suffer health problems: approximately one third of men between the ages of 45 and 54 who continue to do shift work with night shifts say that they suffer from sleeping problems connected with their work.

Intensification of work

The ‘dual constraint’ (commercial and industrial) on the pace of work also seems to depend on age, with the proportion of employees concerned falling considerably after the age of 35.

It is also a source of problems at work for those who have not been able to avoid it: the proportion of employees who are under the ‘dual constraint’ who consider that ‘they do not have enough time to do their work’ is always higher than when

the industrial constraint or the commercial constraint is present alone and this increases with age up to the age of 55 (rising from 26% to 31%).

Access to new information technologies

In 2000, as in 1995, the proportion of those who say that they never use information technology at work rises steeply after the age of 45. However, this proportion of workers was less in 2000 than it was in 1995. The access to new technologies of workers over the age of 45 appears to have improved to some extent, indicating the greater spread of information technology through the generations.

Development of skills and task rotation

According to the European Foundation, there are still age differences in relation to training opportunities. One of the findings of the European working conditions survey 2005 is that the older employees get, the more they feel that their work does not enable them 'to learn new things'. Moreover, Task rotation between colleagues becomes considerably rare over the age of 45.

Part III

Age-related loss of skills and ergonomic issues

1. Context

During the last years, the average age of people in the workforce is getting higher, with increasing numbers of middle-aged and older workers employed in many different jobs. For this reason the Lisbon strategy has set the goal to increase the participation rate of 50/64 category of workers (European Council, 2000).

Many are the reasons of the increase of the average age of workers. First of all older workers are healthier and more able from the cognitive point of view compared to the past. In addition many workers prefer to stay employed. However there are some kinds of jobs, mainly the ones that require physical attitudes or those that are carried out in dangerous working conditions, for which workers can become too old for the position at early ages of their working life.

Contrarily to the past, when companies could replace old workers with younger ones, nowadays it is necessary to readapt work to aging workers. The problem here is that older workers cannot perfectly replace the younger ones because the former were trained many years ago and their education may be not sufficient especially in fields undergoing rapid technological change (Johnson, Kawachi, 2007).

In addition older workers take longer to learn new skills, make more errors in the process of learning and are less self-confident in using what they learnt. Therefore they should constantly update their skills.

Currently, many older workers keep their job with which they are familiar and for which there is few demand by younger people. Another situation sees old workers

with considerable experience on the job and who have developed problem-solving abilities that compensate for the decline in other important skills such as cognitive ability. Finally, an old worker may gain the support and assistance of other co-workers that compensate for his cognitive decline.

Research on older workers has shown more variation within age group than among age groups. That is, differences on performance depends more on the specific person than on the age. Additionally, research has shown that changes in physical and cognitive ability and personality have little effect on performance except in the most physically demanding tasks. For instance finger ability diminishes as people become older and numerical ability, the capacity to learn new concepts, and intelligence in general peak by age 35 and then decline (Skirbekk, 2003).

As previously stated, declines in mental efficiency can be compensated by the knowledge acquired during the years, the good verbal and better decision making abilities. However, studies have not found a significant relation between age and work performance, even if there is a general consensus that changes related to age occur in the 30s and 40s without a rigid demarcation.

In this context it is possible to help aging workers manage physical demand and maintain their capacities by introducing improved design of tools. These tools are expected to benefit all ages.

2. Aging and Ergonomics

Ergonomics concerns the design of jobs equipment and environments to match the capabilities and limitations of people. The design of tools has been recognized as a facilitator or constraint for work performance of employees. Finally, ergonomic job redesign, which fits the physical work environment to individuals, is a preventive method to improve employees' health in the workplace (Kroemer & Grandjean, 1997). Indeed ergonomics can be important for older workers because a better workstation design can prevent physical decline and enhance their

employment opportunities, in particular where computer is necessary. An investment in ergonomically preventive measures can help reduce employee physical discomfort and improve workstation performance. However, in some cases older workers may value other aspects of the job such as security or benefits. Finally, openness to change is more common between younger workers and older people tend not to modify their perceptions even when available information suggests advantages in doing so.

Changes that can affect older workers may concern vision, (e.g. visual acuity changes, contrast sensitivity, dark adaptation), hearing impairment, hand function (e.g. hand strength, dexterity, precision, coordination, joint mobility, and sensitivity), and certain mental abilities (e.g. the maintenance of divided attention) (R. May, Reed, Schwoerer, Potter, 2004). Therefore engineers have to deal with the design of tools and equipments that fit specific needs.

Some working conditions present special risks. For instance, decreases in hand strength, dexterity, precision, coordination, joint mobility and sensitivity may cause pain and discomfort in older office workers. More specifically, older workers are more likely to develop trauma because age contributes to physical stress. In addition research has shown that younger than 40 years workers tended to make more workstation changes than the older ones thus reducing stressors. Maybe because musculoskeletal disorders are more easily reversed by the help of ergonomic tools in young workers than older ones.

Visual activity and elderly workers

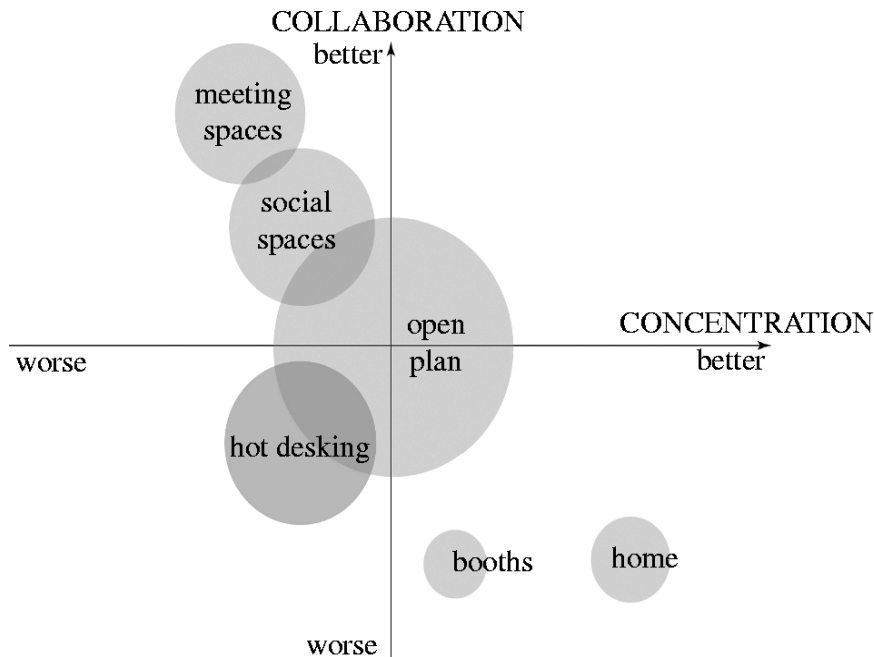
A similar phenomenon happens when considering visual activity. Older workers experience age-related alterations in vision that affect visual acuity (distinguishing fine details), accommodation (focusing on near vs. far objects), sensitivity to contrast, glare (discomfort from harsh excessive light), and other visual capacities (R. May, Reed, Schwoerer, Potter, 2004). Office ergonomics in this field includes the use of anti-glare screens, high resolution monitors and larger displays. Given that the eyes of an older worker are less adaptable to working conditions, a

younger person can be more easily influenced by ergonomic eyestrain improvements.

Workplace and elderly workers

Older employees maybe more satisfied with their job because they have stable attitudes towards their office work areas and changes on their office tools make little difference for them. As previously said, ergonomics changes, when tools are properly used, influence more younger workers than the older ones. However, the environment's working conditions may be particularly important also for older workers as it may influence the amount of work accomplished and the amount of energy used by each individual (R. May, Reed, Schwoerer, Potter, 2004). According to this study (R. May, Reed, Schwoerer, Potter, 2004) 'investing in ergonomically sound preventive health measures can be helpful in curtailing employee physical discomfort and in improving workstation-related attitudes, especially among younger workers. Human resource practitioners should make efforts to discuss workstation needs and characteristics directly with older workers to influence their attitudes and perceptions because they may be less impressionable than younger workers. Managers may also wish to extend the length of ergonomics training for older workers or have them attend multiple training workshops to reinforce ergonomic principles. A study focusing on the Welcoming Workplace for ageing knowledge workers (Erlich, Bichard, 2008) identify elderly workers perspectives on different working environments in relation to their expectations of better collaboration and concentration in the workplace. These are presented in the following scheme.

Figure 8: Elderly workers perspectives on different working environments in relation to their expectations of better collaboration and concentration (Source Erlich Alma, Bichard Jo-Anne, 2008)



One of the main finding of this research is that the workplace provides well for collaboration and teamwork activities for older knowledge workers, but fails to provide an adequate environment for tasks requiring concentration, ways of working that are alternative to the computer, and rest and recuperation.

3. Relation between age and performance

According to the literature there is not an unidirectional correlation between job performance and age (Shultz, Adams, 2007, 117). First of all. job performance is very important. Therefore an older person who finds that he is not performing well in the job may decide to seek a different one. The same could happen to a young employee who may be not suitable for a particular position. A second possible explanation of the lack of univocal relation between job performance and age could be explained by the fact that the same position covered by an older employee may have different degrees of responsibilities than the same position

occupied by a younger one. Thirdly, a measure of job performance is often given by supervisors so that measures are biased. A fourth explanation foresees a curvilinear relationship between job and performance. Not a linear one that entails an increase of performance together with the age. A fifth reason lies in the multidimensional nature of performance which depends on different factors. Finally, job knowledge is a very important predictor of job performance. Indeed more experience brings more knowledge and therefore, to an increase in work performance. Older employees may be characterized by a decrease in their cognitive functioning but they are able to compensate them by accumulated knowledge (Shultz, Adams, 2007, 118-119).

Beyond the previous considerations, other aspects need to be considered when measuring performance. First of all each individual owns a specific profile of physical, cognitive and psychological abilities. Secondly, jobs more often require technical and interpersonal abilities instead of physical ones. Additionally, technological progress is changing the nature of workplaces which are now characterized by more uncertainty and by decreased job or career security (Shultz, Adams, 2007, 121).

In this context, adaptation by older workers might be more difficult than in the past because they have to face discrimination, pressures to retire and their feelings that their skills are becoming obsolete. All these can be potential stressors and affect performance. In this regard, organizations should reallocate opportunities to older and younger workers and reengineer the work environment to account for physiological changes due to aging (Kupritz, 1999) and reorganize work schedules to account for seasonal or contingent labour pools composed of older workers. Finally, education and training should be offered to employees in order to ensure that the older workers category can enter, re-enter and advance in the workplaces. Organisational measures aimed at preventing work related stress will be discussed later.

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Section II

THE EU FRAMEWORK: OUTCOMES FROM DESK AND FIELD RESEARCH IN AUSTRIA, FINLAND, GERMANY, ITALY, SPAIN AND THE UNITED KINGDOM

Part I

Austria

1. Public policy and labour market context

Public policy context

According to Karazman (2007), the basic Austrian policy context with respect to older workers can be outlined briefly¹ as follows: Since the seventies, Austria has one of the lowest unemployment rates in the EU, and one of the lowest early retirement age in the EU. These facts are connected to each other, as early retirement of older employees was an accepted political measure to prevent unemployment and an economic measure to reduce personnel costs over decades of fundamental company reorganisations. This early retirement policy reduced the proportion of workers over 55 in the workforce to a comparatively low level. At the same time, this development supported misjudgements about ageing and ability to work and hindered companies from learning how to adapt their structures to achieve the best results in every age group. Early retirement became a standard way of ending one's working life that was supported by all social partners.

In the nineties awareness of demographic changes and pension problems gave rise to criticism, but the early retirement behaviour continued 'to prevent' unemployment of young people. Very little attention was given to the ageing workforce and the necessity of making age-relevant changes in the working conditions and company cultures.

¹ This subchapter is almost entirely quoted from Karazman as he provides an excellent short overview of the general policy context.

In political debates, the sustainability of pension systems became more and more focussed. It became more and more evident that early retirement was not sustainable. The EU-resolutions of Stockholm and Barcelona set a frame for action to prevent early retirement. But these resolutions were not given effect until 2004. This tremendous change from early retirement to that of retaining aging employees longer was easier for employers and managers than it was for employees and trade unions.

In 2000, the new Austrian government began reforming the pension system with the goal of increasing the retirement age. The new pension law makes early retirement more difficult and financially unattractive. This pension reform forces companies to keep older workers at work longer, but there was no national initiative for the age-relevant reorganisation of workplaces. So the pension reform carried the risk of increasing stress and health strains for older workers or even the risk of ending their careers in unemployment rather than retirement. This pension law also treated the social groups differently. For employees in private business the barriers for early retirement were increased immediately, but for clerks in public institutions they were not increased for years.

A comprehensive and public national program was not decided upon. A large number of conferences delivered useful perspectives and encouraged more companies and institutions to start with age management. Today, the issue of an ageing workforce has become a major topic in management and HRM discussions. The most relevant impact emerges from the pension reform. The new pension law brought about a small increase in the average retirement age, but the main effect was a change in the focus of management and HRM towards older employees. More and more companies have begun with age management projects because they expect that more and older workers will remain in the company longer. Many employers agreed to the new pension policy because the prevention of early retirement reduces recruitment costs and helps to cope with workforce shortages.

Supportive measures for this development were:

- financial benefits for companies employing older workers;

- increased financial support for investments in employability of older workers by the Labour Market Service. This financial support was embedded in the esf-fund.

More public institutions allocated funds for age management projects. Awards for age management projects were established by several ministers. Considerations regarding the ageing workforce changed from being problem-focussed to being solution-focussed.

Political actions are mainly carried out by social partners and less by the government (website: <http://www.arbeitundalter.at>). Social partners decided in several collective agreements between employers and trade unions on the implementation of health measures, occupational health promotion or personal development (e.g. chemical industry). The paper and pulp industry started a branch program on health management by implementing the Human Work Index (<http://www.ibg.co.at>). Based on the EU-program EQUAL and the Territorial Development Plans in all counties, age management campaigns were started with pilot projects in SMEs in 2005.

Still, the Austrian policy is focussed on the aggravation of early retirement and on the communication of age management model projects in companies. However, neither the government nor the pension funds have launched a national program to support age-relevant reorganisation in companies aimed directly at retaining elderly workers longer. The EU-goals of Stockholm or Barcelona are not discussed as important goals. To prevent a demographic workforce shortage in the future, migration is seen as more important than developing sustainable workplaces ².

The issue of human sustainability at work is addressed more by companies and less by public institutions. The employers association, the HR-management associations and trade unions all play an active role promoting training, information, education and discussions for generation management. At a company level, the interest and the number of age diversity programmes has increased. It

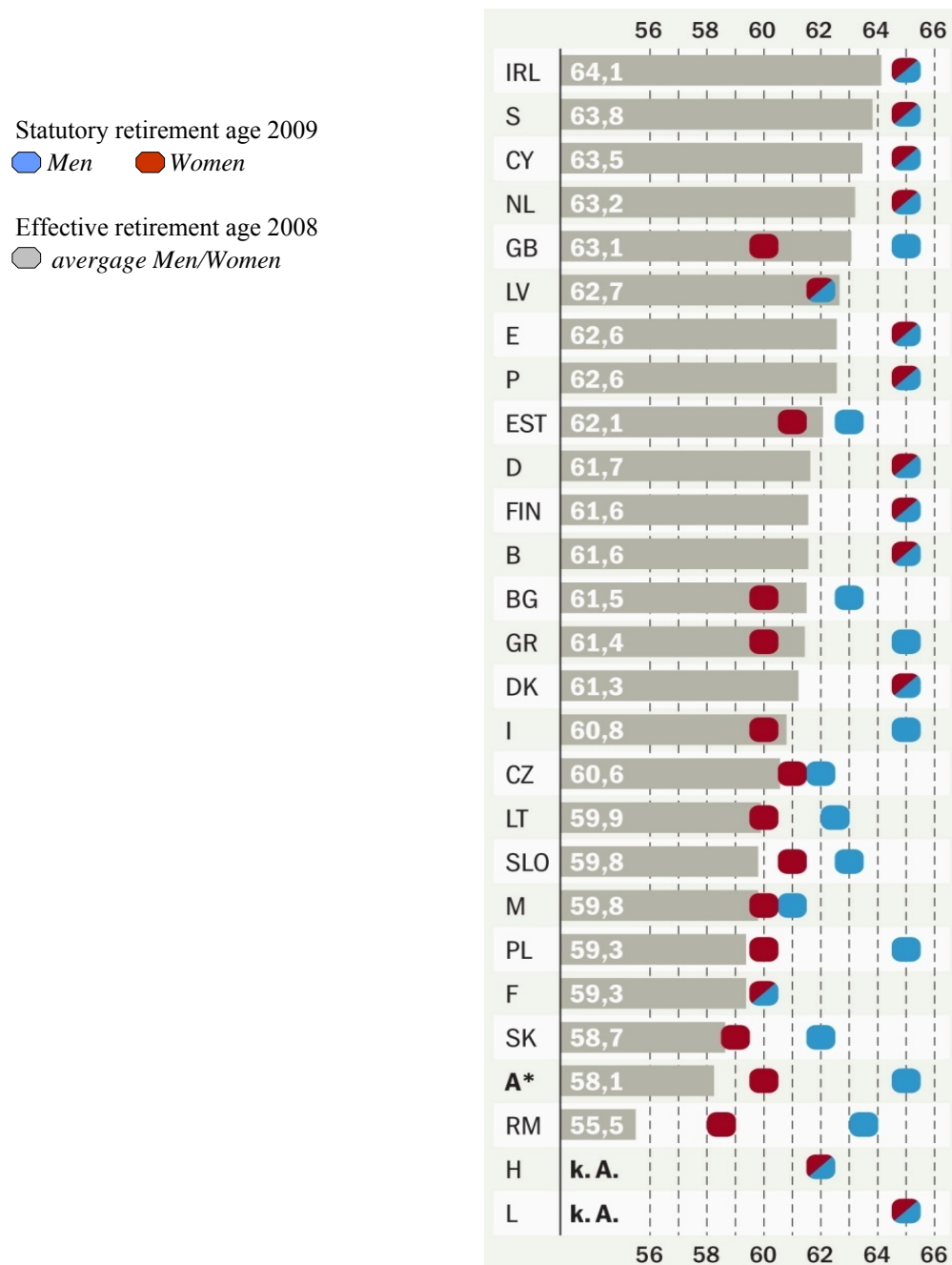
² Yet, in my opinion, migration policy is hotly debated between the social partners, and the political parties have quite antagonistic viewpoints about it.

has become evident that it is useful to broaden the focus from an older workforce to a three generation-focus, because the problems for older workers of today will become the problems for younger workers of tomorrow, and the implementation of better working conditions will affect every generation. It is easier for management and works council to promote programmes for all generations rather than only for older workers.

Labour Market context

Despite various reforms to the pension scheme, a distinct feature for the employment situation of older people in Austria is the comparatively low effective retirement age. On average, people in Austria retire at age 58 (see chart 1). Men retire on average with 59, women with 57 which means well before the statutory retirement age (which is 65 for men and 60 for women). This is one of the highest gaps between statutory and effective retirement ages throughout Europe.

Chart 1: Statutory and effective retirement age in the European Union



Source: APA (Austria Press Agency), EU-Commission

* Hauptverband der österreichischen Sozialversicherung sträger (Main Association of Austrian Social Security Institutions)

As a consequence, Austria has one of the lowest labour force participation rates among older people in Europe (see chart 2). EU-wide, 46% of the people between

55 and 64 years of age were economically active in the year 2009. In Austria this share is 41.1%, which is still about 10% below Stockholm's EU-target for 2010.

Chart 2: Older people's (aged 55 to 64) employment rate for EU Member States, 2009

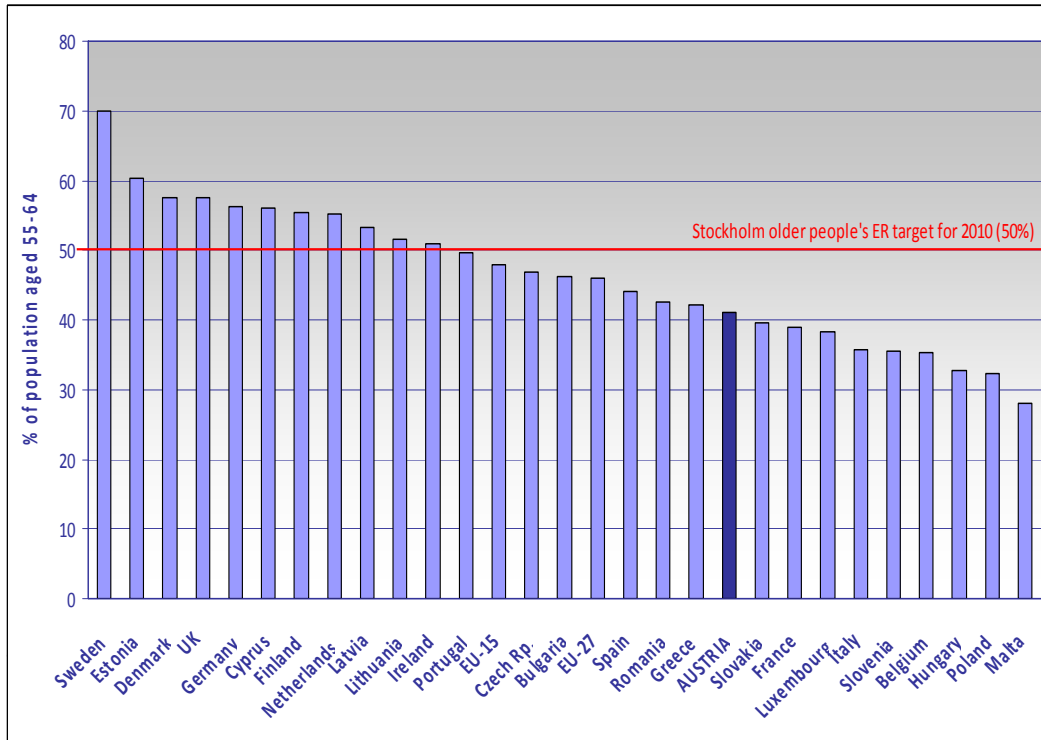


Chart 3: Scatter plot between labour force participation rates of older people between 55 and 59 years and those 60+ for EU Member States, 2009

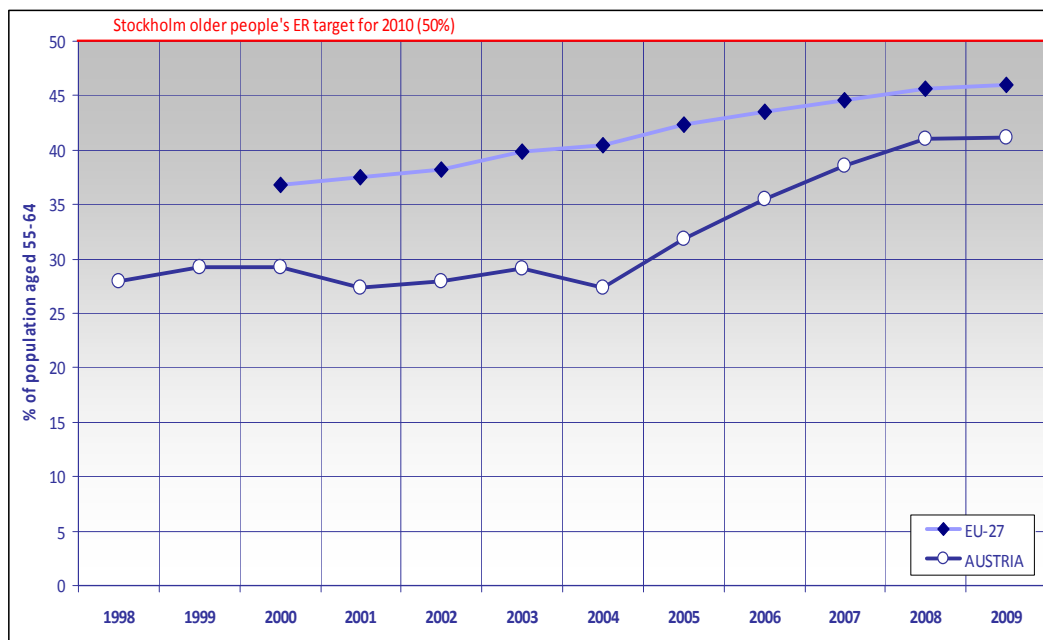


Source: Eurostat, LFS, ibw-calculations

The high correlation ($r = 0.792$) between employment rates of people 55 to 59 and those 60+ (see chart 3) indicate that in most countries labour market conditions and retirement schemes have similar effects for both age cohorts, i.e. high employment rates for those aged 55 to 59 usually correspond to high labour market participation rates for those 60+ (et vice versa).

Despite a significant increase in the employment rate since 2005 (see chart 4), Austria's effective retirement age is essentially unchanged. Obviously, although fewer people retire early – those who do so retire on average earlier than before.

Chart 4: Older people's (aged 55 to 64) employment rate for Austria and EU-27, 1998-2009



Source: Eurostat, LFS, ibw-calculations

At the moment the average effective retirement age for incapacity to work is 53.6 for men and 50.2 for women (in 1970 the average effective retirement age for this pension mode was 57 years³). In 2008 (latest figure available) about 50% of all

³ See Obermayr et al. (2009), p. 185

new pensions in the age group 55 to 59 have been pensions for ‘reduced capacity to work’⁴.

The reasons for the low retirement age in Austria are manifold and of course hotly debated among the various political actors and interest groups. A list of just some of the reasons includes: redundancies because of seniority wages as well as lower productive capability and health problems of older employees (especially in physically challenging jobs like construction etc.), changes in pension laws ⁵, structural loopholes in pension regulations (i.e. manual labour pension and incapacity to work pension) as well as increased stress, burn-out and health problems of older workers because of more demanding work environments (e.g. due to globalisation, customer orientation, organisational change and economic crisis).

For example, the already mentioned increase in ‘incapacity to work’ pensions is seen on the one hand as a structural loophole and people often take unfair advantage of it. Therefore, it is recommended to abolish this pension mode (e.g. IHS, 2007). On the other hand, proponents point to the fact that merely about 60% of the applications are approved, that pension benefits are lower than for the ‘regular’ retirement pension, that applicants are more often jobless before retirement and that invalidity pensioners die earlier (Obermayr *et al.*, 2009). Accordingly, this pension mode is seen as an important social contribution towards dampening the negative effects for people in need. A recent comparative study (Biffl *et al.*, 2009) on retirement transfers due to compared incapacity to work shows that in Austria the respective share is double as high as the OECD-14 average. The authors conclude that workplace exposures have strong implications for the health status of the employees and therefore a reduction could lead to a significant drop of transfers to retirement caused by illness. Nevertheless, they

⁴ The share applies to pensions for the person themselves (i.e. excluding surviving dependants pensions). A similar result for 2006 is quoted in IHS 2007.

⁵ Due to the successive raising of the statutory retirement age as well as decreasing pension benefits during the last years and uncertainties about future reforms, people at the brink of possible retirement have an incentive to opt for the earliest retirement possible.

also conclude that in Austria incapacity to work pensions have been used to a higher degree as an instrument for early retirement.

Excursus: Austria's state pension system in a nutshell ⁶

Austria's state pensions are financed by means of the pay-as-you-go system, i.e. current pensions are mainly financed through contributions of the working population. The rest is financed through general taxation. The entitlement to a pension depends on how long a person has been insured, on the assessment basis and (in the case of retirement pensions) on the person's age.

Approximately 3.4 million employed persons are insured in the pension insurance system. Every month roughly 2.2 million pensions are paid out. The social pension insurance system is by far the most important form of provision for old age in Austria. It ensures a fairly comprehensive protection of one's standard of living in old age. Currently, the following pension modes exist:

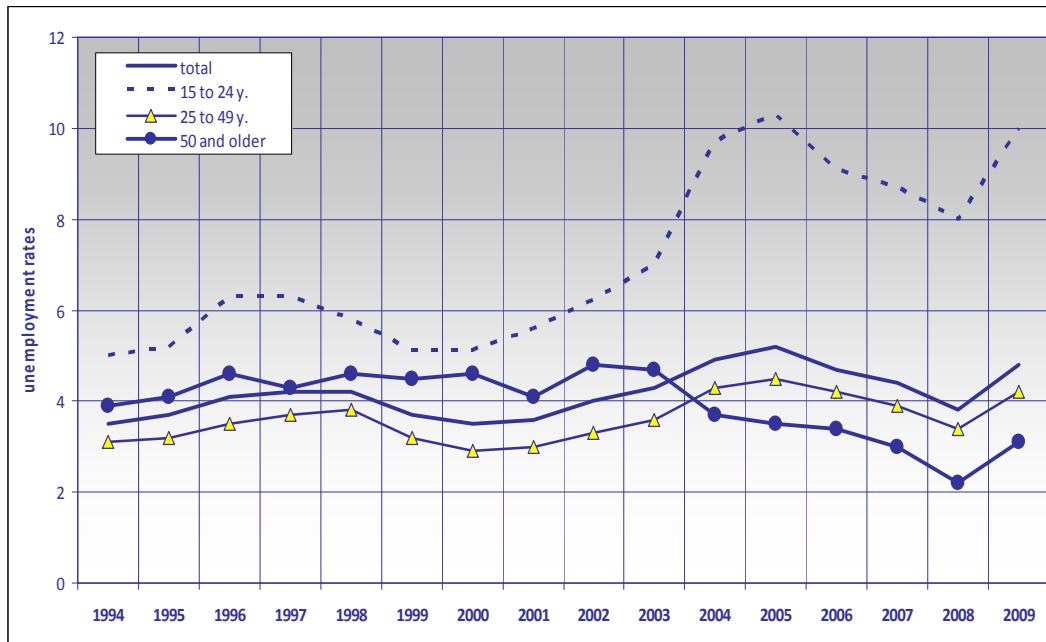
- Retirement Pension
- Early Retirement Pension after an extended period of insurance (will be phased out)
- Reduced Capacity to Work Pension (incapacity to work)
- Manual Labour Pension
- Surviving Dependants Pension

Unemployment data of older people

One consequence of the Austrian transition system from work to retirement are the low unemployment rates of older people (see chart 5). Moreover, there seems to be only minor influences of the business cycle on the unemployment rate of older people. Yet, these data hide the true dimension because according to the LFS-concept, anybody who worked at least one hour during the last week before the date of the survey will not be counted as unemployed. Older unemployed persons also have longer durations of unemployment (see chart 6). About 40% are unemployed for one year or longer as compared to about 20% of all unemployed people. Consequently, the Austrian Labour Market Service (in combination with ESF) will have spent between 2007 and 2013 about 400 Million Euros for employment promotion and re-qualification of older unemployed people.

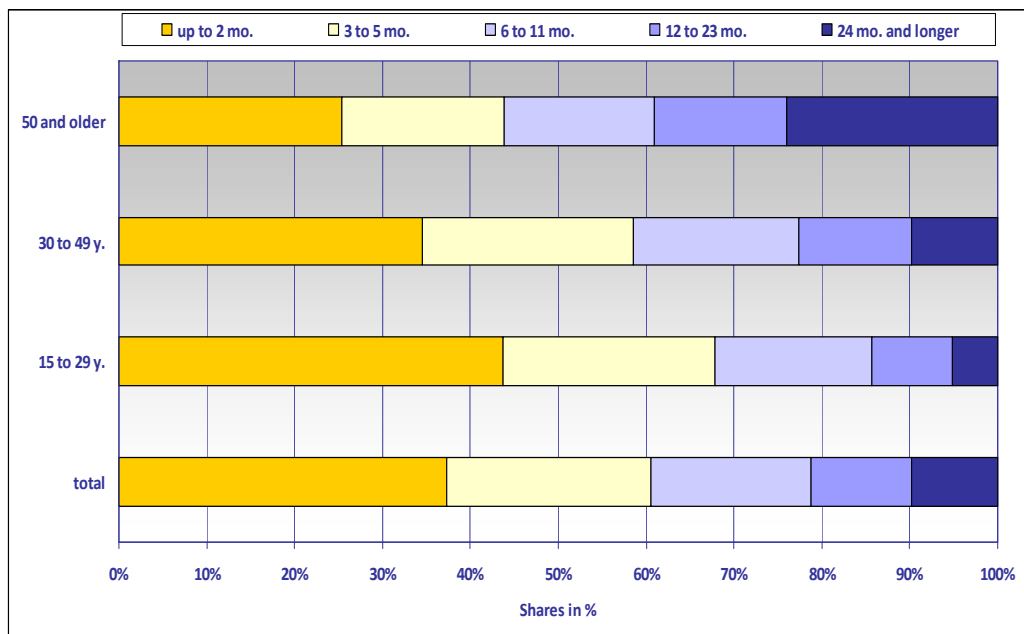
⁶ According to Wirtschaftsmuseum (2010)

Chart 5: Unemployment rates according to age groups, 1994-2009 (yearly averages)



Source: STATISTIK AUSTRIA, Mikrocensus and Mikrocensus-LFS; ibw-calculations; unemployed according to labour force-concept

Chart 6: Distribution of unemployment durations according to age groups, 2009 (yearly average)



Source: STATISTIK AUSTRIA, Mikrocensus-LFS 2009; ibw-calculations; unemployed according to labour force-concept

Beside the general drawbacks of unemployment (i.e. lower income, lower self-esteem etc.), older unemployed persons also face additional specific disadvantages. As the unemployment durations show, usually it is very hard for them to find work again. And, as the unemployment benefit is lower than income from work⁷ and pensions are calculated on the basis of years insured and paid contributions, individuals who became jobless before retirement will have lower pensions (the longer they are jobless the smaller their future pensions).

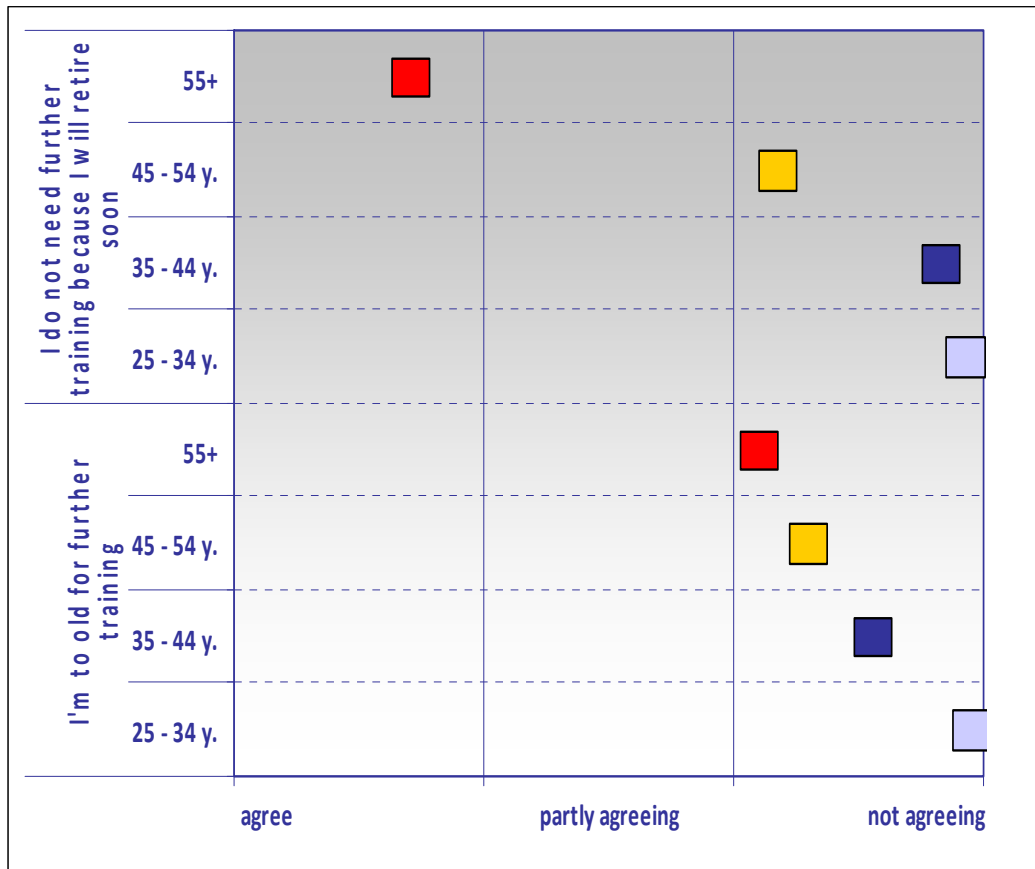
The Labour Market Service tries to dampen this effect through various measures. One is to provide transfer benefits to facilitate transition into retirement, so called pension advances. Individuals who apply for a pension (old-age pension, (occupational) disability pension, etc.) while receiving unemployment benefits or unemployment assistance will be granted an advance on their pension while their claim is being processed by the public pension insurance institution. A proactive measure is to subsidise further training for older employees in companies (two third of these cost will be paid by LMS; for female employees over the age of 45 three quarters of these costs will be subsidised).

2. Vocational further training of older employees

As in almost all countries, in Austria the participation rate of older employees in further training diminishes with age. Especially the age cohort 55 to 59 and 60+ have significant lower further training participation rates. Yet, it is not age by itself that is causal for the drop in participation rates by age (as was shown by Schmid, 2008). It is the time span until the person will retire that has a significant effect (see chart 7). Older employees who will retire soon see no need for further training.

⁷ The uniform net replacement rate for the unemployment benefit is 55% of the previous net earnings. After six months of unemployment the status will be changed to unemployment assistance which is 92-95% of the previous unemployment benefit basic daily rate. Unemployment assistance is designed to safeguard the livelihood of unemployed workers who have exhausted their entitlement to unemployment benefits.

Chart 7: Degree of affirmation to statements about further training according to age groups

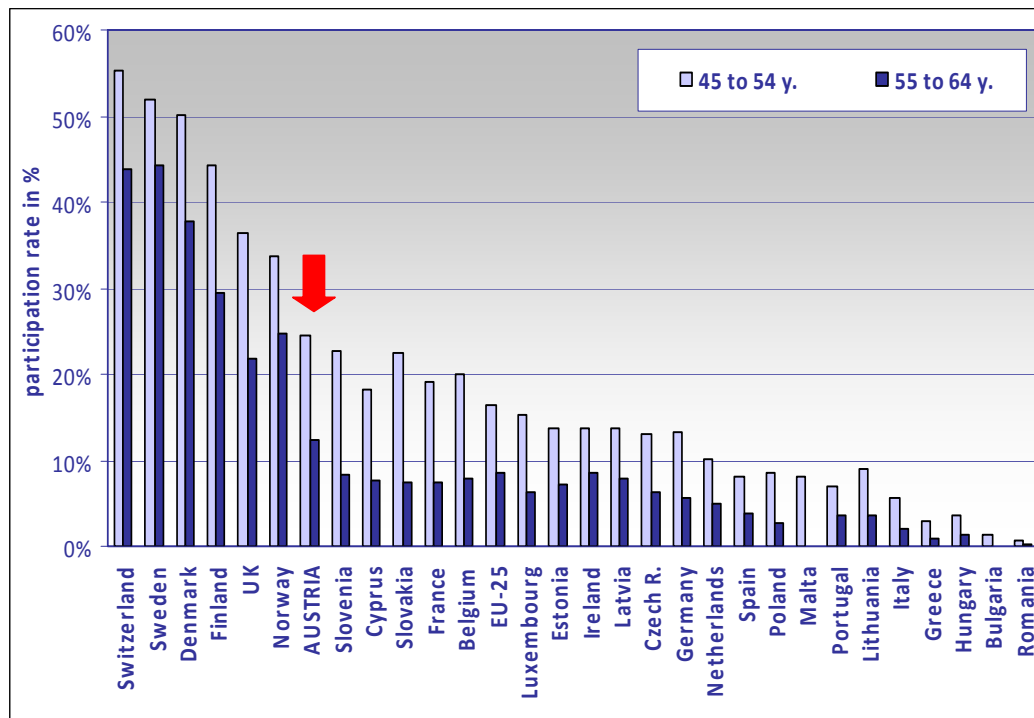


Source: Schmid, 2008 (p. 170)

A look at the participation rates of non-formal training according to the age groups 45 to 54 and 55 to 64 (see chart 8) reveals that in Austria especially the age group 55+ has a very low attainment rate in an international perspective (of about 12%). On the one hand this is true for most of the countries. On the other hand the chart clearly shows top-performing countries with participation rates of 30-40% like Switzerland, Sweden, Denmark and Finland.

Chart 8: Participation on non-formal education according to age groups (2003)

Country ranking



Source: Eurostat, EU Labour Force Survey (LFS) 2003; ibw-calculations

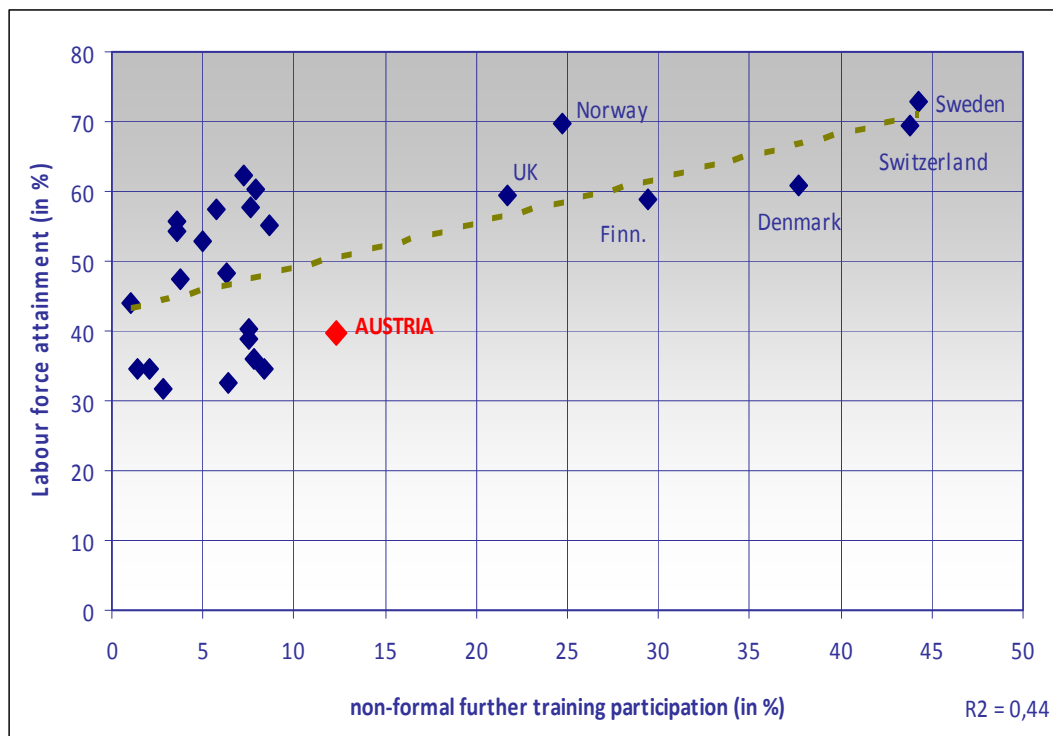
Interestingly, if one contrasts older people's labour force participation with their non-formal further training participation, two groups of countries can be identified (see chart 9). For the majority of the countries training participation is rather near the OECD-average of 8.5%. Despite its slightly above-average training participation rate, Austria is below the OECD-average when looking at labour force employment. For the second group of countries, high labour force participation and high further training participation of older people is obvious.

The scatter plot also raises questions about the link between further training participation and labour force participation. If one analyses group one (i.e. those countries which have rates around the OECD-average), no correlation between the two rates can be found. The positive link in chart 9 is the result of the inclusion of Scandinavian countries and Switzerland. Furthermore, causality is not clear. Is it higher further training that results in higher employment rates or is it the other

way round (i.e. higher employment participation goes hand in hand with higher further training participation)?

For most countries national regulations regarding the retirement age, the relationship between pension and wage before retirement, the general conditions of the labour market for older people etc. seem to have a bigger influence on the labour market participation of older people than their further-training rates. This does not mean that enforced efforts to significantly raise further training participation of older people will have no effect as the Scandinavian countries and Switzerland show.

Chart 9: Scatter plot between labour force participation rates of older people between 55 and 64 years and non-formal further training participation



Source: Schmid (2008); Eurostat, EU Labour Force Survey (LFS) 2005, 2006 and 2007

Remark: For clarity reasons, only some countries are specified by name

3. Company programmes for older employees

Unfortunately, due to the lack of official national data based on company surveys, no precise figure exists about the share of Austrian companies that employ older employees. According to ESWT 2004/05 (Establishment Survey on Working Time), 81% of Austrian companies have employees aged 50 and over (for companies with at least 10 employees).

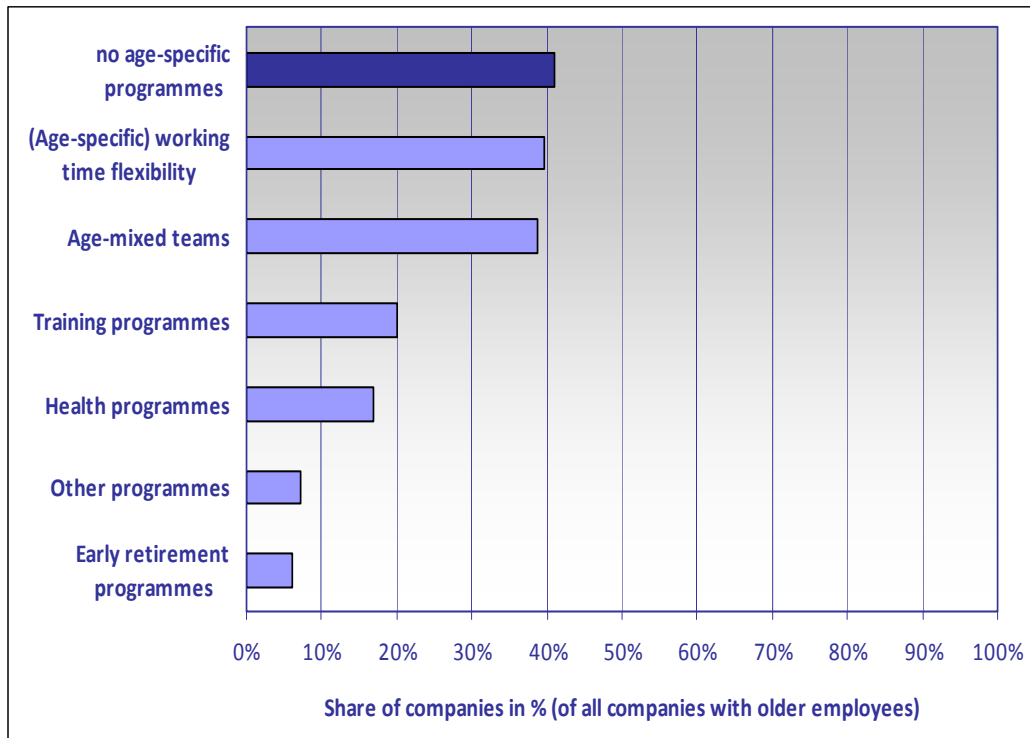
According to Schmid (2008) 60% of all companies with older employees have in some way specific offers or programmes for their older workforce (see chart 10). (Age-specific) working time flexibility and age-mixed working teams are most common programmes for older employees. One in five companies also offers training or health programmes. Early retirement programmes are offered merely in a minority of companies. Yet, the results from ESWT 2004/05 for Austria show a different picture. Three out of four companies with employees aged 50 or older offer them either phased retirement programmes⁸ or early retirement programmes⁹ (the average in EU-21 is 65%)¹⁰.

⁸ Phased retirement schemes, employees beyond a certain age threshold have the possibility of gradually reducing the number of working hours as they approach the retirement age. In some countries the loss of income is (partly) cushioned by social transfer benefits.

⁹ In early retirement schemes, older employees are allowed to fully exit the labour market, either a few years or months before they reach the statutory retirement age.

¹⁰ The difference is probably due to different formulations of the question: Schmid (2008) asked if there are “specific” programmes in the companies whereas ESWT asked more generally if the enterprise offers older employees the possibility to reduce their weekly working hours before retirement or if employees have the possibility of early retirement, i.e. to retire before the statutory retirement age. As the Austrian Labour Market Services subsidises early retirement, it looks like ESWT answers from Austrian managers are better interpreted in terms of their willingness to come to an agreement with their older workers who want to draw on these retirement schemes. In line with this interpretation is the fact that now company-size effects could be observed.

Chart 10: Share of companies that offer various programmes for their older employees (multiple answers)



Source: Schmid (2008), p. 150

4. Evidence on organisational restructuring, workers' working conditions and work related health

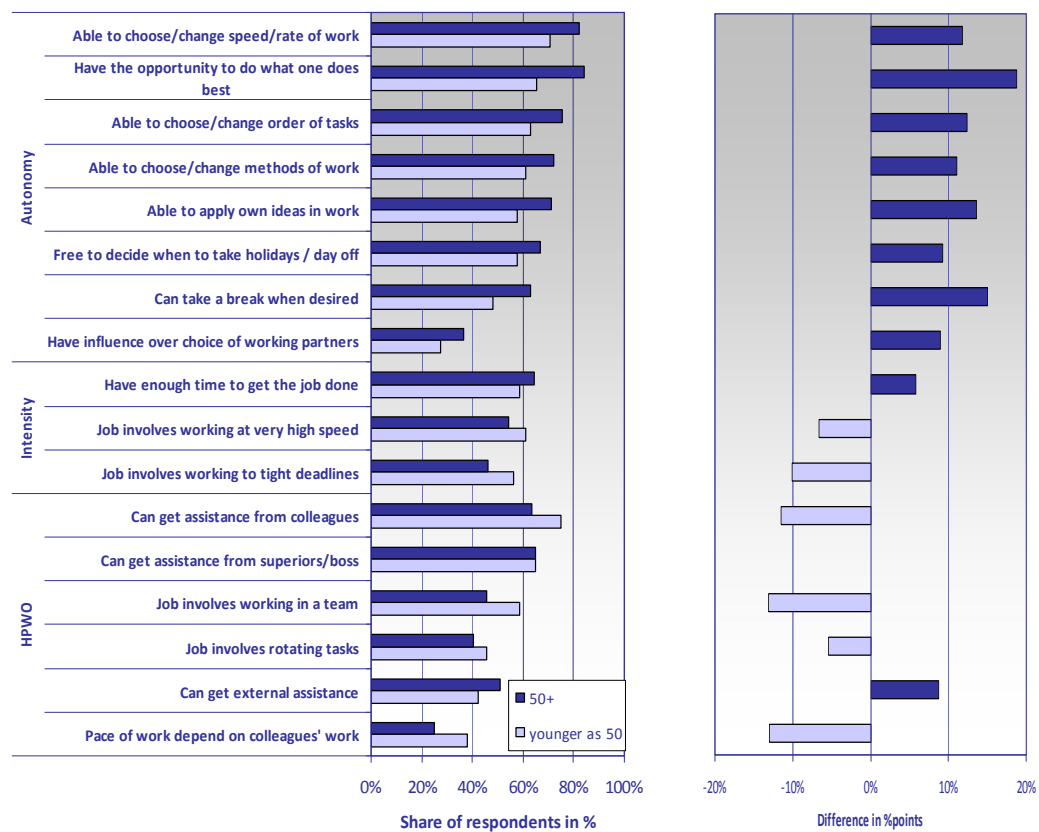
Unfortunately, no empirical data are available for Austria on aspects such as company restructurings and the mode with which these restructurings are put into effect. Furthermore, no research exist on the consequences of restructuring for the stress and well-being of employees in general as well as for older ones. Data exist on the assessment of general working climate by age groups as well as studies on health situation and stress (Schönbauer, 2006; Lindhuber, Grössenberger, 2008; Biffl *et al.*, 2009; Eibl *et al.*, 2009). Additionally, some aspects can be derived from the EWCS 2005 (European Working Conditions Survey). For better international comparison, aspects like work organisation and risk exposure have

been analysed for Austria. The EU-27 results are presented in Villosio *et al.* (2009).

Work organisation

Quoted according to Villosio *et al.* (2008), work organisation is one of the factors affecting workers' health and well-being. The impact of this factor on work ability maintenance does not relate to functional capacity alone, it also affects motivational aspects, such as satisfaction with one's job. Consideration is also taken of the degree of autonomy at work, work intensity and the spread of new high-performance organisational forms.

Chart 11: Percentage of Austrian workers reporting positive organisation indicators, by age groups



Source: EWCS 2005, ibw-calculations

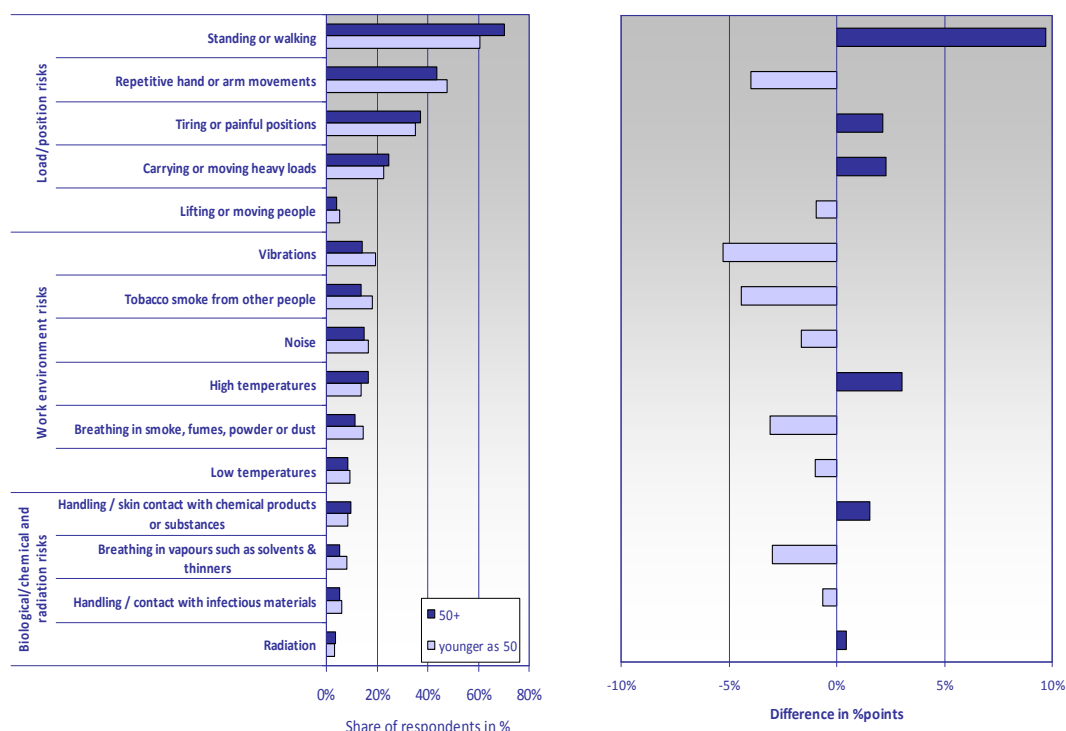
Note: Findings relate to those who at least have these possibilities often.

The ‘autonomy factor’ shows positive differentials for older workers (see chart 11), i.e. indicating a greater degree of autonomy for them. For the second (‘intensity’) and third (‘HPWO – high-performance work organisation’) factors the differentials are almost lower for older workers reflecting lower levels of work intensity and lower involvement in HPWO forms. The findings for Austria are in line with the general results for EU-27. Nevertheless, for Austria, slightly higher differentials between the two age groups can be observed.

Risk exposure

For Austria – as for the EU-27 average – employees are primarily exposed to load/position risks. Depending on the specific risk between 20% and 60% of employees mentioned that they are at least for half of their working time exposed to them. Second comes work environment risk with shares between 10% and 20% of employees exposed to them followed by biological/ chemical and radiation risks (around 10%). Chart 12 shows that older workers are especially more exposed to load/position risks as younger ones which is a different picture compared to the EU-27 average where for all risks younger workers had a higher degree of exposure.

Chart 12: Percentage of Austrian workers reporting exposures to physical risk, by age groups



Source: EWCS 2005, ibw-calculations

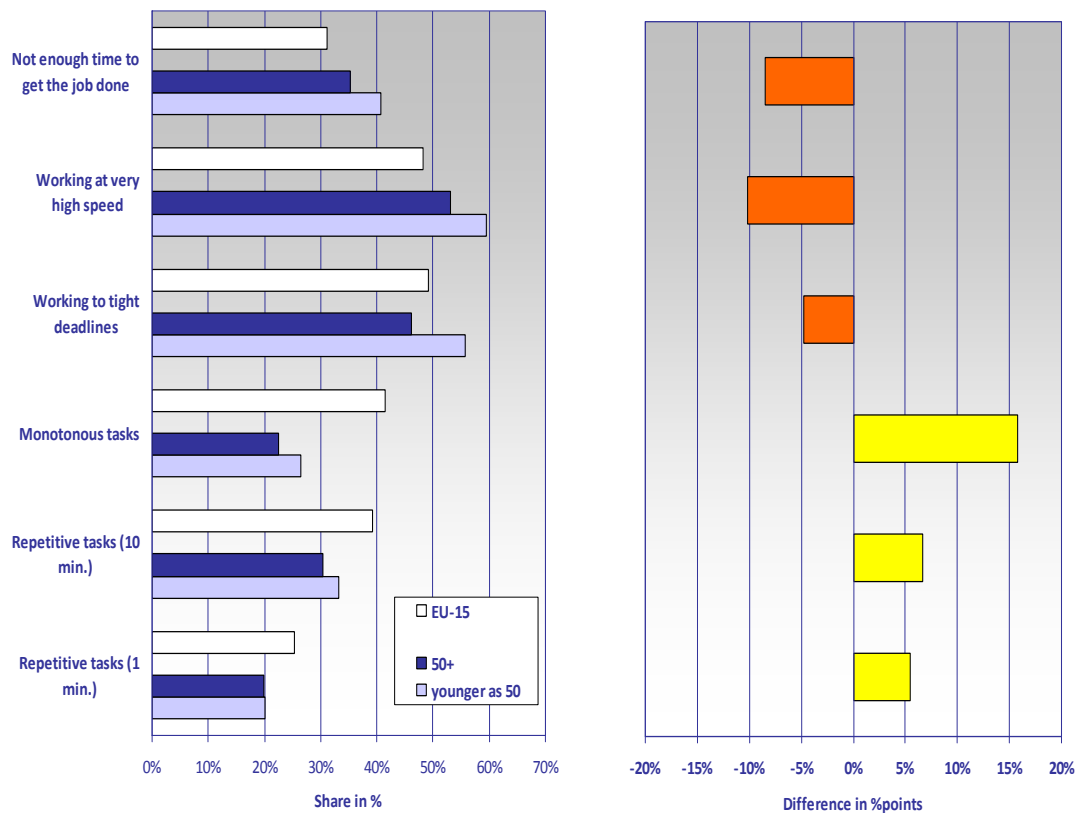
Note: Findings relate to those who are exposed to such risks at least half of their working time.

A second aspect of risk exposure are monotonous and/or stressful working conditions. For Austria, about half of all employees complain about the intensity of the working process, i.e. high working speed and time pressure. One in three employees moans about monotonous work and repetitive tasks ¹¹. Older employees show less exposure to those risks than employees under 50 years of age (see chart 13).

Compared to EU-15, Austria has a higher share of employees who suffer from work intensity and a lower share of those reporting monotonous work.

¹¹ These results are broadly in line with Schönbauer (2006) and Eibl *et al.* (2009) who analysed them for different economic sectors. Moreover, Schönbauer found rather large differences between the sectors and also between blue- and white collar employees. Eibl *et al.* did not find significant differences according to age groups.

Chart 13: Percentage of Austrian workers reporting monotonous and stressful working conditions by age groups and overall difference to EU-15 averages



Source: EWCS 2005, ibw-calculations

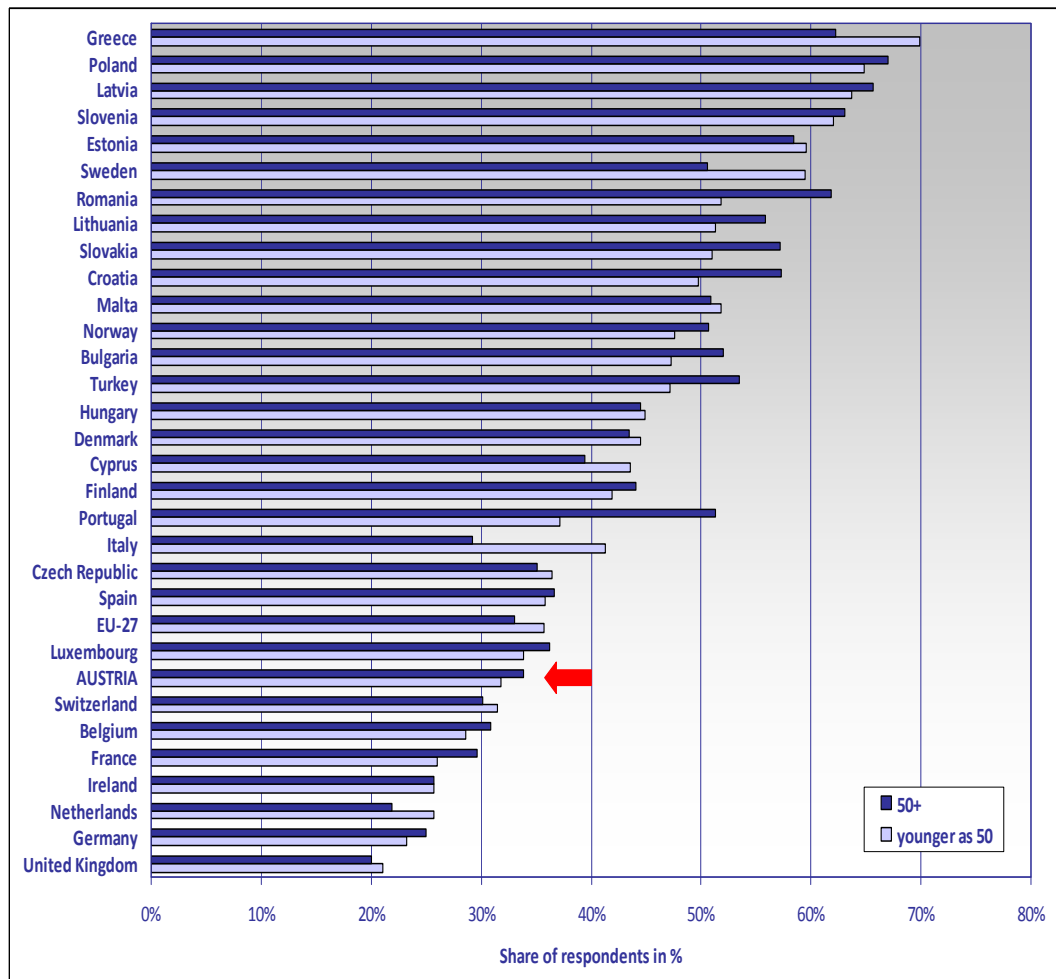
Work-related health issues

A first impression of the work-related health outcomes in Austria can be derived from the general question in the EWCS data. Respondents were asked ‘Does your work affect your health?’ This question measures a worker’s individual perception of the impact of work health, and also serves as a filter question for detailing any symptoms the worker suffers from on account of their work. As a single indicator, this general question can be taken as a good approximation of the health impact of work in different European countries. While the EU27 average is 35%, differences between European countries in this respect are quite substantial (see chart 14). In Greece, Poland, Latvia and Slovenia, around two thirds of the workers report that their work affects their health, a perception shared by only one fifth of UK workers and one quarter of German, Dutch, Irish and French workers. For Austria

the respective share is 32% - i.e. slightly below the EU-27 average and Austria belongs to the group of countries with the lowest share of respondents saying that their work affects their health.

Chart 14 also shows that for most countries age group effects are very small. Moreover, no clear trend can be deducted. In some countries employees over 50 have higher shares with respect to the perceived impact of work on health (e.g. Romania, Norway, Portugal), and in other countries the opposite is true (e.g. Sweden, Italy). For Austria, the age difference in the shares is minimal indicating that the same proportion of younger and older workers think their health is affected by their work. Yet, it is important to note, that since the analysis records perceived impacts of work on health only of those who are still employed, it is possible that those who have an impact and are eligible to retire have already left the labour market.

Chart 14: Perceived impact of work on health, by country and age group (%)

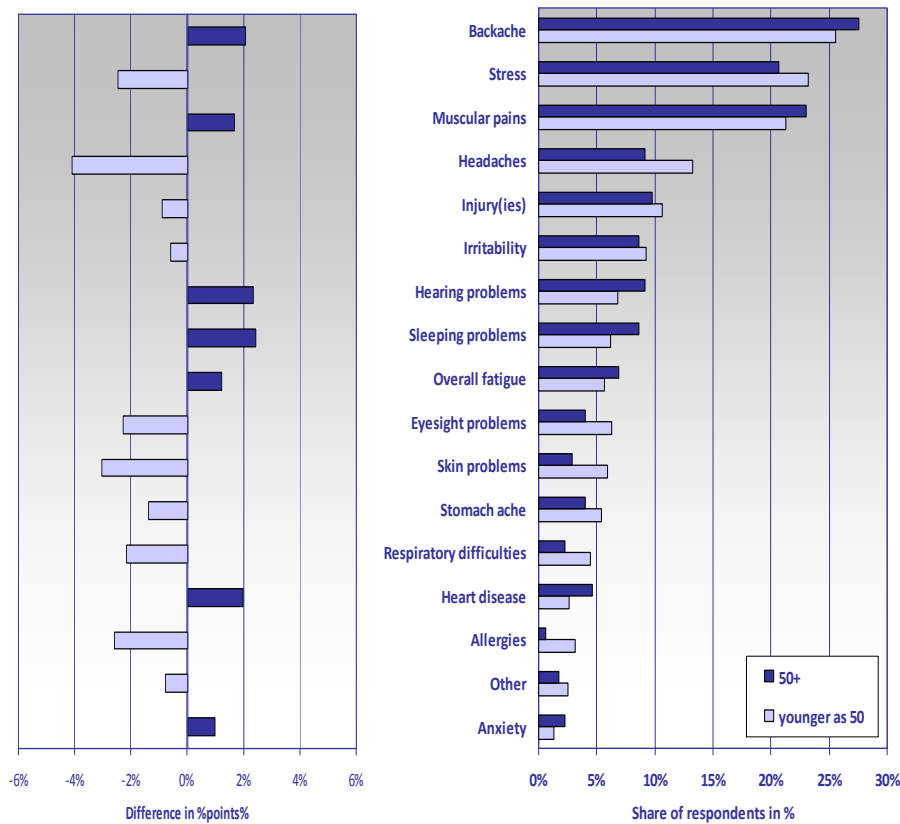


Source: EWCS 2005, ibw-calculations

The persons who replied in the affirmative to the question about the perceived impact of work on their health were then asked to identify from a list of 16 health symptoms those that apply to them. Chart 15 shows the percentages of workers reporting different symptoms for Austria.

The most often reported symptoms are musculoskeletal disorders (backache and muscular pains) and stress, followed by headaches, injuries and irritability. Again there are only minor differences between the age groups (backache, muscular pains as well as sleeping and hearing problems and heart disease are as to be expected more frequent for workers aged 50 and above). This ranking of symptoms is broadly in line with the EU-27 averages.

Chart 15: Percentage of Austrian workers reporting each individual symptom, by age groups



Source: EWCS 2005, ibw-calculations

The existence of age-related differences in people's perception of the impact of work on their health is evaluated by means of a multivariate (logistic regression) model. Factors like gender, age, physical risk, autonomy at work, work intensity, high-performance work organisation, non-standard working hours, and work-life balance and professional group (ISCO) have been considered (see table 1). The results for Austria show that only five factors significantly influence perceived work related health problems: The degree of physical risk, work intensity, amount of non-standard working hours, perception of work-life balance and gender. All factors show the expected trend ¹².

¹² The higher the physical risk, the higher the probability that the person reported work related health problems. More non-standard working hours as well as work intensity are associated with higher work related health problems and better work-life balance assessments are associated with lower work related health problems. Females show a higher probability to report work related health problems. Compared to the

Age (i.e. whether or not people are aged 50 or older) is not a significant factor.

The analogous estimate for EU-15 (see table A-1 in the appendix) provided a somewhat different result. All the factors, with the exception of some occupational groups, were significant, i.e. in contrast to Austria indicate age effects in the perception of work related health problems. The autonomy at work as well as the intensity at work indexes show positive signs, i.e. the higher the autonomy at work and work intensity are, the higher is the probability that people have work related health problems.

Table 1: Probabilities for work related health problems (multivariate (logistic) regression), results for Austria

Factors	Exp (β)	Sig.
Female	1,552	*
Age 50+	1,215	
Physical risk (index)	1,286	***
Autonomy at work (index)	,974	
Work intensity (index)	1,360	***
High performance work organisation HPWO (index)	1,091	
Non-standard working hours (amount)	1,172	**
Work-life balance	,395	***
Professional group (Reference Group: Craft and related trades workers)		
Legislators, senior officials, managers	,479	*
Professionals	,456	
Technicians and associate professionals	1,167	
Clerks	,529	
Service workers and shop and market sales workers	,386	**
Skilled agricultural and fishery workers	1,433	
Plant and machine operators and assemblers	1,670	
Elementary occupations	,639	

Source: EWCS 2005, *ibw-calculations*

Note: Female, age 50+, work-life balance and occupational groups are dummy-variables¹³. The indexes on physical risk, autonomy, work intensity and HPWO are based on the various items discussed before (compare chart 11 and 12). They are constructed as a summation for each of the respective single items (i.e. additive indexes) to better grasp cumulative effects of multiple exposures to risk.

reference category of craft workers, only managers and service workers have a significantly lower probability to report work related health problems.

¹³ The work-life balance dummy is 0 for answers “not very well” and “not at all well” and 1 for “very well” or “well”. (The corresponding survey question was “Do your working hours fit in with your family or social commitments outside work?”).

The validity of the model is very good for forecasting the group of no work related health problems (almost 90% of these cases were predicted correctly by the model). The model does not work also for forecasting the group of employees who reported work related health problems (almost 50% were forecast correctly), which is probably due to the model missing relevant influencing factors for work related health problems.

Summary

Unfortunately, no empirical data are available for Austria on aspects such as company restructurings and the mode with which these restructurings are put into effect. Furthermore, no research exists on the consequences of restructuring for the stress and well-being of employees in general as well as for older ones. Yet, data exist on the assessment of general working climate by age groups as well as studies on health situation and stress. According to special analysis done for this study, the EWCS 2005 (European Working Conditions Survey) shows the following for work organisation and risk exposure in Austria:

- With respect to work organisation, older employees in Austria tend to have higher work autonomy and lower levels of work intensity as well as lower involvement in HPWO (high-performance work organisation) forms. The findings for Austria are in line with the general results for EU-27, though for Austria slightly higher differentials between the two age groups can be observed.
- Older workers in Austria are more exposed to load/position risks than younger ones (which is a different picture compared to the EU-27 average where for all risks younger workers had a higher degree of exposure). Younger employees are usually more exposed to environmental risks followed by biological, chemical and radiation risks.
- Austria belongs to the group of countries with the lowest share of respondents saying that their work affects their health (32%). There are only minimal age differences, indicating that the same proportion of younger and older workers think their health is affected by their work.

- The most often reported symptoms are musculoskeletal disorders (backache and muscular pains) and stress, followed by headaches, injuries and irritability. Again there are only minor differences between the age groups (backache, muscular pains as well as sleeping and hearing problems and heart disease are as to be expected more frequent for workers aged 50 and above). This ranking of symptoms is broadly in line with the EU-27 averages.

- In Austria, five factors significantly influence perceived work related health problems: The degree of physical risk, the amount of non-standard working hours, the perception of work-life balance and gender. All show the expected trend: The higher the physical risk the higher the probability that the person reported work related health problems. More non-standard hours work is associated with higher work related health problems and better work-life balance assessments are associated with lower work related health problems. Females have a higher probability of work related health problems. Interestingly, usually occupational groups do not differ statistically (the exceptions are managers and service workers who report lower probabilities compared to the reference group of craft workers).

5. Results from the ELDERS survey

Survey design & sample characteristics

The slightly adapted ELDERS questionnaire ¹⁴ was predominantly distributed to enterprises which claim to offer superior treatment for their employees of 50 years of age and older in terms of employment figures as well as pronounced activities in the field of occupational health care and promotion and wellness measures. The aim was to get a good impression of the employees' feelings towards their current and future situation at work by interrogating a broad range of differently educated staff, ranging from unskilled workers to heads of departments. The structured

¹⁴ Due to differences of the Austrian retirement system, questions 65 to 70 had to be altered to fit the country-specific context.

questionnaire included open questions as well as Likert scales. We approached shop stewards of the respective enterprises to support the study by distributing the questionnaire directly to employees fitting the requirements (age, restructuring within the department and/or enterprise). The questionnaires were filled in anonymously and sent back to the Austrian partner institute (ibw) by each employee on his own.

As a result, the Austrian dataset was gathered from obviously more than ten worksites/companies¹⁵, resulting in 59 responses from 30 men and 27 women (two respondents decided not to choose for a gender) with an average of 54.6 years of age. All but two respondents were of Austrian nationality; all but one spoke German as their mother tongue. Only one person within the sample explicitly stated that they had had no experience with organisational changes. All the results are presented with an accuracy of one decimal point. Due to the small sample size, results with a certain degree of differentiation have to be interpreted with caution.

An overall descriptive sample analysis according to socio-demographic aspects (see charts A-1 to A-3 as well as table A-2 in the appendix) confirms that our sample consists of older workers that are in many aspects very similar to the employment patterns of older workers in Austria in general. We could also observe ‘usual’ gender differences with respect to formal educational degrees and job positions as well as household activities.

Monetary satisfaction with the current job

A first impression about the general level of satisfaction with the current job is how satisfied are respondents with their salary, given the profession and position in the national context. On a scale from 1 (‘far below average’) to 5 (‘far above average’), the average result in terms of satisfaction with their wages reported by the respondents was 3.1 points. In other words, on average elder employees considered their salary to be in line with other employees in comparable job

¹⁵ Due to confidentiality reasons, we have no information about the precise company where the respondent is employed.

contexts. Yet, the distribution of the ranking shows that about 15% of employees assess their current salary as below or far below average and about on fifth thought it is above average (see chart 16).

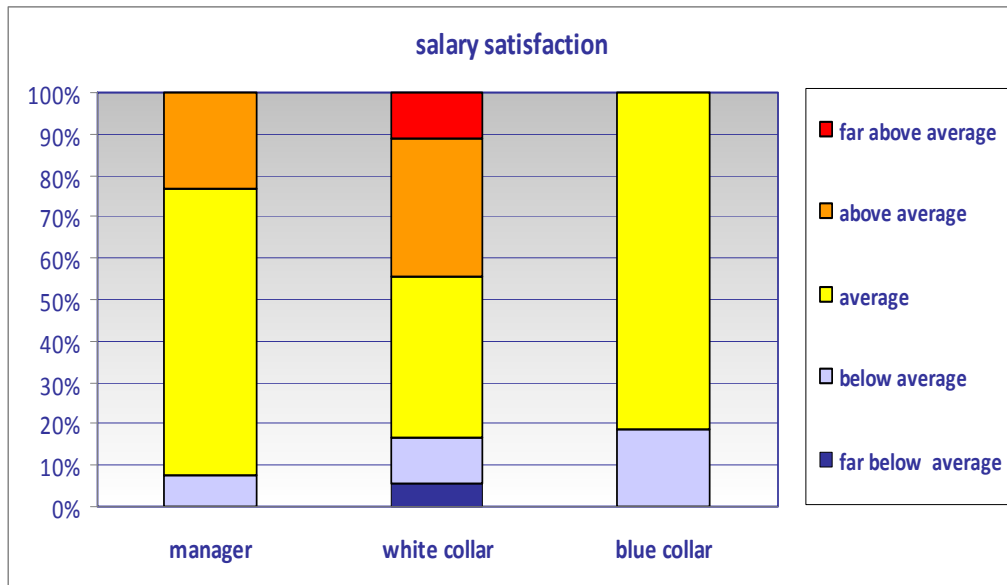
Interestingly, a significant gender difference can be observed with men usually assessing their salary better than women (see chart 16): 77.8% of females considered their salary to be average and only 3.7% rated it higher. In contrast, one third of males evaluated their salary as above or far above average; only 53.3% thought that it was average. This result seems to be a reflection of the high gender differentials in Austria in general.

The job position has a high influence on the rating of salary satisfaction (see chart 17): About 80% of blue collar workers considered their salary to be average and the remaining 20% as below average. In other words, no blue collar workers thought that their salary was above average compared to similar jobs in other companies. In contrast, white collar-workers seem to be the most monetary satisfied: 38.9% rate their income as average, and an outstanding 44.4% as even higher. Managers are in between: About 70% of them assess their salary as average and about one third as even higher.

Chart 16: Salary satisfaction, by gender



Chart 17: Salary satisfaction, by job position



Employees who experienced a job-loss during their working career are not necessarily less satisfied than those who had a continuous career: On average they reported 2.9 compared with 3.2 in the second group. Yet, the distribution of answers shows that employees who never experienced a job loss have higher shares of people who think their current salary is above (and far above) average (see chart 18).

Chart 18: Salary satisfaction, by experiences of job losses during their career



Perceived job security

Employees who have experienced a job-loss during their working careers are more worried about their positions permanence (see chart 19). Interestingly, they do not differ from employees without job-losses with respect to perceived difficulties for staying in the job until their retirement (see chart 20).

Chart 19: Job loss and position permanence

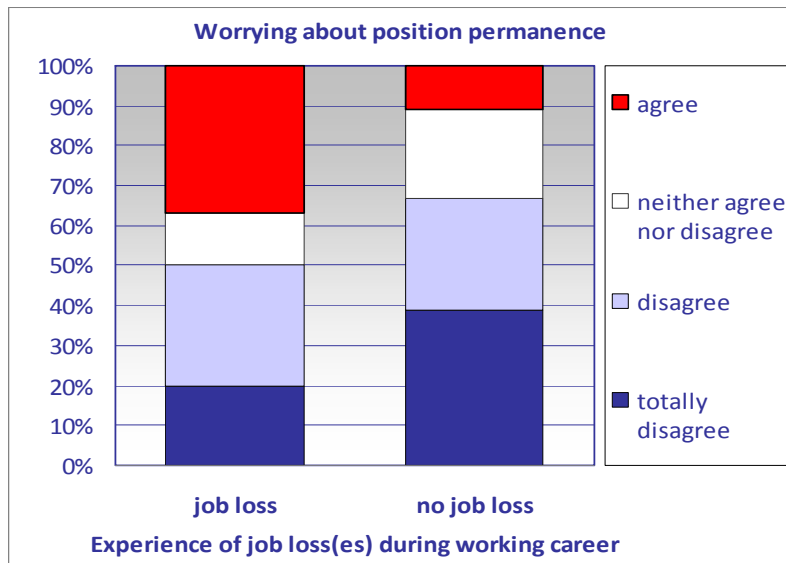
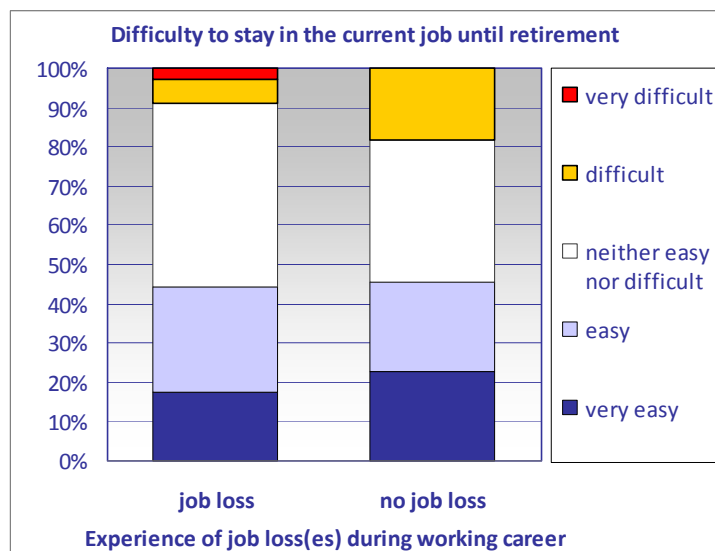


Chart 20: Job loss and perceived employment security until retirement



Workplace changes during the last two years

The most frequent organisational change during the past two years is that staff is employed on a fixed-term basis (87.5%). It is obvious that this has to be seen more as a general statement than as an indication of a change of the situation as such.

Two in three companies took an initiative related to their stated mission or values. Prevalent alterations of the organisation include changes in the management system (44.6%) and in the hierarchical structure (40%), as well as reallocation of units/divisions (37.5%).

Concerning restructurings of the core production or service systems, 42.6% reported a change. What is more, every fifth respondent experienced a significant shift in product or service focus. Production was cut-off in 16.7% of the cases and outsourcing of work was reported by 17.5% of the respondents.

As to changes within the personnel department, 18.5% reported one-time layoffs and 3.6% systematic layoffs in their company.

Table 2: Frequency of changes occurred in the respondents' workplace, percentages (sorted by share of affirmation)

Changes occurred in workplaces during the last two years	%
staff employed on a fix-term basis	87.5
initiatives related to the company's stated mission or values	67.3
changes in management system	44.6
restructuring of core production or service systems	42.6
changes in the hierarchical structure of the organisation	40.0
combining or separating units or divisions	37.5
significant change in product or service focus	20.0
one-time layoffs	18.5
outsourcing of work	17.5
production cut-offs	16.7

enterprise sold	07.1
systematic layoffs	03.6
department/unit sold	03.6
closing down of production department or work unit	01.8

Consequences of workplace changes

As a consequence of the changes mentioned before, one third of the respondents reported that their tasks or their superiors changed. 27.8% received additional co-workers and 18.5% moved into a new working team. 16.1% experienced changes in the number of working hours and 9.1% changes in their employment contract. One in eleven was forced to go on paid temporal leave.

Table 3: Frequency of consequences, percentages (sorted by share of affirmation)

Consequences of changes mentioned	%
Has your superior changed?	36.4
Have your work tasks changed?	35.7
Have you received additional co-workers ¹⁶ ?	27.8
Have you moved into a new working team?	18.5
Has the number of working hours changed?	16.1
Has your employment contract changed?	09.1
Were you forced to go on paid temporal leave?	08.9
Were you forced to go on unpaid temporal leave?	05.5

Table 4 shows that the changes had no effect on the work situation of the majority of the respondents. However, 26.9% reported an increased application of their experiences and skills. 26.4% experienced an augmented level of responsibility. The participants have the overall impression that the application of their personal skills increased rather than their monthly income or hierarchical positions. 17%

¹⁶ Unlike the English version, the Austrian questionnaire did not ask for “people reporting to you” respectively “subordinates”.

reported an increase in their working time and 14% a promotion in the company's hierarchy.

Table 4: Impact of changes, percentages (sorted by increase)

Consequences the changes have for:	decreased	unchanged	increased	N/A
application of your experiences and skills	7.7	53.8	26.9	11.5
your overall level of responsibility	5.7	56.6	26.4	11.3
your monthly income	5.7	60.4	18.9	15.1
duration of your weekly working time	5.7	67.9	17.0	09.4
your position in the company's hierarchy	5.8	61.5	13.5	19.2

Respondents in small enterprises reported the highest rates in increase. 37.5% stated that their level of responsibility, income and application of experiences and skills rose; one quarter reported an increased hierarchical position and longer working times. Slightly fewer employees of medium enterprises reported all of these changes too, but only 15% of them stated an increase in working time. The most notably negative result was less application of their experiences and skills of one quarter of employees of small enterprises. Respondents working in micro enterprises stated an unchanged situation.

One third of both white-collar workers and managers as well as 20.8% of blue-collar workers report an increased application of their experiences and skills. Not surprisingly, people working in management were most likely to have increased salary (30.8%), responsibility and working time (38.5% each) by far. Most interestingly, white-collar workers stated the worst results concerning their hierarchical position: 13.3% reported a decrease and only 6.7% an increase. In contrast, 17.4% blue-collar workers reported an increase, but there was no report at all of a worse situation regarding hierarchy.

All in all, the changes seem to have had more positive than negative effects on the employees' work situations.

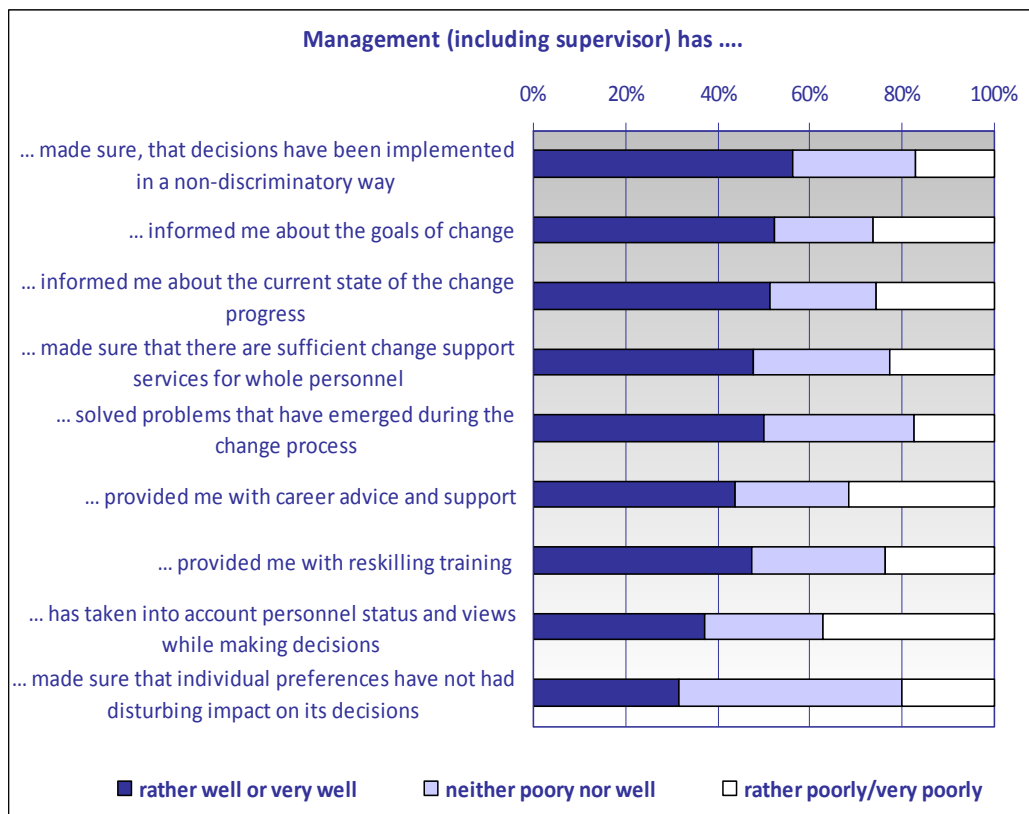
Implementation of changes

Respondents gave an estimate of how planning and implementation of changes has taken place in their workplace. They evaluated the behaviour of management (including supervisors), co-workers and miscellaneous organisational parties.

Management

Generally seen, the impression of how the planning and realisation of changes to their workplaces took place was rather positive (see chart 21). About half of all employees stated that they had the feeling of being at least well informed about the goals of the changes being made and of the status of the progress. On the other hand, there seem to be deficits regarding the consideration of the workforce's opinions.

Chart 21: Performance of management



Note: Without category 'not applicable'

All in all, there is still room for better change management in many enterprises if one considers that about half of the employees assessed management communication performance in the change process as ‘neither poorly nor well’ or ‘rather or very poorly’.

In fact, medium sized enterprises showed the best results in virtually all of these categories with positive answers between 50% and 57.1%. Small businesses showed extremely positive results in implementing decisions in a non-discriminatory way (71.4%). On the contrary, they scored worst regarding disturbing impacts of individual preferences (60% negative).

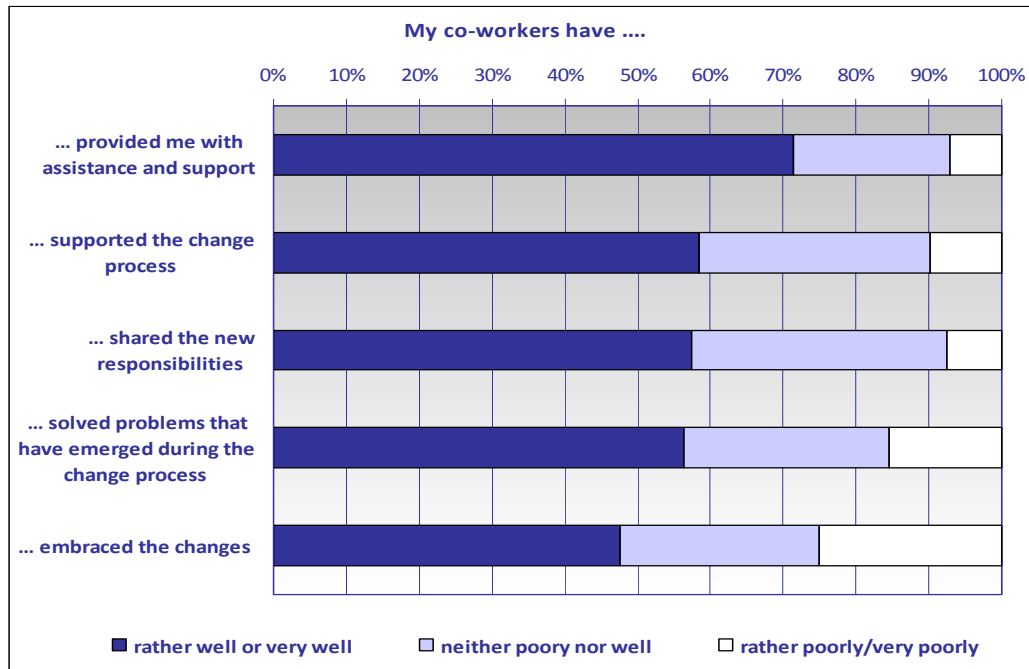
As to differentiation by job positions, both blue-collar workers and people in management positions rated their management best. Unlike white-collar workers, especially managers had a differentiated view of things and did not tick ‘neither poorly nor well’ too often. Most likely, this could be a result of better access to relevant information due to their superior position.

Most interestingly, 42.9% of blue-collar workers preferred not to answer whether or not individual preferences had a disturbing impact on decisions.

Co-workers

Not only does the management play a decisive role, but also colleagues. That is why participants were asked about the performance of their co-workers during the process of change (see chart 22).

Chart 22: Performance of co-workers



Note: Without category 'not applicable'

In terms of providing assistance and support, most respondents were satisfied with their colleagues' bearing. Seven in ten persons evaluated it as rather (54.7%) or very well (16.7%). The co-workers were judged similarly well with respect to their support of the change process, the sharing of new responsibilities and the resolution of problems which emerged during the process.

In contrast, respondents thought that their colleagues were often not totally happy with the changes. It is the only question of this battery where 'very poorly' was ticked (5%) and a total of 25% thought that their co-workers were rather unsatisfied with the changes.

When evaluating the attitude of colleagues in terms of the frequency of helpfulness, reliance and appraisal, the most eye-catching result is that nobody chose 'never'. Accordingly, three in four persons felt appreciated at least 'often' (see chart 23). The most heterogeneous answer can be observed if one asks whether or not respondents can count on their colleagues. This question has the highest results in the best as well as worst category.

Chart 23: Evaluation of the co-workers' behaviour



Organisational parties

Regarding the organisational institutions ¹⁷, employees assessed that their own workgroup acted 'rather well or very well' followed by HR personnel, local trade unions (shop stewards) or occupational health care professionals (see chart 24). Again, there is still room for better change management in many enterprises especially if one considers that over half of all employees assessed the communication performance of the HR-staff in the change process as 'neither poorly nor well' or 'rather or very poorly'.

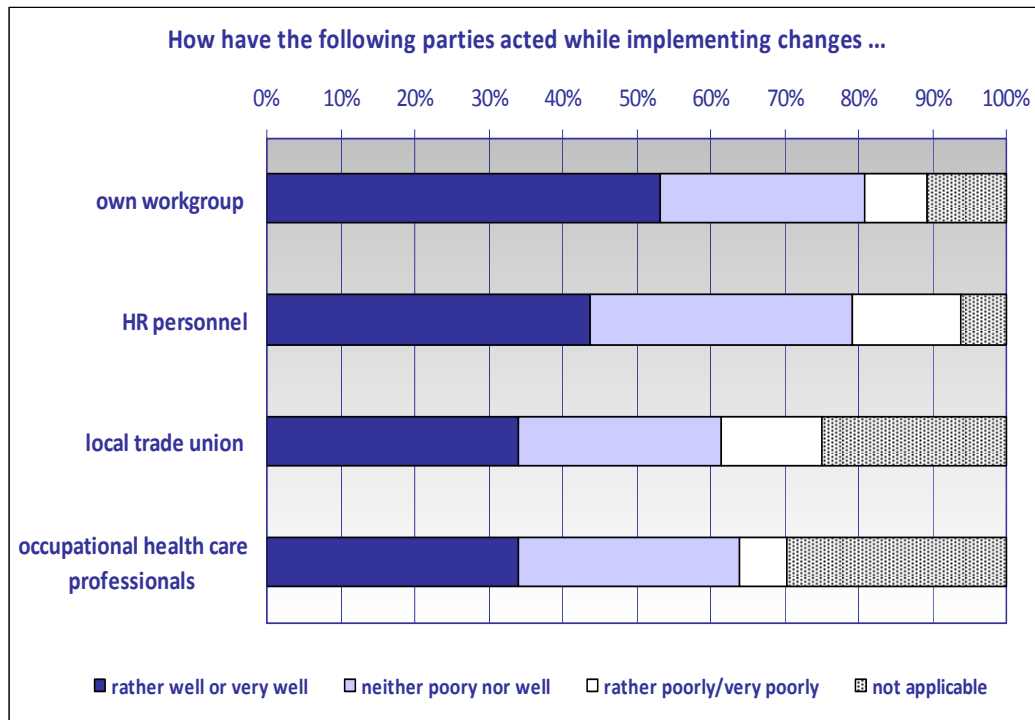
The high number of non-responses for the questions on the local trade union (25%) and occupational health care professionals (29.8%) can be easily explained. Shop stewards committees do not mandatorily have to be established in Austria¹⁸,

¹⁷ Unlike the English version, the Austrian questionnaire did not ask for "occupational safety organisation" because no such institution exists in Austria.

¹⁸ According to § 40 (1) ArbVG, a Betriebsrat (shop stewards committee) may be established by the employees themselves, if five or more of them work on full-time contracts.

and occupational health care professionals (called Arbeitsmediziner) are often external consultants, thus they may not be perceived by all employees as relevant for the changing processes.

Chart 24: Performance of organisational parties



Overall assessment of the changes during the last two years

Considering all the changes that have taken place at respondents' workplaces in the last two years, how do they assess them?

For most of the respondents, the changes were only of minor significance for their work. Only one third of the employees said that changes were very significant for their work, for 40% the changes were rather significant. This corresponds with similar assessments as to whether these changes had a positive or negative impact as well as reduced or increased the well-being at work (see chart 25).

Interestingly, no clear relationship can be observed between the respondents' rating of workplace changes and their overall outcome assessment, i.e. whether these changes have been positive or negative. Chart 26 shows that threshold effects are probable at work, as employees which experienced highly significant

changes at their workplace also report a much more a positive overall impact. With respect to the impact on the well-being at the workplace, a trend is obvious (see chart 27). The higher the perceived change at the workplace, the higher the share of respondents who confirm increased well-being at the workplace.

Chart 25: Overall assessment induced by changes during the last two years

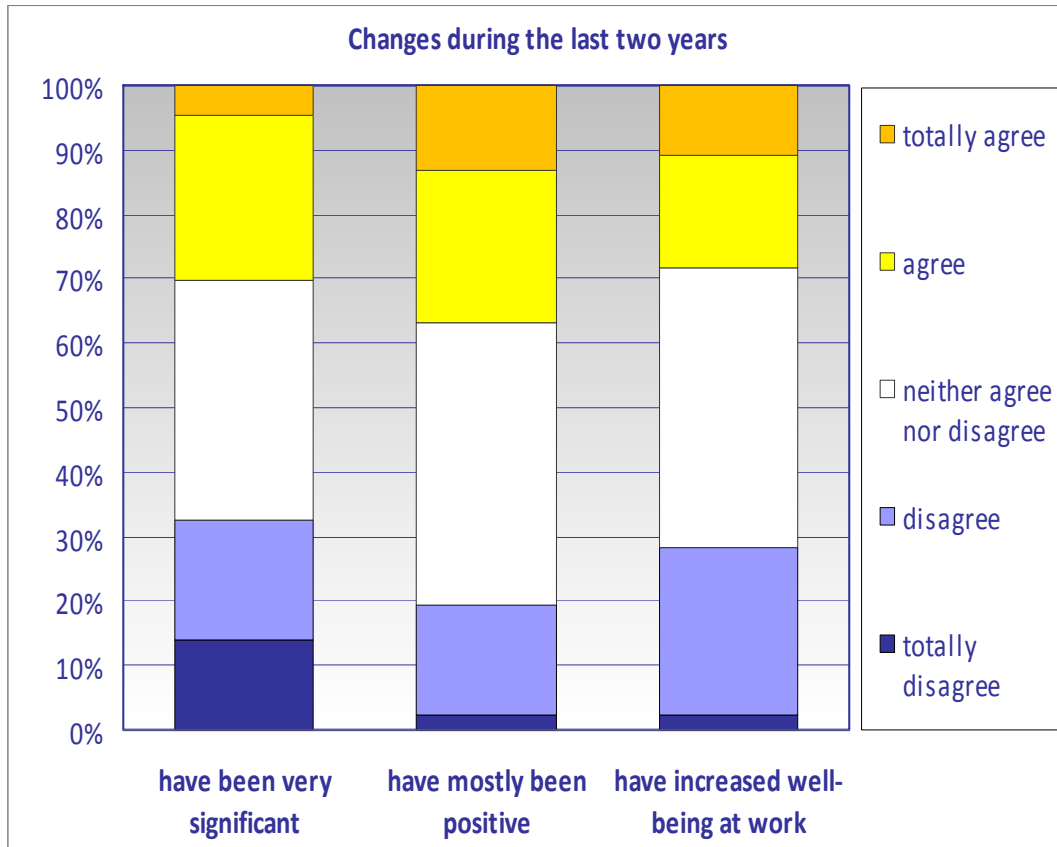


Chart 26: Impact of changes during the last two years on general assessment

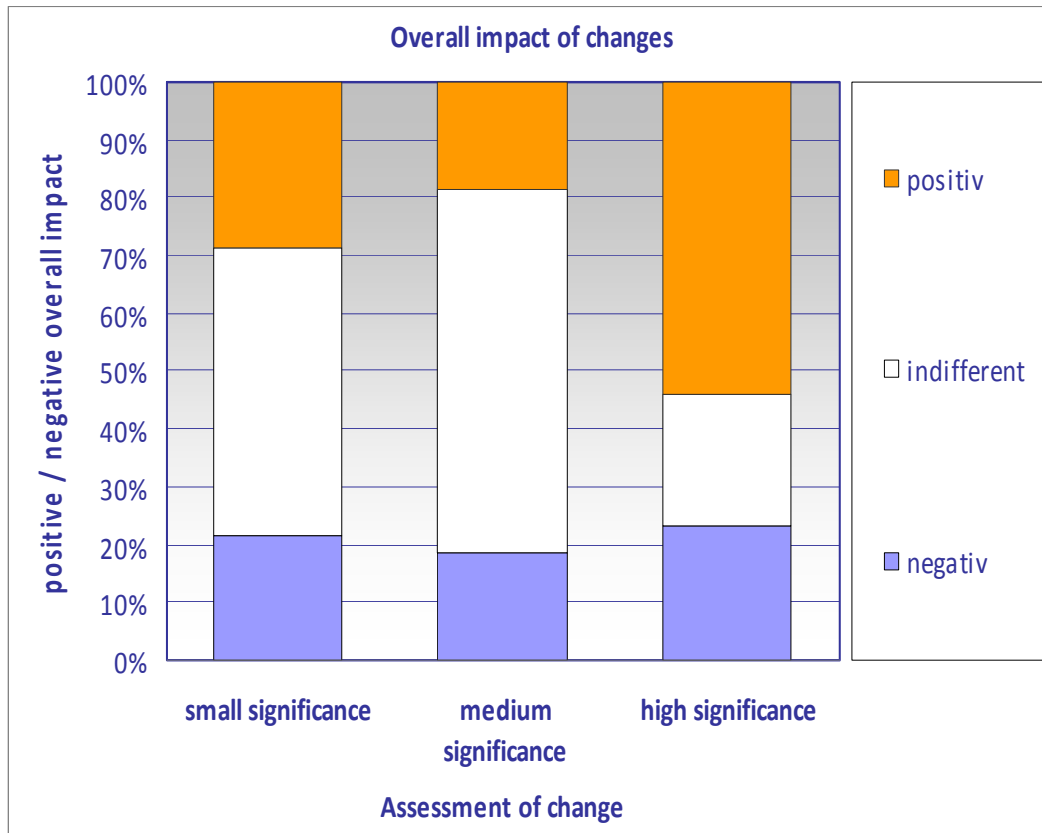
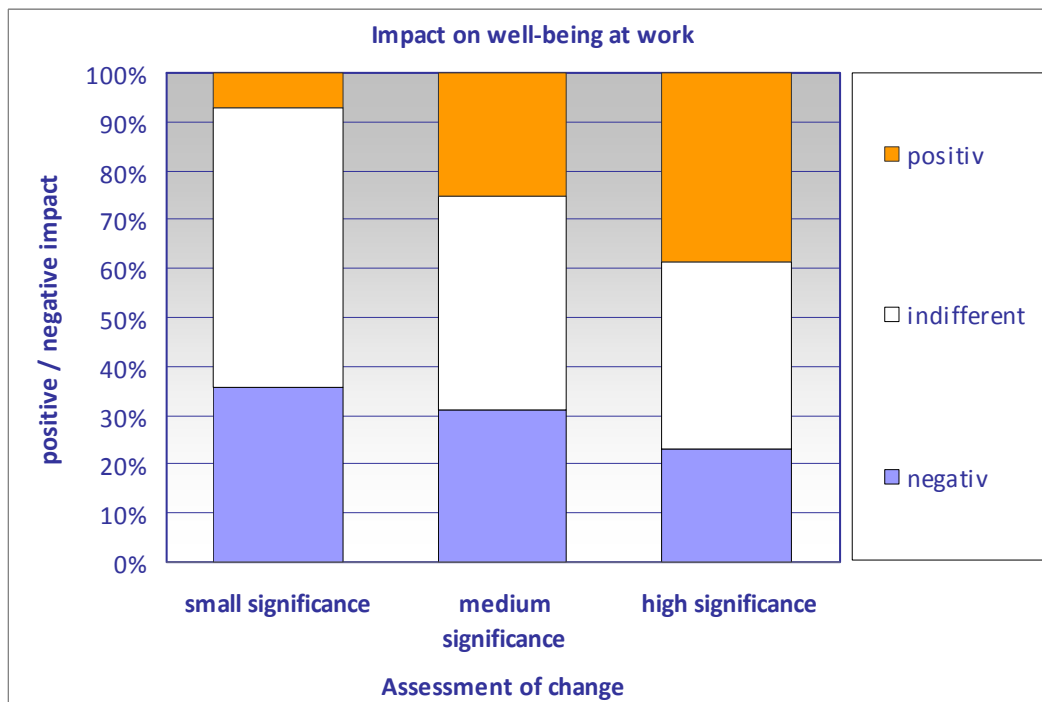


Chart 27: Impact of changes during the last two years on well-being at work



Women and blue-collar workers reported to a higher degree that they experienced profound changes at their work during the last two years. They also considered changes more positive than other groups: They have considerable higher shares of respondents who agreed to overall positive effects as well as to increased well-being at work.

Current work situation

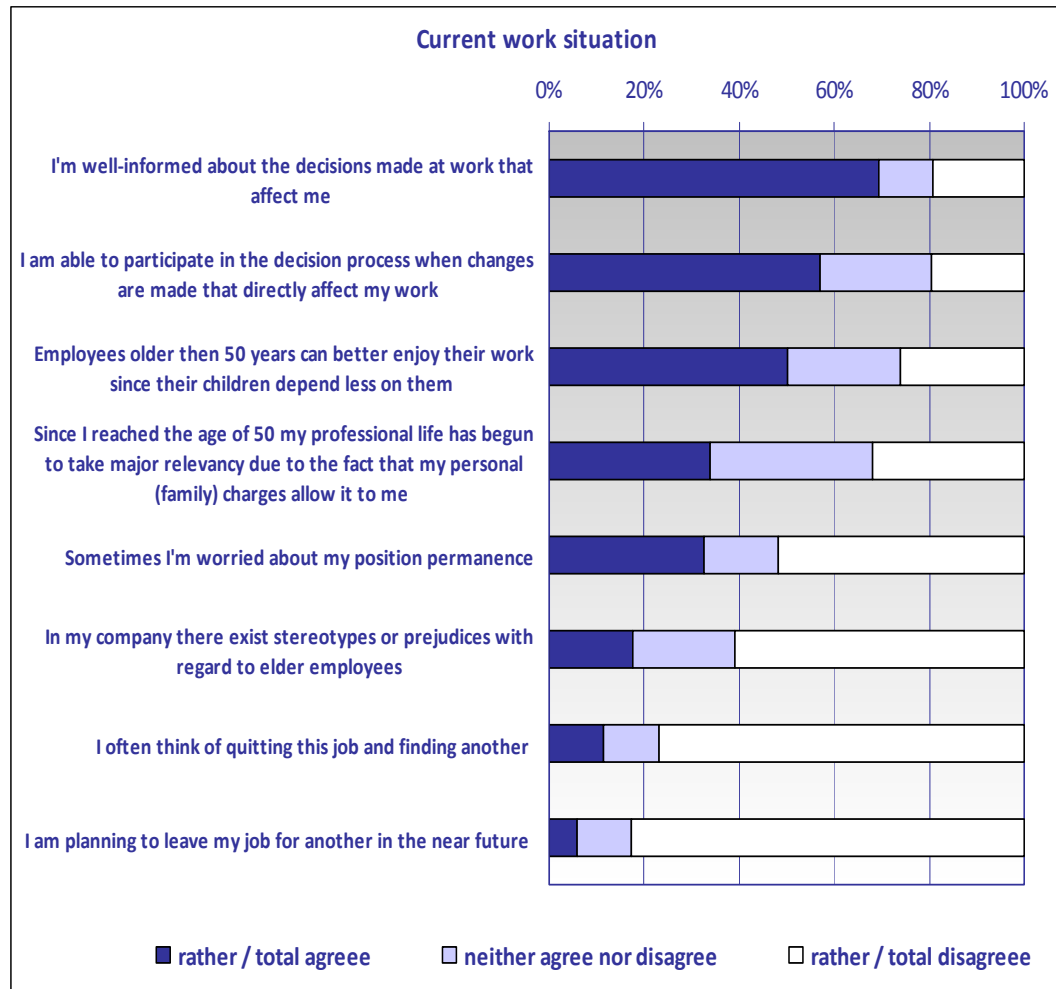
Most people (seven in ten) felt that they were well-informed about the decisions affecting their work situation (see chart 28). In most cases (56.9%) this is a result of the fact that respondents are able to participate in decision processes which directly affect their work.

Concerning plans or thoughts of changing jobs, approximately eight in ten respondents disagreed. One quarter of participants completely disagreed with being worried about their position permanence, in total more than half had a positive attitude towards this matter. Six in ten employees denied the existence of stereotypes or prejudice with regard to elder co-workers in their organisation.

Moreover, half of the respondents agreed that elder employees can enjoy the work more because of less dependency of their children. In contrast, their personal rating of an increased relevancy of their professional life is completely balanced, which means that it is not significantly influenced by a changed family situation.

A very high share (84.6%) of older employees in management positions stated that there is no prejudice over elder employees in their organisations.

Chart 28: Current work situation



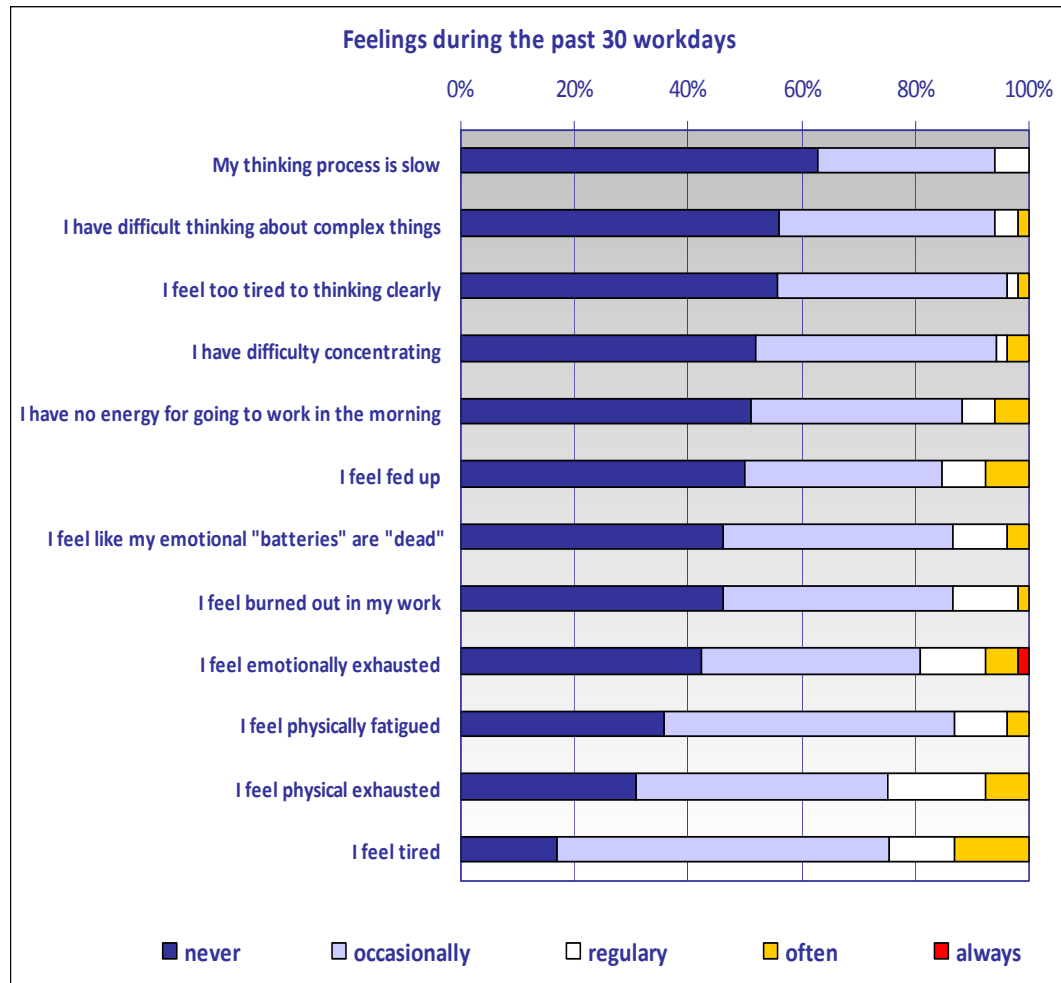
Interestingly, blue-collar workers felt better informed about decisions affecting them (three in four) than managers (69.2%), they also did not want or plan to quit their current job (87.5% each). Mostly blue-collar workers were worried about their position.

57% of white-collar workers thought that older employees enjoy their work life more, because their kids do not depend on them any longer. They also disagreed more than others with the statement that their professional life has gained more relevance since they reached the age of 50.

Feelings and problems at work

One very positive result beforehand: nearly none of the Austrian respondents had any negative feeling at their work all the time (‘always’; see chart 29). Answers vary mainly with respect to shares of ‘never’ and ‘occasionally’.

Chart 29: Emotional exhaustion at work (during the last 30 workdays)



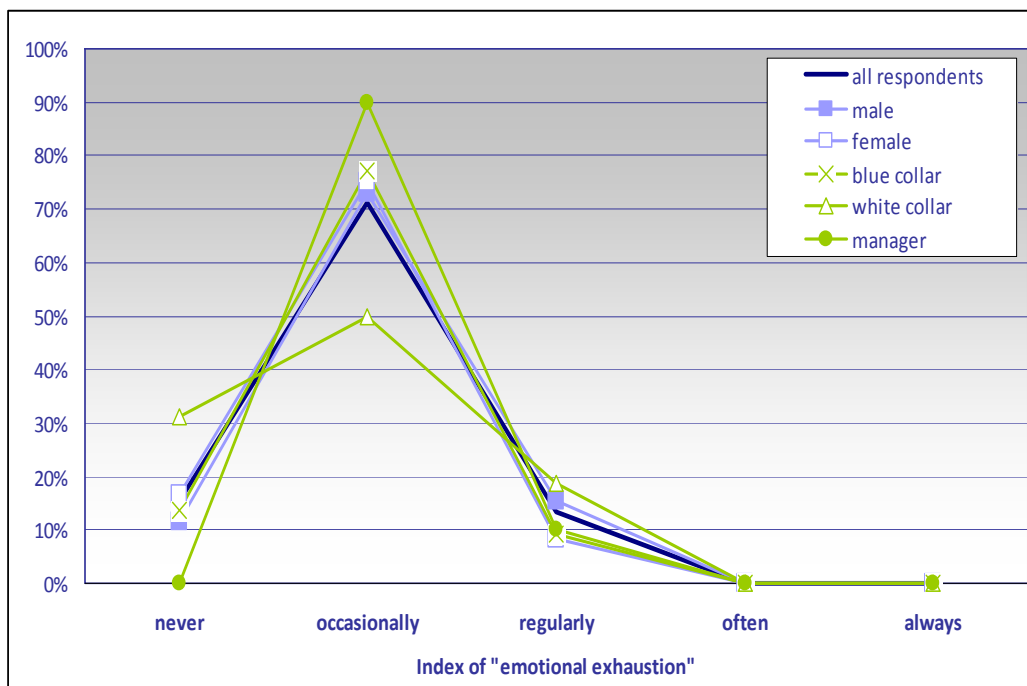
To better grasp the multidimensional aspects of the assessments, an index ‘emotional exhaustion at work’ was constructed¹⁹. About 70% of respondents mentioned that they occasionally feel in some way exhausted (see chart 30). No

¹⁹ The index is the sum of assessments of the 12 individual aspects, for example if someone said that they are “fed up” and also “feels tired”, the person has a higher score on the index than someone who only mentioned only one aspect. The range of index scores lies between 12 (respondent assessed all aspects as never occurring) and 60 (all aspects occur always). The average score of all respondents is 20.6, i.e. “occasionally”.

gender differences can be observed and also the assessments according to job positions are rather similar. Only managers have higher shares of being ‘occasionally’ emotionally exhausted (no manager said that they were ‘never’ exhausted). White-collar employees in contrast have higher shares of ‘never’ and lower shares of ‘occasionally’, implying less overall negative feelings at work.

No correlation could be found when analysing the degree of changes during the last two years on the ‘emotional exhaustion’ index. There is also no link between the index and the respondents’ assessments of positive or negative outcomes of the changes. And no correlation exists between the index and whether changes have reduced or increased well-being at work. To sum up, changes during the last two years seem to have had almost no effect on the current emotional exhaustion at work.

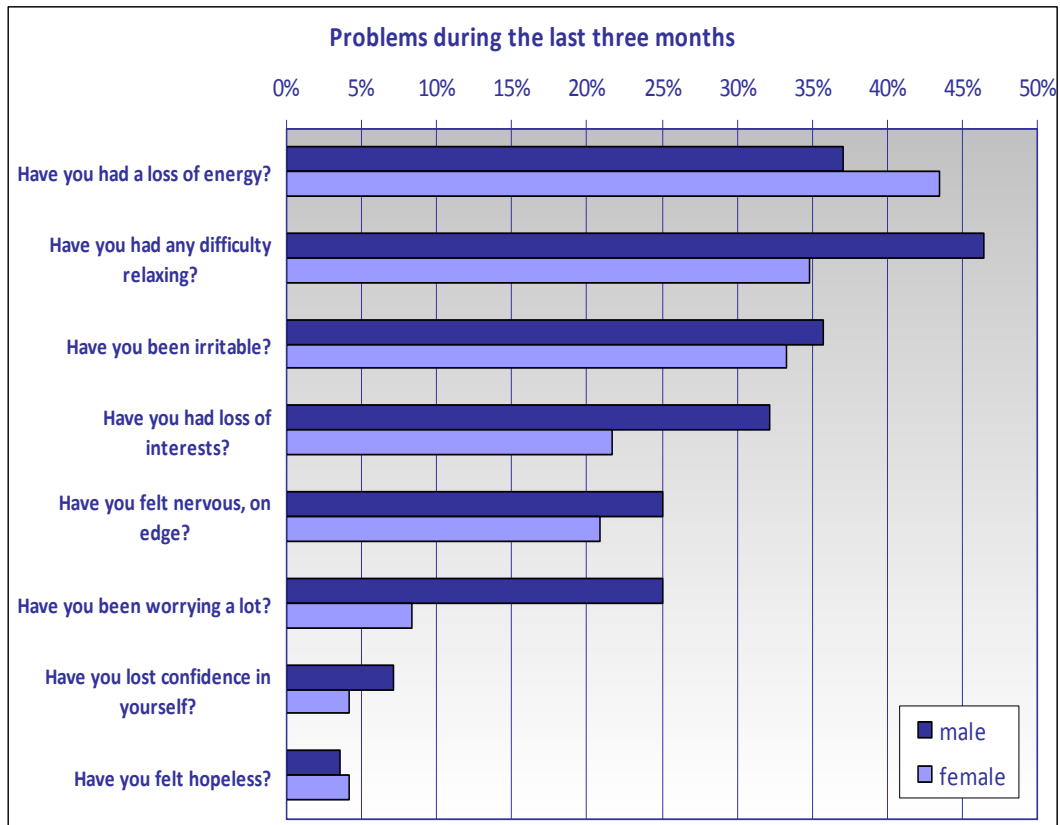
Chart 30: Distribution of the index ‘emotional exhaustion’, by gender and position



Emotional conditions by gender

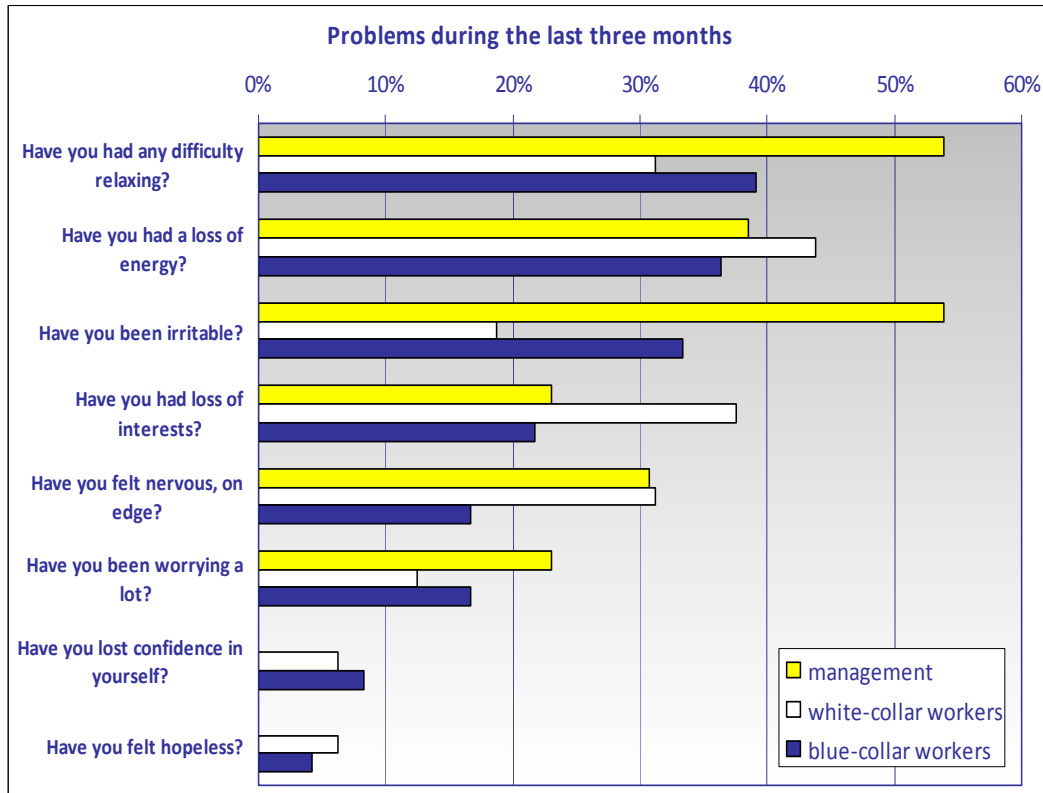
Men reported worrying a lot more often, had more problems relaxing and had less enthusiasm for other things, whereas women felt more often that they had less energy (see chart 31).

Chart 31: Problems during the last three months, by gender (sorted by share of affirmation)



Compared to other employees, blue-collar workers only felt nervous half as often. People in management positions did not feel hopeless and did not lose self-confidence at all, but more than one half felt irritable and experienced difficulties in relaxing (53.8% each, see chart 32).

Chart 32: Problems during the last three months, by job position (sorted by share of affirmation)



Company programmes for elder employees

Overall, 58% of the respondents reported that their company offers some sort of programmes for their older employees. Yet, company programmes for elder employees do not seem to be too widely spread. 35.6% of the companies provide health programmes to their employees, followed by age-mixed working teams with 18.6%. This result is somehow astonishing as enterprises were selected which claim to provide superior treatment for their employees of 50 years of age and older in terms of employment figures as well as pronounced activities in the field of occupational health care and promotion and wellness measures. Probably employees do not often have sufficient information about the relevant offers for them (indicating a lack in the communication policy of the company) or companies' offers are predominantly targeted for certain occupational groups

only²⁰. Also, according to the Elders survey, early retirement programmes are not often offered (7%). Yet, the results from ESWT 2004/05 for Austria show a different picture: In 48% of the Austrian companies that have employees aged 50 or older, there are phased retirement programmes, and in 29% early retirement programmes.

Interestingly, seven in ten medium sized organisations provide programmes for elder employees, but only 56% of big organisations. Two in three micro enterprises do not provide any company programmes at all.

Table 6: Company programmes for elder employees, percentages (sorted by share of affirmation)

Programmes for elder employees offered by the company	%
health programmes/offers	35.6
age-mixed working teams	18.6
age specific further training programmes	13.6
age sensible working-time arrangements	10.2
early retirement programmes	6.8
career guidance for elder employees	1.7

Only every fifth respondent (20.8%) reported taking advantage of the opportunity to participate in a company programme, which in almost every case were health programmes. People who did not participate in any form of programme on offer stated explicitly that they did not attend

- because of lack of time / being hindered by capacity (21.1%)
- because there are no such programmes (13.2%)
- because they did not feel the urge to do so / felt too young or too old (13.2%)

One employee of a company offering health programmes mentioned that he did not take part in it because of a lack of faith in the company's medical officer.

²⁰ According to a recent study (Schmid 2008), 60% of the Austrian companies employing older people offer age-specific programmes for them.

Plans before going into retirement

The ELDERS participants were asked a multiple-choice question concerning what they would like to do before they fully retire. A majority of about 90% would like to remain in their current jobs until retirement (see chart 33).

Interestingly, nobody wanted to change jobs within the present company. Some people would like to seek promotion at their current worksite, move to another company and/or become self-employed (3.7% each). Only one person wished to try something completely new by learning a new skill or profession, and accordingly changing their career or type of job.

Job control

As mentioned before, 90% of the respondents wanted to remain at their current job until retirement, but only 44.6% rated that it will be easy or very easy to do so (see chart 34). A majority of 83.3% thought that it would be at least difficult to find a similar job of equal quality²¹. According to ELDERS respondents, employers would have an easy task replacing them. Only every fifth participant (20.4%) thinks that it would be difficult or very difficult to replace them.

²¹ These results are comparable to findings from a broader employee-survey (Lindgruber and Grössenberger, 2008): According to the working-climate index for 2008, 90% of the employees over the age of 45 report that they want to remain at their current job, and 62% of them assess their re-employment chances as problematic. 77% of employees aged 50+ stated that it would be difficult or very difficult to find a new job.

Chart 33: Plans before retirement

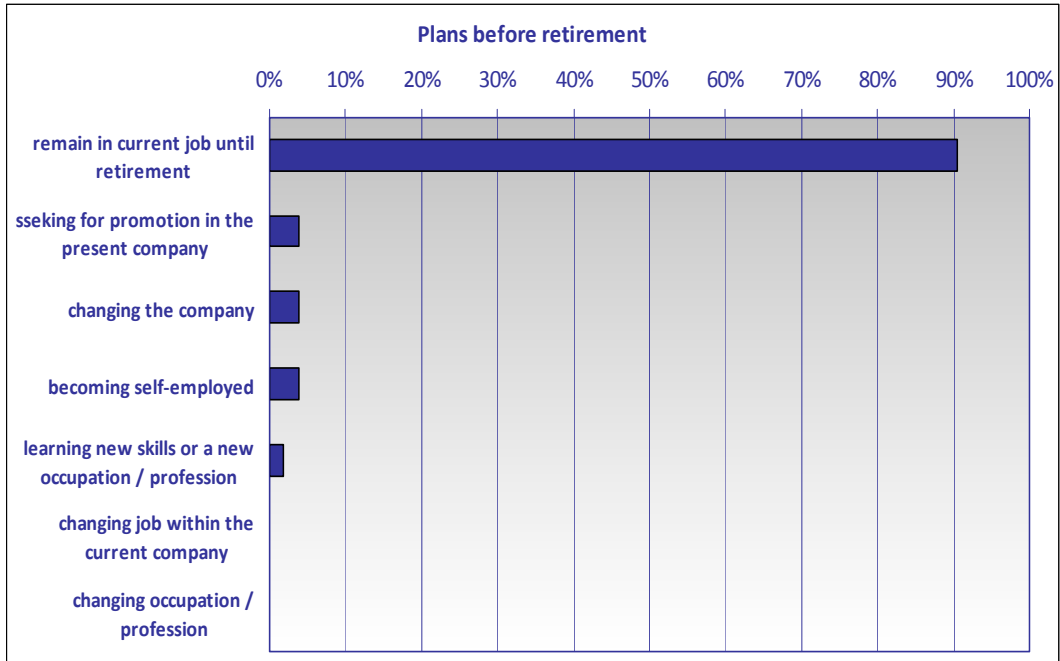
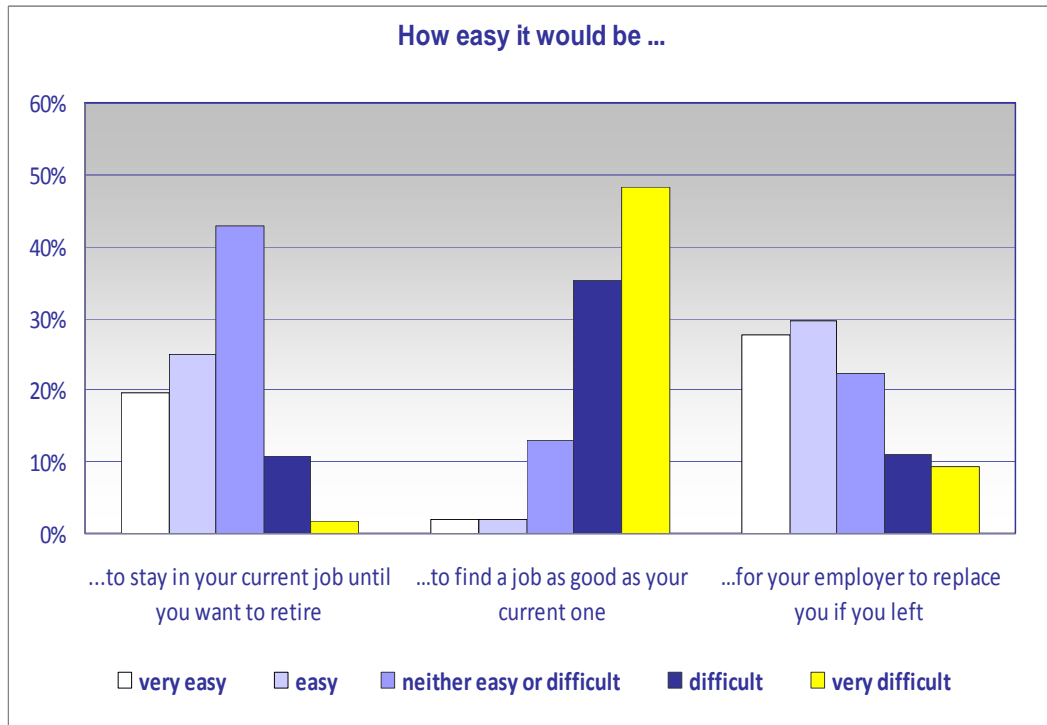


Chart 34: Job security until retirement

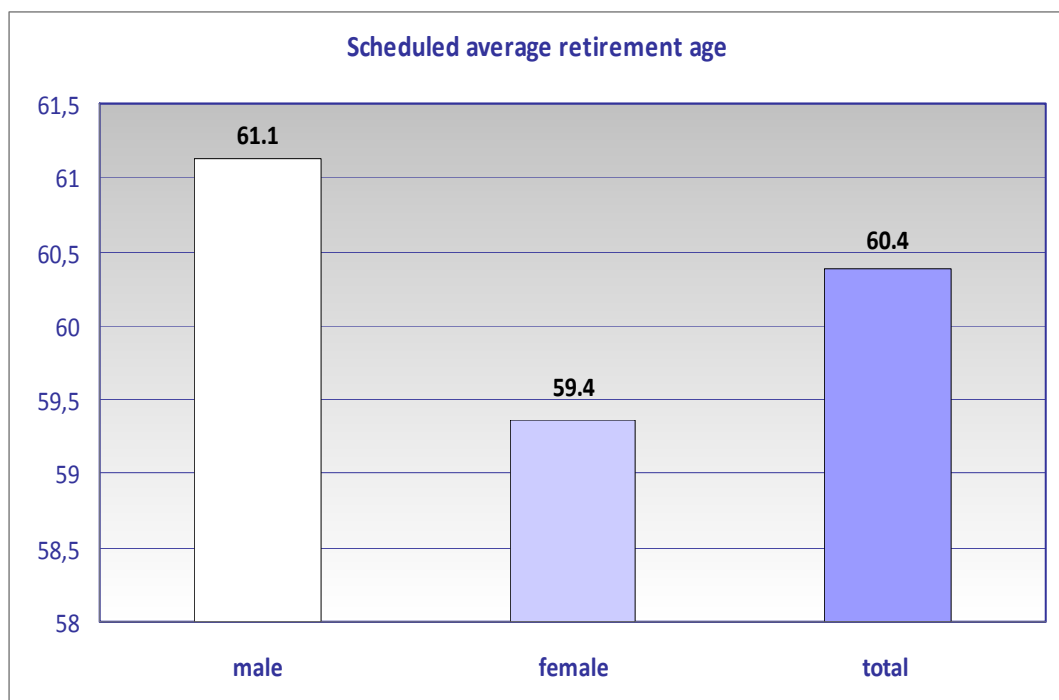


Plans for retirement

Almost half of all respondents (44%) had a definite plan as to at what age they would like to retire. Calculated from those who had a concrete plan as to when they want to stop working, men want to retire at an average age of 61.1 years and women at 59.4 years of age (see chart 35). Interestingly, this is about one to two years later than the actual average retirement age in Austria (on average men are 58.9 and women 57.9 years old when they retire).

As to whether or not people have concrete plans about when to retire, there are no significant differences in gender. Interestingly, 61.1% of white collar workers did not know when to retire; all the other groups are approximately 50%.

Chart 35: Scheduled average retirement age



When respondents were asked what kind of pension scheme they will presumably apply for, 36.4% chose the (usual) annuity pension, followed by the possibilities of early retirement²², which sum up to 25.5%. Nobody expressed the desire to

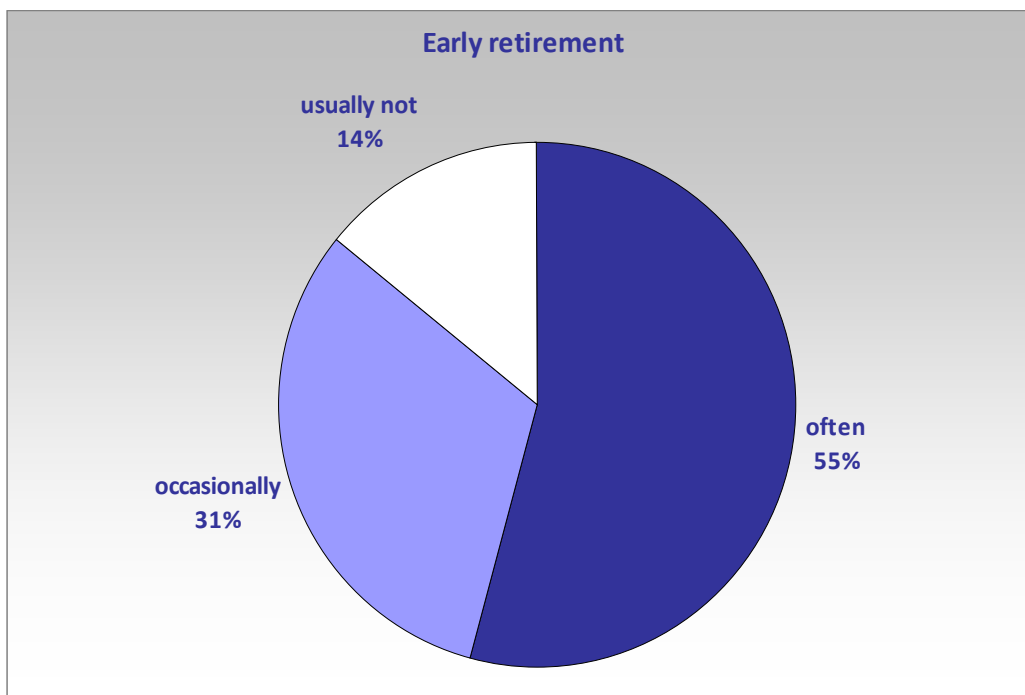
²² Basically, these schemes have the premise of a long enough period of insurance in common.

make use of a disability pension. The majority of 38.2% did not know yet what scheme they will choose.

In Austria, retirement before the statutory retirement age²³ is a widespread reality. To get a picture about the behaviour of the respondents' co-workers (and the possibility of peer effects), employees were asked if colleagues in their company often retire before the statutory retirement age. More than half said that in their company colleagues often (55%) or at least occasionally (31%) go on early leave (see chart 36).

Possible peer effects could not be observed, i.e. the degree of early retirement in the company has no influence on the respondents' planned age of retirement.

Chart 36: Frequency of early retirements in companies



Remark: 36% of respondents did not provide an answer to the question.

Part-time employment prior to retirement (Austria-specific question)

In Austria, there is an option for women from age 53 and men from age 58 to opt for a reduction in working time from 40 to 60% (different options see Table 6)

²³ The statutory retirement age is at 65 years of age for men, and at 60 years of age for women.

without losing their entitlements for pension, unemployment benefit and health insurance through subventions from the labour market service, called *Altersteilzeit* (part-time employment prior to retirement), i.e. a phased retirement scheme with public subsidies.

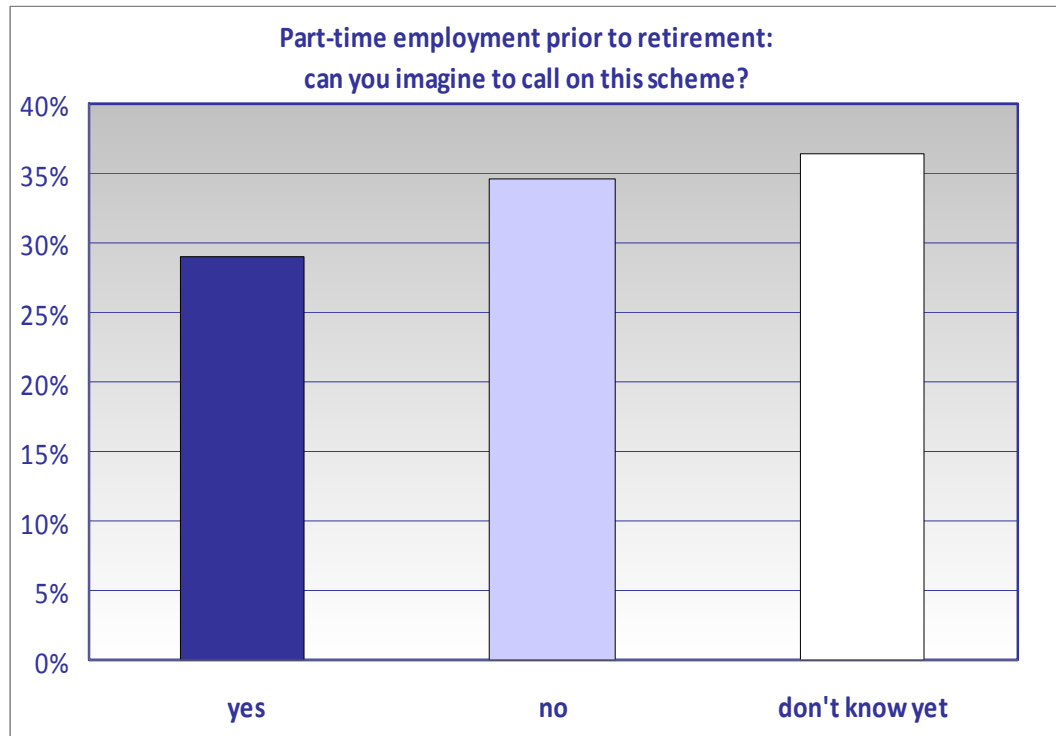
Table 6: Forms of part-time employment prior to retirement

Reduction of working time	Income due to working time	Subsidy of labour market service	Total income (in% of former income)
40%	60%	20%	80%
50%	50%	25%	75%
60%	40%	30%	70%

In fact, three in ten respondents (29.1%) could imagine making use of the opportunity to call on this scheme. Approximately one third (34.5%) did not see this as an option for their situation respectively, the rest had not taken this option into consideration until now (see Chart 25).

Predominantly men could image opting for this scheme. When looking at those respondents who gave a definite answer, six in ten men chose ‘yes’. In contrast, 71.4% of women chose ‘no’ (see chart 37). Regarding job positions, blue-collar workers and managers had a slight preference for the scheme, while only one third of white-collar workers would choose it. However, remarkably more than one half of blue-collar workers did not know a definite answer.

Chart 37: Part-time employment prior to retirement scheme



Proposals given by respondents

Suggestions concerning health issues

At the end of the ELDERS questionnaire, respondents were given the possibility to place their suggestions for improving well-being at work or reducing sickness absence at their workplace (number of times mentioned in brackets):

- More leisure time or pauses to recreate / less pressure / reduction of pacing (4);
- Health programmes & strategies for prevention of age-related malady and burn-out (2);
- More personnel (2);
- A more open working climate / more collegiality (2);
- Others: job rotation, role models, plain-talking;

Three respondents stated explicitly that there was no need for improvements in their organisation, or that everything was quite in order.

Suggestions concerning managerial issues

The second open question addressed suggestions for managers being in charge of implementing a major organisational change. The majority of the respondents felt that the opinion and experience of the employees should be considered by the management (6). Amongst the other answers the following statements could be found:

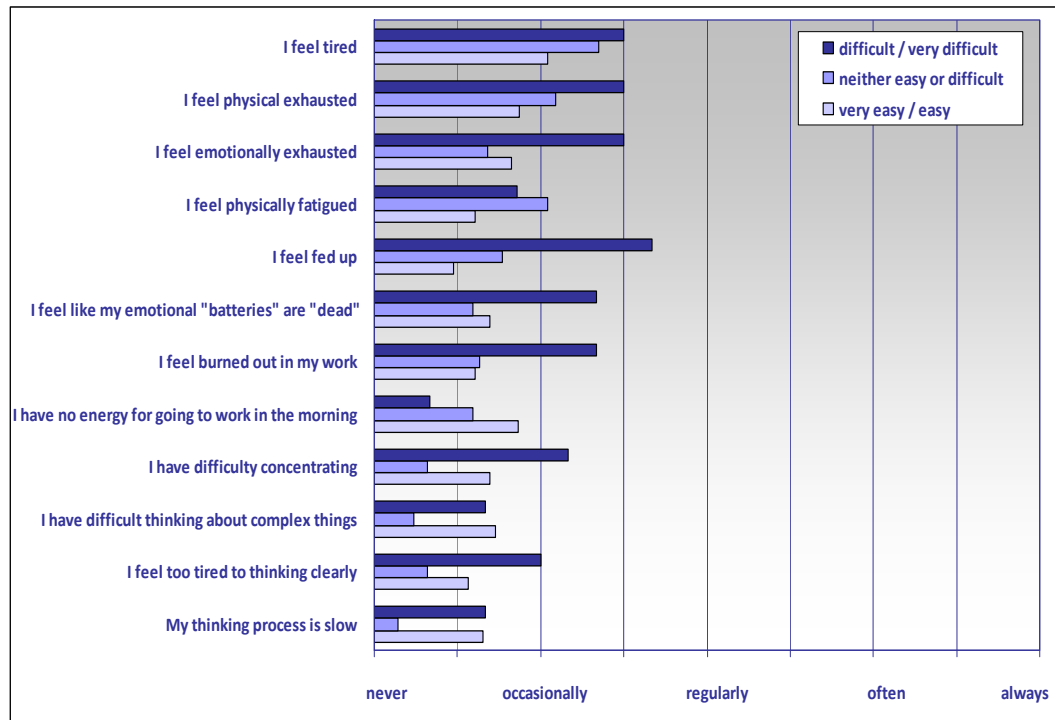
- Motivation instead of change;
- Spread decision-making;
- More attention for the shop stewards committee;
- Managers should undergo professional coaching;
- Reoccupation of positions which are vacant because of retirements.

Feelings and problems at work: Are they influenced by change processes?

After presenting the relevant features of the Elders survey for Austria, some interesting cross-analytical aspects concerning feelings and problems at work in connection with change process were conducted.

To start with, we compared **perceived job security** with **emotional exhaustion** factors. In other words we compared the respondents' assessment of how easy or difficult it would be for them to stay in their current job until retirement with the factors 'feeling at work'. Those who thought it would be difficult or very difficult to stay in the job until retirement often had average scores that are twice as high as those who thought it would be easy or very easy (see chart 38). This means they felt more tired, physically and emotionally exhausted, were more fed up and their batteries were dead and they felt burnt out. Interestingly, the strongest effects can often be observed for the group who thinks it will be very difficult or difficult to stay in their job until retirement.

Chart 38: Average scores for emotional exhaustion aspects at work conditional on perceived job security until retirement



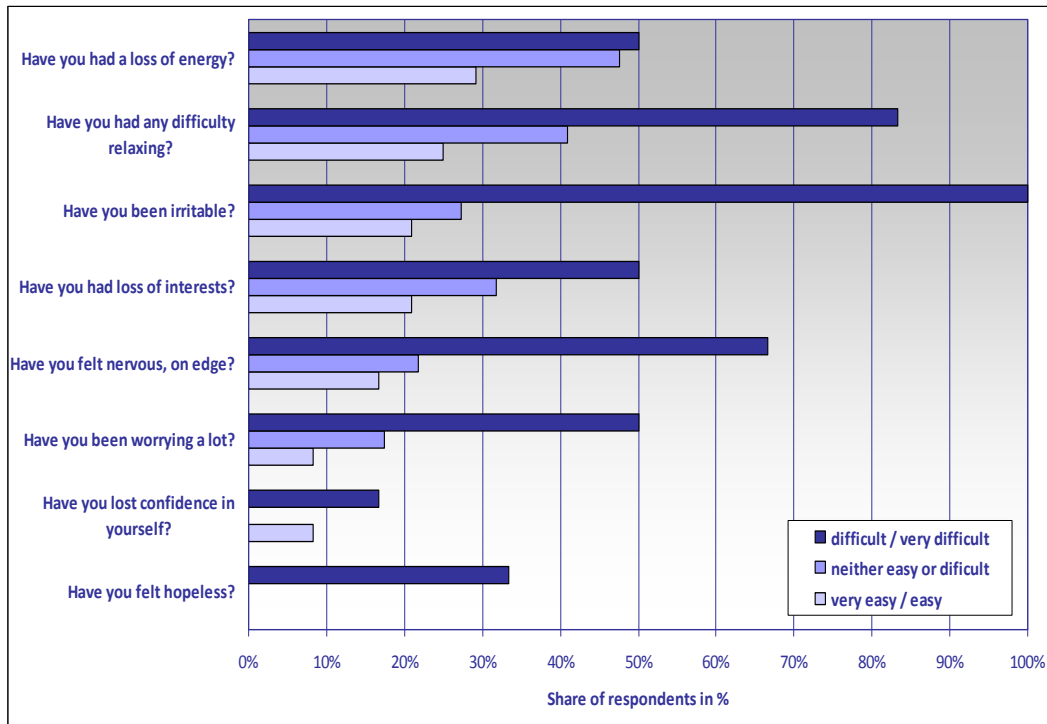
It is important to keep in mind that causality may also occur the other way round: Employees who are more emotionally exhausted usually feel that their job is not so secure. In other words it is not ‘fear’ of job loss that causes emotional stress, it may well be that factors outside the company or general mental and physical condition lead to emotional exhaustion and this in turn results in lower perceived job security.

As already mentioned (see page 121ff), the majority (about 70%) of respondents said that they merely occasionally felt in some way exhausted at work. Therefore, a doubling of the scores means that also those employees who have concerns about their job security still have a rather low level of emotional exhaustion aspects at work.

A similar approach was undertaken with aspects of **emotional well-being**. Again, employees who think it will be difficult or very difficult to stay in the job until retirement usually report to a much higher degree that they have problems with

their emotional well-being (see chart 39). Again reversed causality may be at work.

Chart 39: Emotional well-being conditional on perceived job security until retirement



Similar effects on emotional exhaustion and well-being can be seen when looking at the perceived ability to find a new job. One difference to perceived job security is straightforward:

Respondents who thought it would be easy or very easy to find a new job as good as their current one had notably lower scores for emotional exhaustion. In other words they felt tired, fed up, exhausted etc. to a much lower degree.

Interestingly, no significant effects can be found when looking at the relationship between job losses in the past and current emotional exhaustion and well-being. As 90% of all job losses were more than 10 years ago and about one third was voluntary, this result is plausible. Meaning, job losses are much too far in the past to have a significant effect on current emotional feelings and well-being.

A second aspect is the **influence of organisational change on emotional exhaustion and well-being**. Comparing the average scores of respondents who

assessed that organisational change had only minor, medium or strong effects for their work, a trend can be observed that strong (and medium) effects are often accompanied by slightly higher emotional exhaustion (see chart 40) whereas they are ambiguous for well-being (see chart 41).

Chart 40: Average scores for emotional exhaustion aspects at work conditional on perceived degree of the organisational changes

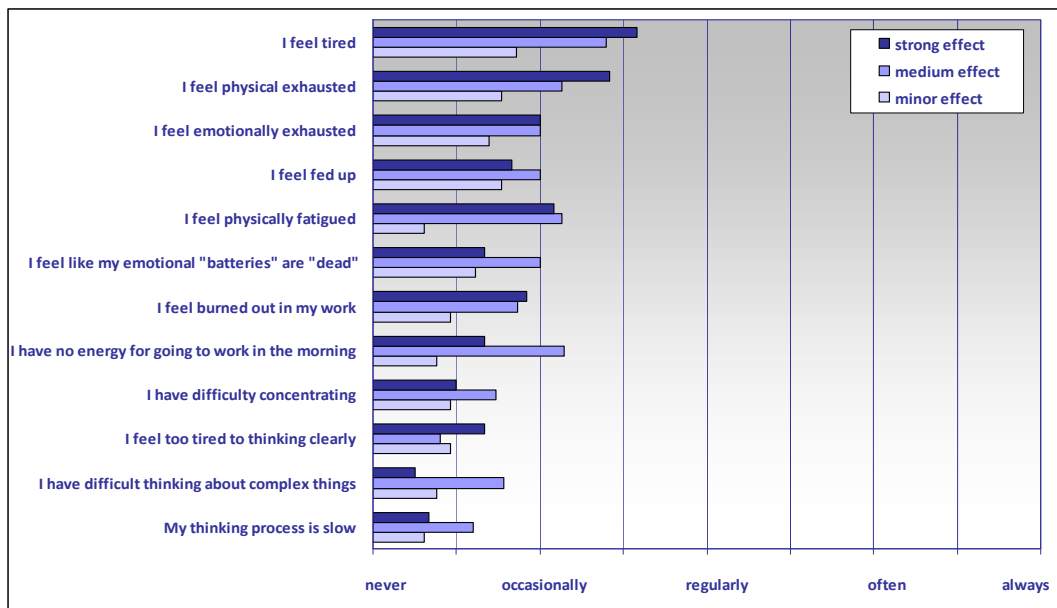


Chart 41: Emotional well-being conditional on perceived degree of the organisational changes

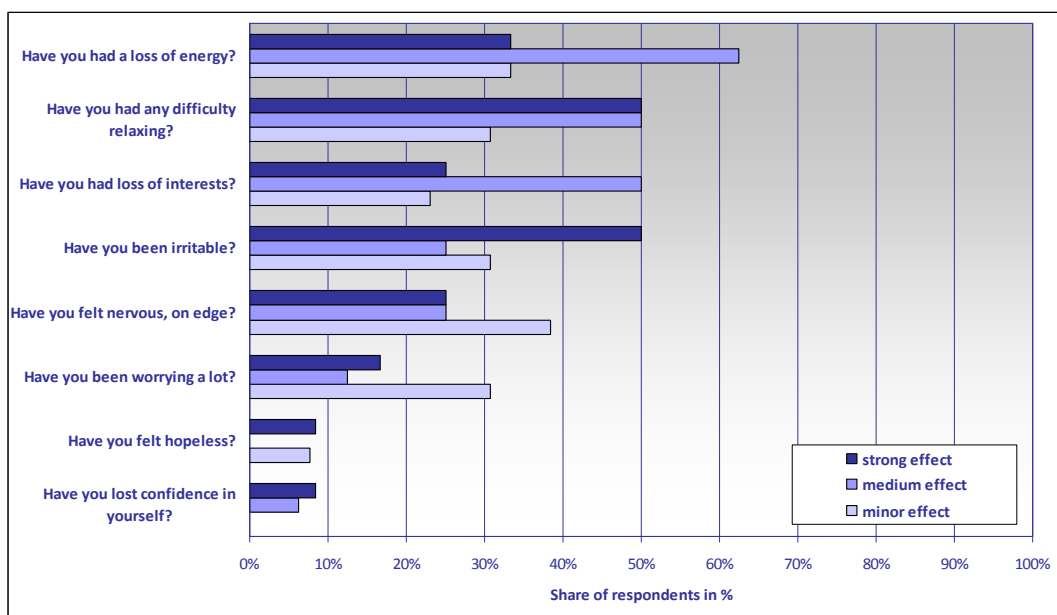


Chart 42: Average scores for emotional exhaustion aspects at work conditional on perceived effects of the organisational changes

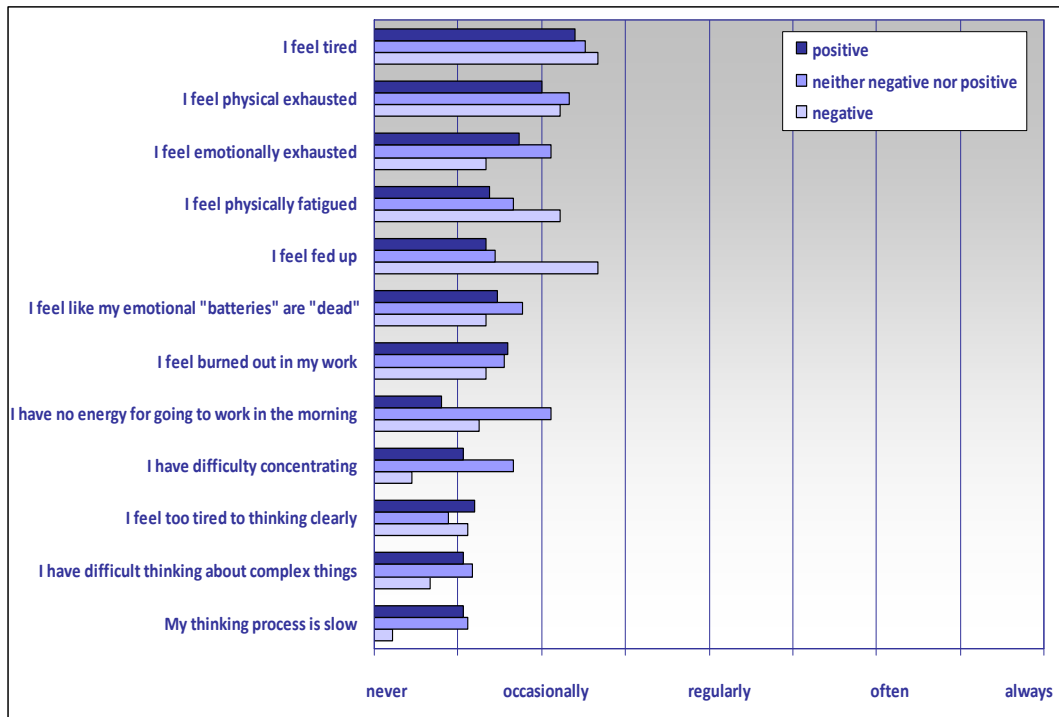
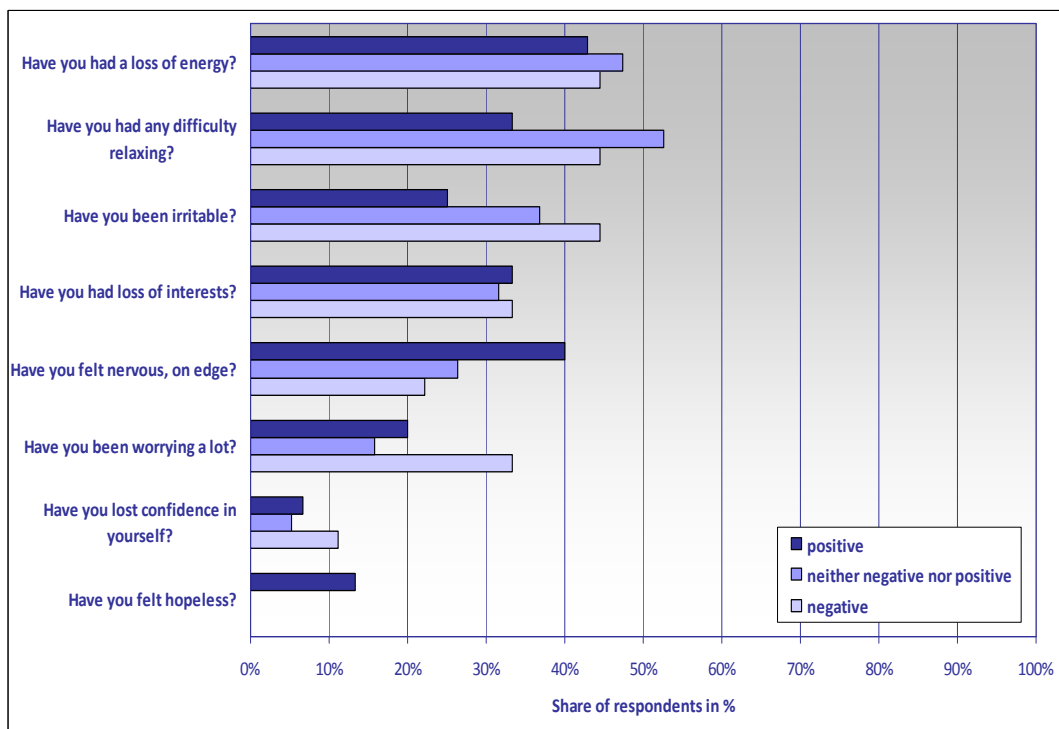


Chart 43: Emotional well-being conditional on perceived effects of the organisational changes



Comparing the average scores of respondents who assessed that organisational change had a positive, neither positive nor negative, or negative effects for their work, surprisingly, only small effects on emotional exhaustion and well-being can be observed: Respondents who reported negative effects of organisational changes felt slightly more physically fatigued and fed up (see chart 42) and they had more difficulties relaxing, were more irritated and worried (see chart 43).

Thirdly, how important is **communication of the organisational change process**? Deriving from two questions in the survey (management has ‘informed me about the goals of change’ and ‘informed me about the current state of the change process’) an index was constructed and analysed with respect to emotional exhaustion and well-being. As charts 44 and 45 clearly show, the better the communication policy of the company, the lower the scores for emotional exhaustion and the lower the share of respondents who reported problems for well-being. In other words, poor communication policy is associated with increased emotional exhaustion and reduced well-being. Well-being in particular is highly associated with ‘good’ communication policies.

One cautionary remark: As those companies with good communication policies towards their employees also usually had good ratings in the other dimensions (i.e. making sure that decisions have been implemented in a non-discriminatory way, provision of re-skilling, training, solving problems that have emerged during the change process, etc.) it is not possible to really disentangle the communication effect from these other actions.

Chart 44: Average scores for emotional exhaustion aspects at work conditional on index of communication policies of the company

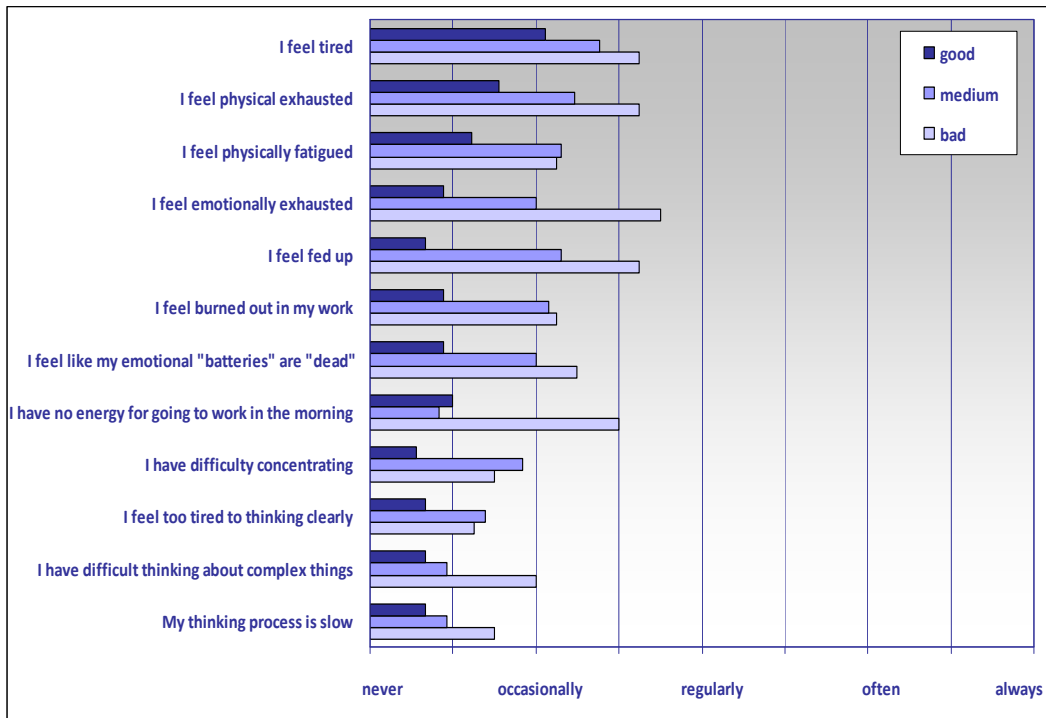
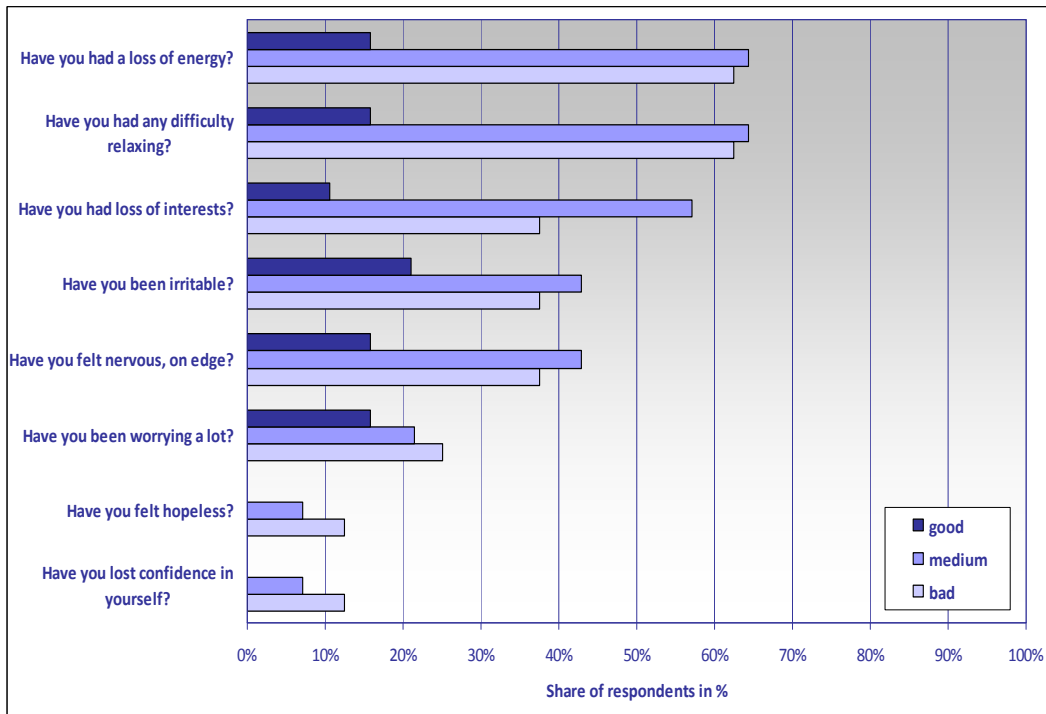


Chart 45: Emotional well-being conditional on index of communication policies of the company



Summary

The aim of the ELDERS survey was to find out which kind of consequences elder employees in restructured organisations had experienced in terms of stress and well-being, especially with an eye on the economic crisis. Additionally, for Austria aspects of retirement decisions have been asked. This small survey is one part of the whole project, providing insight into the situation and feelings of the target group. By elaborating and analysing the multifaceted dataset, attempts have been made to find measures which are likely to be successful in improving the conditions of elder workers. Therefore, the respondents' feelings towards their current and future situation at work and their plans for the following years were dissected. In the following, the main results and recommended actions are presented in short.

Selected results

- Analysis showed that more than one third of the employees have experienced a change in superiors during the last two years.
- It has been noted that one in eleven was forced to go on paid temporal leave, most probably due to the economic crisis.
- An overwhelming majority of 94.8% have an indefinite employment contract.
- Overall, virtually no Austrian respondent felt emotionally exhausted at their current work the whole time ('always'). Yet, about 70% of the respondents mentioned that they occasionally felt in some way exhausted.
- On the whole, only comparatively limited consequences can be found due to changes in the employees' work situation resulting from restructuring. If so, respondents showed a predominantly positive perception despite some trends towards slightly higher emotional exhaustion:
 - Only one third of the employees said that changes have been very significant for their work, while 40% reported that changes have been rather significant. This corresponds with similar assessments as to whether these

changes had a positive or negative impact as well as reduced or increased the well-being at work.

➤ Interestingly, no clear relationship can be observed between the respondents' rating of workplace changes and their overall outcome assessment, i.e. whether these changes have been positive or negative. Probably threshold effects are at work here, as employees who state highly significant changes at their workplace also report to a much higher degree a positive overall impact. Also, the higher the perceived change at the workplace, the higher the share of respondents who confirm increased well-being at the workplace.

➤ Nevertheless, a trend can be observed that strong (and medium) effects of organisational change on the work of respondents are often accompanied by slightly higher emotional exhaustion whereas they are ambiguous for well-being.

- The better the communication policy of the company with respect to organisational changes, the lower the share of respondents who reported emotional exhaustion or problems of well-being, i.e. poor communication policy is associated with increased emotional exhaustion and reduced well-being. Well-being in particular is highly associated with 'good' communication policies.

- Seven in ten employees felt well-informed about matters regarding their work situations, 57% were able to participate in these decisions.

- The management of medium-sized organisations achieved the best results in nearly every category when evaluated by their employees.

- In line with the Austrian social phenomenon of early retirement, most respondents wanted to retire well before the statutory retirement age. Yet, compared to current trends they planned to work one to two years longer.

- Employees who thought it would be difficult or very difficult to remain in their job until retirement were usually more physically exhausted and reported lower rates of well-being. Similar effects on emotional exhaustion and well-being can be derived according to perceived ability to find a new job. One difference to perceived job security is straightforward: Respondents who thought it would be

easy or very easy to find a new job as good as the current one had significantly lower scores of emotional exhaustion. In other words they feel to a much lower degree tired, fed up, exhausted etc.

Improvement opportunities & proposals

Overall, 58% of the respondents reported that their company offers some sort of programmes for their older employees. Yet, company programmes for elder employees do not seem to be too wide-spread and usually they only concern health programmes or age-mixed working teams. All in all, further training programmes for older employees often either do not exist or they are not known by employees, which is revealed by a more detailed analysis (i.e. comparing Elders results with questionnaires for employers or field-study data). In any case, this situation is first of all being caused by a lack of information for older employees. Secondly, there is an attitude that the participation does not pay off, partly because of a lack of time or because the employees do not see the benefit of further education in their 60's. This corresponds with changes planned before full retirement (hardly anybody seeks a promotion etc.).

Therefore, more effort has to be put into promoting these kinds of programmes. What is more, they have to be offered early and employees should be given the opportunity not to feel uncomfortable when participating.

Regarding the appropriate selection of a suitable pension scheme, four in ten respondents did not know which scheme to choose. That corresponds with the very low share of employees (2%) who reported that the company offers career guidance for elder employees. Further promotion of alternate retirement schemes amongst the target group is thereby advisable.

At a glance, based on all the indications given, we would suggest:

- broadening information about available phased retirement schemes;
- supporting and offering organisational career guidance including retirement plans;
- intensifying the promotion of age-sensible company programmes for elder employees and providing them earlier.

6. Austrian national seminar

The Austrian workshop and dissemination seminar was held on October 1st at the Chamber of Commerce in Vienna (1:00 p.m. to 5:00 p.m.). The English title of the seminar was *Older Employees and company restructuring – maintaining and developing health, achievement potential and competence*.

Seminar topics were the organisational, process-related and institutional requirements for a health-sensitive design of reorganisation processes in enterprises with special emphasis on older employees. Besides presenting the Austrian result of ELDERS, representatives of the social partners had the opportunity to present their view about possibilities and limits for action. Which measures can be taken by prevention and management to lower or even avoid negative effects on health, stress and well-being? Concrete best practice examples were given by two companies.

The workshop was attended by about 20 representatives from interest groups and human resource managers which guaranteed an extensive discussion climate. As it can be seen in the conference agenda, the workshop had two blocks:

In the first block Mr. Schmid presented the main results of the Austrian national report.

Afterwards the possibilities and limits for action were tackled by employer and employee representatives. Ms. Kaun (representative of the Chamber of Commerce) emphasised that awareness of an ageing workforce is increasing in many Austrian companies, resulting in the establishment of health programs and age-management systems. Specific problems for smaller enterprises were mentioned too. Additionally, she broadened the topic by addressing positive macro-economic effects of a higher labour force participation of older employees on enterprise productivity, financing of the social security system as well as financial relief for the health care system.

Mr. Mitter (representative of the Chamber of Labour) emphasised the long tradition of ‘golden handshake policies’ which created an atmosphere where both sides (i.e. employees and employers) regard early retirement as a common way of leaving

the workforce. Furthermore, there are many professions with either physically or emotionally stressful working conditions. Consequently, in his view, management approaches with respect to older employees usually fall short of what is needed most: adapting the workplace environment in general to put employees in the position where they can and want to work longer.

Subsequently, discussion with the audience focussed on the reasons for early retirement and possible systematic approaches (e.g. reform of the disability retirement scheme) that could lead to a higher labour force attainment of older people.

The second block was earmarked for the presentation of two best practice examples of companies:

Mr. Hödl presented the main approach of the Voest Alpine LIFE-program. The company is a large steel producer and has a high share of older employees as well as physically challenging working conditions especially for blue collar workers. The LIFE-program consists of nutrition programs, physical training offers, addiction prevention, individual health prognosis, special training offers for shift workers and safety programs. Moreover, each employee has to undergo further training (about one week per year) and the knowledge transfer between older and experienced employees and their successors are organised systematically. For all these offers, no age limits apply (e.g. with respect to further training, also employees in their last working year have to attend). A specific management challenge is to find new and less physically challenging jobs for those employees who work in physically demanding environments. Concerning the implementation of LIFE, it proved to be very important that employees had a distinct role in designing it as well as that proposals were implemented immediately as to demonstrate the commitment of the company. According to Mr. Hödl, LIFE is very popular as the high participation rates of employees show. Yet, LIFE has no real effect when it comes to early retirement. Especially blue-collar workers retire at the earliest possible moment. Therefore, Mr. Hödl pointed out that age management has a high potential to improve working conditions but he has doubts as to if it can fundamentally change retirement decisions.

The second best practice example was presented by Mr. Buchmayr from Salzburg AG, a large regional energy supplier. Genera (the acronym for generation management at Salzburg AG) is a general programme for age management and not merely designed for older employees. Basically, the main impetus came from the LIFE-program of Voest Alpine. Its main emphasis is on changing the perceptions and ascriptions of older employees, e.g. alleged diminishing productivity of older employees, their engagement, their further training aspirations etc. As these perceptions and ascriptions exist in both groups, i.e. younger as well as older employees themselves, a holistic approach has to be applied. Therefore, all management activities (including personnel and human resource development) as well as health programs and the like have been analysed under this general approach.

In the discussion with the audience, detailed aspects of both ‘programs’ were further elaborated.

7. Austrian training session

On 18th October 2010, the partners of the Elders project met at the *ibw* in Vienna for a training session to present and discuss the national results of the research mostly in terms of training tools and expectations for older workers. **Rebekka Vedina**, the project manager of the Spanish team (ESADE-IEL) explained the outcomes of their national research. The Spanish team worked with two local trade unions, the Spanish Institute of Health and Safety at Work, which provided data of the National Survey on working conditions and *Edad & Vida* (NGO). The Spanish research underlined the legal circumstances of elder workers, like the retirement age at 65 years (60 years for partial retirement), the incentives for labour contracts with workers over 52 and the favourable conditions for late retirement. Nevertheless, the labour activity level of those between 55 and 64 years old has been shown to be lower than the general labour activity. The activity of people older than 65 years is only marginal (4%). Workers over 50 show a very

low labour market mobility. The level of vocational training of elder employees is the lowest in Europe and the general attitude of elder workers towards lifelong learning is mostly passive. In general, older workers are not seen as a competent workforce. Spanish companies don't have strategies to keep older workers in the workplace or to recruit them. The 'solution' to deal with elder workers is early retirement. This is also reflected in the wish of 67% of Spaniards aged between 50 and 59 to retire as soon as possible.

The Spanish research included a survey among 89 workers, 46 of them aged over 50 years, 26 male and 20 female. The survey shows, although data are not representative, that restructuring is seen more negatively by older workers. There is a positive correlation between one-time layoffs and emotional and cognitive burnout and depression, while information and problem solving during the restructuring process, as well as the provision of training by the supervisor was negatively correlated with depression. From the survey it emerges that workers were mostly poorly provided with career advice and support during restructuring. Among the group of the workers aged over 50 the high percentage of respondents who regarded the issue of career advice and support as 'not applicable' stands out. In Finland, as **Jukka Vuori** from the Finnish Institute of Occupational Health (FIOH) explains, the challenge of aging was already addressed by the end of the 1990s. Some issues of age management have been included in Government policy programmes on health promotion and employment. In 2005, the Finnish labour market parties decided to implement the law on 'change security'. The law stipulates paid leave for redundant employees in order to search for a new job, more efficient information from the employer, re-employment plans for the personnel and personal re-employment plans, set up by the local employment offices. Nearly all employees who have worked for at least three years are entitled to change security. Nevertheless, a high number of employees quit work during restructuring processes, due to the so-called 'unemployment pension tube': older employees can get higher level earnings related unemployment benefits and then unemployment pension followed by regular pension. Therefore, prolonging working careers is still an issue in Finland. The labour market parties and the

Finnish Government agreed on the prolongation of working careers by three years before 2025. In addition, an important training tool to prevent employees' work-related mental health problems and to promote their career management in organisational restructuring has been created: the „Towards Successful Seniority (TSS)' method connects the goals of early prevention, work ability maintenance and personnel training. The method is meant to be implemented in the organisations through a collaboration between OHS and HR. In the TSS method, organisational measures and the preparation of the employees are put together to promote a functioning career management. The employees focus in groups on the identification of challenges, obstacles and solutions in their own work career and focus on behavioural control and motivation. On the organisation side, occupational health care and human resources units work together. The career management focuses on proactivity of work and life goals, mental well-being, work engagement and motivation, as well as job retention and the reduction of sick-absences. A study carried out between 2006 and 2010 showed, that the TSS intervention increased significantly the career management preparedness and the number of work goals. In a longer term (7 months), the intervention decreased symptoms of depression, intentions to retire and increased mental resources. The group methods are now also applied to younger workers, since an increasing percentage of younger workers is disabled due to depression and other mental health problems. The Finnish study recommends to strengthen employees' career management during work-life transitions and in work organisations, since these measures have significant long-term beneficial effects on employees' careers and mental health. To reach these goals, OHS and other parties should evaluate their capabilities and preparedness for organisational restructuring of their customers and organisations should enhance the transfer of the valuable know-how of elderly employees to younger workers and should bear in mind the impact that the treatment of older workers can have on the younger workers' vision of the company as a potential employer.

The third national report was presented by **Matt Flynn** (Middlesex University). The British research team prepared a literature review, including studies linking

job insecurity to health, good practices found by EUROFOUND and UK good practices. The UK research focused further on discussions with social partners and a questionnaire survey of older workers. The research analysed the link between organisational restructuring and health and well-being. They found out that buffers to job loss are social capital, networks and knowledge, whilst cumulative effects of job loss are heart disease and psychological morbidity. Workers affected by restructuring are more likely to have accidents at work and have a higher risk of alcohol and substance abuse.

Although the current recession had a bigger impact on younger workers in the UK, older workers are affected by policy changes regarding retirement, like the closure of early retirement routes and public sector cuts. The actual retirement age is set with 65 years, but mandatory retirement will be abolished in 2012. Some provisions for older workers do exist, but many policies are not well implemented. A 2006 regulation on age discrimination and health and safety codes of practice should enhance the mental well-being of older workers, but there is still no code of practice on stress. Regulations on consultation obligations are weak, since in many cases trade unions are not recognised. State provided learning and training is limited.

The UK group analysed a survey in civil service including 115 respondents, among them privatised workforce, IT technicians, managers, administrative staff and support staff. All but six of the respondents have experienced at least one organisational change. The survey analysed the impact of restructuring on well-being. Most respondents affected by job-loss felt tired, physically fatigued and exhausted, worried about the future, lost their confidence and felt emotionally exhausted. There could be shown a clear association between restructuring and health and well-being, the emphasis should be set on adaptability, lifelong learning, communications and flexibility.

The German research, presented by **Janine Dorsch** (BauA, Federal Institute for Occupational Safety and Health) during the training session, analysed the risks of restructuring for employees. People affected by restructuring often experience powerlessness or are challenged by new job requirements and work

intensification. They often miss professional development perspectives and experience a collapse of confidence in the company culture. Job insecurity then leads to stress. The research underlines, that restructuring can also bring new prospects for employees: they can be able to expand their professional personal competences or improve their professional positions. If one-sided stress and strain is prevented or compensated, restructuring can also lead to well-being. The German research included a case study on a semi-public bank with over 2000 employees. They questioned 234 employees and got 117 responses. The questioned employees were between 28 and 57 years old and could be split up in two groups: 72 employees built the younger and 45 employees the older (over 50) group. 68% of the respondents were female. Most participants in the survey answered that their position in the company's hierarchy remained unchanged during various forms of organisational change, as well as their income and duration of the weekly working time. Most responded that their overall level of responsibility remained unchanged, but an also considerable percentage responded that it increased or decreased. Differences between younger and older workers are only marginal. Only a small percentage of the participants were provided with reskilling training during the restructuring, but most of the respondents experienced assistance and support by their co-workers. Concerning job security, younger employees tend to see problems to keep their job, older employees tend to see problems on the labour market. Many companies seem to underestimate the impact of changes, which for older employees often means physical and emotional exhaustion and for younger employees a loss of confidence and motivation. Therefore, companies should avoid lay-offs and implement a clear business communication. They should provide management training, further education and health measures during restructuring processes, motivation incentives for younger and older employers and evaluate the workload of employees who kept their job.

In Italy, according to the Quality of life survey (2003-2007), the levels of stress increase together with age. The survey also shows that Italian older workers often undertake uninspiring tasks and the number of bored workers is higher than the

European average. Unemployment among older workers (45 to 64 years old) has almost tripled in the last 20 years. To meet these challenges, Italy has developed new strategies for training and lifelong learning, as *Maria Giovannone* (Adapt) highlights. Lifelong learning should be a means for skills' maintenance and active inclusion in the labour market. Training must fit with the workers' age and training, knowledge and skills must be validated and effective. For this purposes, the use of a training book of citizens' was introduced by the Biagi law in 2003. Mature workers could work as tutors for younger ones. The Guidelines on training (17 February 2010) suggest, that training shall include vulnerable workers, that training should be held on the job and must be addressed to the qualification or requalification. The Italian Consolidate Act on Occupational Health and Safety (2008) promotes a new approach to diversity management. In addition, the Consolidate Act offers new strategies for training of employers, workers and managers and special training on new risks (e.g. age-related risks, work-related stress and psychosocial risks. For the training, new technologies and new instruments for the validation of competencies and skills shall be used, OHS training shall be provided also in schools, Universities and educational institutions and training in SMEs shall be funded by public institutions. The issue of restructuring has been traditionally faced with early retirement strategies and collective dismissals. Today, other approaches are promoted to keep workers in employment during restructuring: part-time and fixed term contracts, as well as new forms of atypical labour contacts (access-to-work-contracts for workers aged over 55) in combination with the implementation of apprenticeship and VET schemes for younger workers. At the same time, the retirement age for women has been increased from 61 to 65 years and financial support for late retirement has been introduced.

The Italian study carried out empirical research, including questionnaires with 80 participants and 40 respondents from different sectors and from different parts of Italy. Over 90% of the workers experienced job loss. Most of them lamented that information about the organisational change was very poor, as well as career advise and personal re-qualification. Interviews with NGOs, Trade Unions,

ISPESL, the Ministry of Labour and Confindustria showed, that social dialogue and consultation of workers' representatives in risk assessment and training should be enforced, validated instruments to work related stress assessment should be used. The assessment should be carried out through checklists and individual questionnaires for deep analysis. Only Confindustria militated against individual questionnaires and prefers objective checklists for the assessment.

Three case studies, which were included in the Italian research, show companies efforts to include mature workers in consultation and industrial relation systems in the process of restructuring.

Kurt Schmid from the Austrian partner of the elders project (ibw) presented data for Austria from a survey concerning work related health problems in a comparative perspective (EWCS 2005). This analysis shows that about 1/3 of Austrian employees report work related health problems, mainly backache, muscular pains and stress. Half of the employees moan about high working intensity, whilst only one in three employees reports monotonous and repetitive tasks. One in ten employees over 50 has personally experienced age discrimination, which is the fourth highest share of 32 European countries. For elders, the Austrian research team carried out an explorative survey of 59 employees over 50 in companies which have experienced restructuring and who have activities with respect to health provision. The organisational changes made by these companies regarded mostly the management-system, the hierarchy, the separation and merger of working units and only rarely closures and dismissals. In these restructuring processes, employees experienced changes of working tasks and superiors or co-workers. For 20 to 30% of the employees, position, working time, income and responsibility increased, for the rest it remained mostly unchanged. The assessment of the management during the restructuring process was good, half of the employees was well informed and got support. The survey also showed that the stronger the effect of the changes was on work, the more positive the changes were received. Nevertheless, the stronger the impact of changes was, the higher was the degree of emotional exhaustion. The emotional

exhaustion is lower though, where the changes are assessed positively and a better communication of the change process takes place.

Concerning training of older workers, data show that the probability for vocational training participation decreases significantly for older workers (over 55). Nevertheless, companies consider training as important until retirement. Reasons for lower training participation of older employees are, that training for this group of employees doesn't pay off or because employees think their higher experience is sufficient. Many older employees are afraid of failures or they simply aren't motivated.

Concluding all participating national experts reported that they had difficulties to find companies for case studies, since the management of older workers is usually part of the general diversity management, but is not a specific concern of companies at the moment. Researchers all agreed that special policies for older employees in restructuring processes are missing in most of the countries and training tools for this special group of employees are necessary.

8. Best practises

Voest Alpine LIFE-program

The company is a large steel producer and has a high share of older employees as well as physically challenging working conditions especially for blue collar workers. The LIFE-program consists of nutrition programs, physical training offers, addiction prevention, individual health prognosis, special training offers for shift workers and safety programs. Moreover, each employee has to undergo further training (about one week per year) and the knowledge transfer between older and experienced employees and their successors are organised systematically. For all these offers, no age limits apply (e.g. with respect to further training, also employees in their last working year have to attend). A specific management challenge is to find new and less physically challenging jobs for those employees who work in physically demanding environments. Concerning

the implementation of LIFE, it proved to be very important that employees had a distinct role in designing it as well as that proposals were implemented immediately as to demonstrate the commitment of the company. According to Mr. Hödl, LIFE is very popular, as the high participation rates of employees show. Yet, LIFE has no real effect when it comes to early retirement. Especially blue collar workers retire at the earliest possible moment. Therefore, Mr. Hödl pointed out that age management has a high potential to improve working conditions but he has doubts as to if it can fundamentally change retirement decisions.

Salzburg AG

Salzburg AG, a large regional energy supplier. Genera (the acronym for generation management at Salzburg AG) is a general programme for age management and not merely designed for older employees. Basically, the main impetus came from the LIFE-program of Voest Alpine. Its main emphasis is on changing the perceptions and ascriptions of older employees, e.g. alleged diminishing productivity of older employees, their engagement, their further training aspirations etc. As these perceptions and ascriptions exist in both groups, i.e. younger as well as older employees themselves, a holistic approach has to be applied. Therefore, all management activities (including personnel and human resource development) as well as health programs and the like have been analysed under this general approach.

9. Recommendations

For Well-being & Stress

Age management should not only be designed as a tool that offers specific programmes for older employees (e.g. health programs, further training etc.) – it is a much broader approach as to overcome stereotypes with respect to chronological age. As stereotypes are common for young as well as older employees it is not sufficient to address only the group of older employees.

Concerning restructurings:

Again, age *per se* does not seem to be a specific problem as all employees irrespective of age usually report higher stress and reduced well-being during restructurings.

As explorative data have shown there is a big impact of company communication policies with respect to change management: Therefore it is important that information on goals of the change management process and the perceived influence on working environments are clearly communicated. Moreover, it is important that employees can bring in their experience as well as express their wishes for and reservation against changes – i.e. that they are included as actors and not only as recipients. Additionally with respect to new demands because of changing working environments and/or tasks it is important that employees are provided with appropriate offers (e.g. with respect to training etc.) and encouraged to participate.

For training of older employees

Chronological age is not a big significant influence factor: Usually, most of incentives as well as barriers for further training apply for all employees irrespective of age.

What is ‘age specific’ is the closeness to retirement and especially the nexus to the expected/anticipated pay off. Yet, the majority of companies express the importance and usefulness of further training close to retirement

According to Austrian data, companies usually give four reasons for the lower training participation of older employees (OE):

- for OE training does not make sense because they think it is not necessary and/or does not pay off for them;
- OE refer to their higher experience – think their knowledge is sufficient;
- OE are afraid of failures (esp. in IT);
- Diminishing motivation (because they feel drained).

Against that background, older employees often have a different self-perception: Only the first argumentation ('training does not make sense because they think it is not necessary and/or does not pay off for them') usually is given by themselves. Therefore, to raise training participation of older employees a combination of measures to raise the awareness of the importance and necessity for training as well as offering reasonable pay offs for training participation has the potential to raise their training participation.

Overall aspects of training of older employees:

For most countries national regulations regarding retirement age, the relationship between pension and wage before retirement, the general conditions of the labour market for older people etc. seem to have a bigger influence on the labour market participation of older people than their further-training rates. This does not mean that enforced efforts to significantly raise further training participation of older people will have no effect as the Scandinavian countries and Switzerland show.

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11. Appendix

Table A-1: Probabilities for work related health problems (multivariate (logistic) regression), results for EU-15

Factors	Exp (β)	Sig.
Female	1,113	*
Age 50+	1,112	*
Physical risk (index)	1,265	***
Autonomy at work (index)	1,038	***
Work intensity (index)	1,389	***
High performance work organisation HPWO (index)	,963	**
Non-standard working hours (amount)	1,096	***
Work-life balance	,453	***
Professional group (Reference Group: Craft and related trades workers)		
Legislators, senior officials, managers	,966	
Professionals	1,129	
Technicians and associate professionals	,829	*
Clerks	,886	
Service workers and shop and market sales workers	,764	***

Skilled agricultural and fishery workers	2,102	***
Plant and machine operators and assemblers	1,162	
Elementary occupations	,683	***

Source: EWCS 2005, ibw-calculations

ELDERS sample – descriptive statistics according to socio-demographic and work-related aspects

Concerning their **family situation**, 86.2% of men and 65.4% of women (summing up to a total of 75.4% of the respondents) live together with a partner. Furthermore, 42.9% have children living with them, with no significant difference according to the gender of the respondent.

The majority of the women (73.1%) reported being responsible for the bulk of the **family commitments**, in contrast to 17.2% of the men. One third (32.1%) share the responsibility in equal parts, and no woman contributes less than that.

The **educational levels**²⁴ of the respondents are presented in chart A-1. Generally speaking, the men in our sample are better educated (i.e. have higher formal educational degrees) than women: Only 14.8% of women followed a post-secondary or University course, while 36.7% of men did. Two thirds of the women have not reached ISCED level 4A. Additional qualifications of any form were stated by 30.5% of the participants, mostly language courses and driving licenses for fork-lift trucks and similar permits.

With respect to **job-related positions in the companies** (see chart 2), workers form the majority of the sample (45.8%), followed by specialists and managers (16.9% each). 13.9% are employed as administrative staff and 5.1% as project managers. Females have higher shares of workers and administrative staff members than men. Correspondingly, their share of managers is lower.

²⁴ For better international comparisons, we classified the statements into corresponding ISCED levels.

Chart A-1: Level of highest formal education by gender

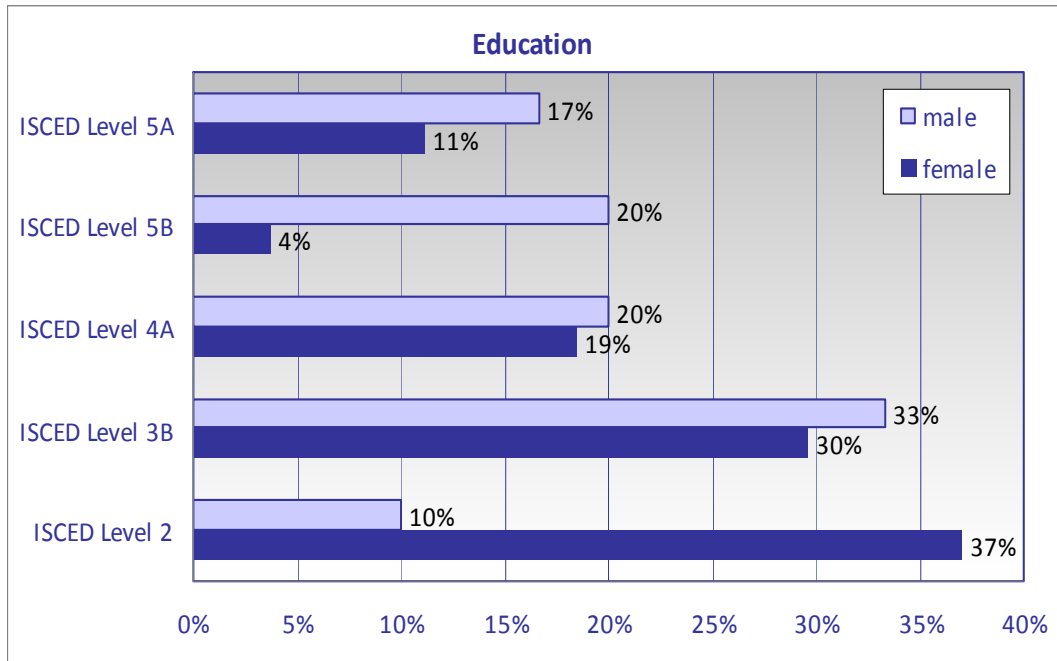
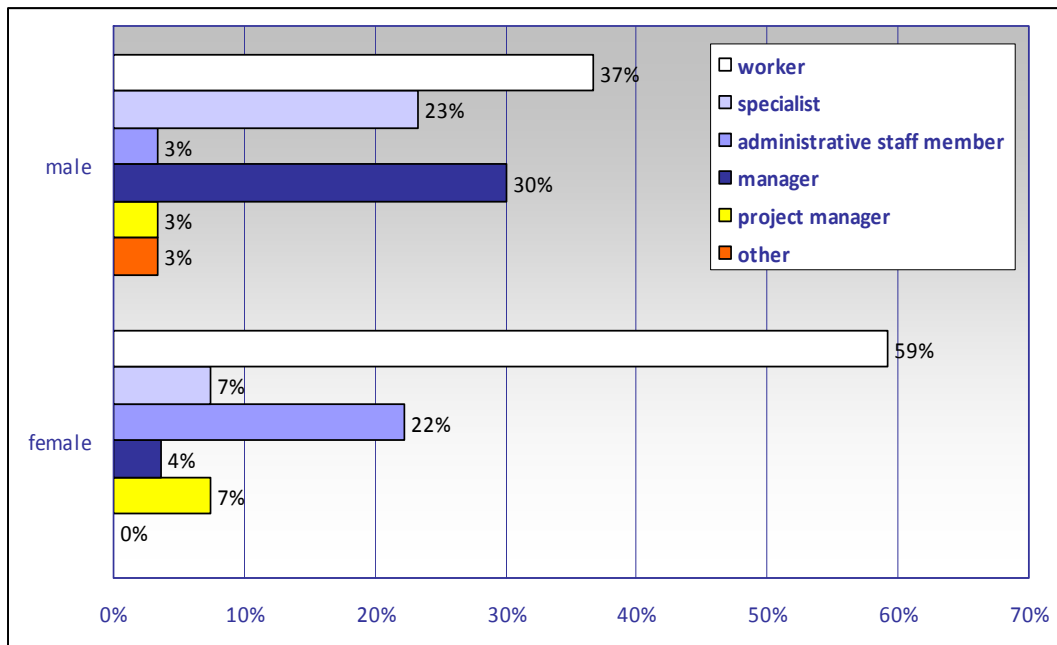


Chart A-2: Job-related position by gender



As educational degrees have a high correspondence with job-related positions, not surprisingly 92.3% of those at ISCED level 2 are blue-collar workers. Three in four people with a University or University of Applied Science degree (level 5A)

are in management positions; the fourth quarter is white-collar workers. As to level 4A graduates, the situation is exactly the opposite. 84.6% of the people in management positions have completed an education ranked at least on this level. Gender differences arise in terms of management positions. While one third of the men reported being managers or project managers, the same is only true for 11.1% of the women.

Looking at the respondents' distribution according to **company size**, the majority of respondents work in medium and bigger companies, especially men (see Table A-1):

Table A-1: Respondents by company size (in%)

Enterprise category	micro	small	medium	big
Number of employees	< 10	< 50	< 250	> 250
% of men	3.3%	16.7%	23.3%	56.7%
% of women	7.4%	11.1%	55.6%	25.9%
% of all respondents	5.1%	13.6%	39.0%	42.4%

On average, the **duration of employment in the current company** is 17.9 years (median: 15 years). They changed to their current position 11.4 years (median 10 years) ago. While nearly one half of the male respondents have been working for their company for more than 20 years, the same is true only for 23.1% of the females.

Two-thirds changed their employing organisation more than once in their lifetime, 24.5% experienced one change and 9.4% have remained with their employer for their entire career. Regarding **employment contracts**, an overwhelming majority of 94.8% have an indefinite contract. The rest (5.2%) stated that they work without any kind of contract.

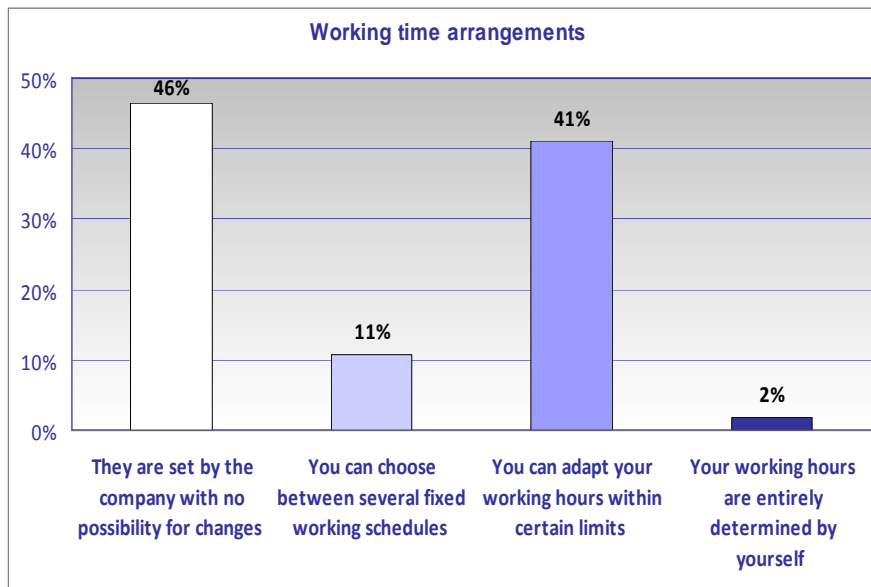
Only 39% of the respondents, eight men and 13 women, had undergone a **loss of job during their career**, of which two in three were voluntary. The average duration of unemployment amounts to 12.9 months, but with a median of 4 months only, due to a long-term unemployed person (11 years) as a statistical

outlier. One tenth of the respondents lost their job in the 80s, the majority, 60%, in the 90s and only 30% since the year 2000.

Concerning **working time arrangements**, about half (46.4%) of the respondents reported not having any possibility of changes to the company's regulation (see chart A-3). 46.7% of the men and every third female work in a flexitime scheme, which means that they can adapt their regular working hours within certain limits. Choosing between several fixed working schemes (10.7%) and complete self-determination of working time (only one respondent) are less common arrangements ²⁵. As to job positions, two in three blue-collar workers have fixed working times. Most of the white-collar workers (52.9%) and people in management (61.5%) work in a flexitime scheme.

The **average weekly working time** sums up to 38.3 hours a week (including part-time employees). About 14% of the respondents work less than 35 hours per week (interestingly, no gender effect can be observed).

Chart A-3: Working time arrangements



²⁵ Results from the Austrian LFS 2004 ad-hoc module on work organisation and working time arrangements for all employees are similar: 63% of them work in time arrangements with a fixed start and end of the working day (Krenn 2007). According to ESWT 2004-05 (Establishment Survey on Working Time and Work-Life Balance) 52% of Austrian enterprise (with more than 10 employees) report some form of flexible working time arrangements (the EU-21 average is 48%).

To sum up, our sample consists of older workers that are in many aspects very similar to the employment patterns of older workers in Austria in general. We could also observe ‘usual’ gender differences with respect to formal educational degrees and job positions as well as household activities.

Part II

Finland

1. Changes in work life and the situation of the elderly workers in Finland

Introduction

In Finland, society expects employees to continue their working careers and maintain their working capacity for as long as possible, preferably right up to their full retirement age. Finland has a long tradition in studying the relationship between ageing and work. Different kind of research, development activities etc. have been conducted to find reasons for early retirement and solutions to support staying at work as long as possible. The revision earnings-related pension system (2005) also primarily aimed at support workers to remain at work longer.

In case of organizational change there are several laws related to employees' rights. The Finnish Ministry of Employment and Economic Affairs have organized services to make sure that employees' situation during the organizational change is secured. Also the labour market parties in Finland decided in 2005 to implement 'change security' model during restructuring. The aim was to speed up re-employment of redundant employees.

At the same time, there are systems which support early retirement. For example, one major reason why elderly employees in Finland quit working due to restructuring situations is the so called 'unemployment pension tube' system. This system offers elderly employees a possibility to retire earlier, which they often use. Recently, this system has been made stricter and only those long-term unemployed born before year 1950 can apply for unemployment pension. However, one of the challenges of the system is how to make sure that all those

elderly employees who use it, do it voluntarily and not because they feel pressure for example from their workmates.

Generally the situation of elderly employees seems good in Finland. Their employment rate has increased during the last decade and the recent financial recession did not have major effect on them. They also are satisfied with their work and feel most equally treated at the work place. It also seems that the changes in the workplace do not have so strong effects on them; to their work tasks and to the way they experience the changes. In fact it seems that the situation of younger workers is more vulnerable.

Based on the information and experiences available in Finland, it seems clear that communication, appreciation and co-operation between all parties during the organizational restructuring process are key elements of a successful change. These three elements involve all levels in society; the way policy makers, ministries, organizations (managers, supervisors, work groups, individual workers), OHS and other parties act.

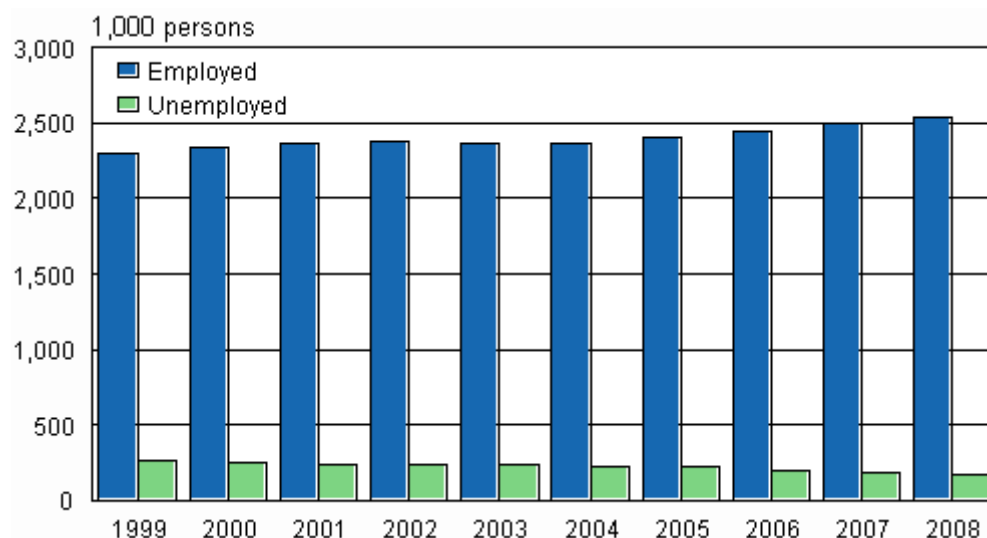
Labour Force survey 2008

The findings of the Statistics Finland's Labour Force Survey 2008 (Statistics Finland, 2009; figure 1) showed that the improvement of employment continued during 2008 but slowed down towards the end of the year. In 2008, the average number of employed persons was 2,531,000, which was two per cent, higher than one year earlier. However, in 2009, the corresponding figure dropped again at 2,457,000 (Statistics Finland, 2010). In 2008, the number of employed persons was the highest in the history of Statistics Finland's Labour Force Survey. The rise in the number of employed persons in the 2000s has been attributed especially to the staying at work of the 55 to 64-year-olds (Statistics Finland, 2009).

The number of unemployed persons fell in 2008, as it had done in the preceding years. In 2008, the average number of unemployed persons was 172,000, which was six per cent, lower than one year earlier. The official unemployment rate for 2008, i.e. the proportion of unemployed people of the labour force, fell from 6.9

to 6.4 per cent (Statistics Finland, 2009). However in 2009, the unemployment rate had increased and was 8.2 per cent (Statistics Finland, 2010).

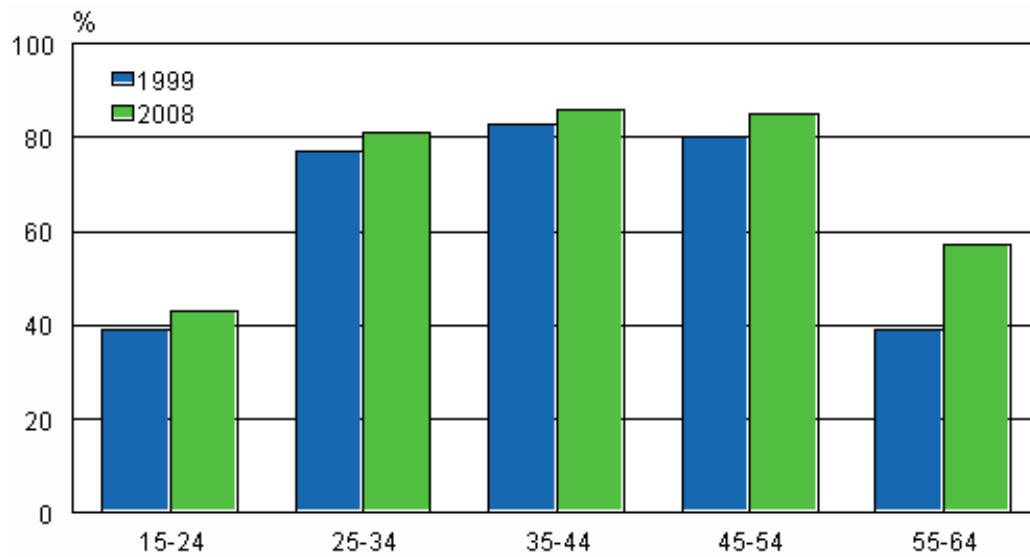
Figure 1: Number of employed and unemployed persons 1999-2008 (Statistics Finland)



The financial recession that started at the turn of 2008 and 2009 struck men's employment hardest. In 2009 the amount of employed men fell rapidly (–60 000), while the number of employed men increased as recently as 2008 by 26 000 persons. The number of employed women fell by 14 000 persons, as much as the number of the employed had risen during previous year. The employment decrease in male-dominated branches in industry and construction accounts for the decrease in male employment. In spite of the recession in some branches, the total number of employed has even risen. The social and health service branch, which in Finland has traditionally been dominated by women, has grown most (Statistics Finland, 16 February 2010).

The number of employed persons aged 55 or over has grown rapidly as large age groups are ageing in the 2000s. The number of employed persons aged 55 to 74 years increased by 238,000 persons between 1999 and 2008. The employment rate of persons aged 55 or over has also risen significantly; the employment rate of 55 to 64-year-olds was 17 percentage points higher than in 1999. The change has been clearly less noticeable in other age groups (Statistics Finland, 2009).

Figure 2: Employment rate of 15 to 64-year-olds by age group 1999 and 2008 (Statistics Finland)



The employment rates of elderly people have grown notably in Finland, on the average even more rapidly than in the EU. In 2008 the employment rate of the 55–64-year-olds was already 56 per cent in Finland, while elsewhere in EU it was 46% on average. Also participation in working life of those already on retirement has very fast become common in Finland. While ,for example in February 2004, there were 19,000 working 65-74-year-olds, there were already 40,000 of them in February in 2010 (Lehto, Sutela, 2010).

The 2009 recession did not have much influence on the employment of over 55-year-old workers. The employment rate of 55-64-year-old workers fell only one percentage unit and was 55,5 per cent during 2009. The employment rate of women of this age group has even slightly risen. Even the long risen employment rate of the oldest age group of 65-74-year-olds stayed almost unchanged during 2009. Although employment rate of all age groups fell during 2009, the decline focused on the youngest (15-24-year-old) age group (Statistics Finland, 16 February 2010).

According to the 2008 working condition research, one of three over 45-year-old employees reported they were ready to continue working after 63 years of age as well. Most willing to continue working after 63 years of age, were especially those workers, who set great store by their work and found it important, and who

were satisfied with the content of their tasks, and who found progression at work important. The financial incentive of the so-called super-increase weighed much less on desire to continue one's career than other work related factors did (Lehto, Sutela, 2010).

Work and Health survey 2009

The Work and Health survey 2009 is a telephone interview survey which is done every three years from 1997 onwards by the Finnish Institute of Occupational Health (FIOH). The sample is based on random sample of 25-64 years old Finns. In 2009, 2355 Finnish speaking persons, who are active in work life, participated to the survey (the response rate was 59%).

In 2009, 86% of the respondents had a permanent work contract. The amount of temporary work has remained in the same level during the 21st century in Finland. It is mostly young (under 35 years old), women who have a temporary work contract.

The findings of the survey showed that 46% answered that there had been changes in the workplace during the last 3 years that had affected to their work, work tasks or the amount of work. However, the amount of people experiencing changes at work was in the same level as 2006. 60% of elderly (45-54 years) and 63% of older (55-64 years) men said that there had been no changes in their workplace. Where as 49% of elderly (45-54 years) and 50% of older (55-64 years) women said that there had been no changes in their workplace. However, in general, women had experienced more changes than men (51% vs. 41%).

In Finland 87% of workers are quite or very satisfied with their work. The corresponding figure in 2006 was 79%. 85% of elderly (45-54 years) and 90% of older (55-64 years) men were quite or very satisfied with their work. In the same way, 88% of elderly (45-54 years) and 90% of older (55-64 years) women were quite or very satisfied with their work.

The majority of the respondents think that people of different age are treated equally at the work place. 59% think that people of different age are totally treated equally at the work place, and 28% think almost equally. Only 1% think that

people of different age are treated totally unequally at the workplace. Younger people say that it is the younger ones who are treated unequally and the older people think that it is the older ones who are treated unequally. The unequal treatment experience has decreased especially among older (55-64 years) workers. In 2003, especially older women said that older workers are treated unequally (86% vs. 56% in 2009).

Elderly workers in forest industry going through restructuring

Background of the study

One of the sectors which have been going through a significant restructuring is the forest industry in Finland. In 2006, Finland produced record amount of pulp, paper and cardboard, but over the past years discussions focused on factories closures and on the fact that production was quickly moving to developing countries. Rise in expenses, budgeting for timber customs rates and overcapacity led to significant structural arrangements. During years 2006-2008 six factories were closed, two factories were sold to a foreign enterprise, and shutdowns, as well as other capacity downsizing activities were put into effect in ten factories (Törmä, Reini, 2008.) The restructuring is currently still going on.

At the beginning of 2008, the Finnish Institute of Occupational Health (FIOH) launched a two-year study *Promoting occupational wellbeing and managing sickness absences in Finnish paper industry* (so called HYVIS-project) to examine the current state of occupational well-being among paper industry workers. The project request came from the Finnish Forest Industries and the Finnish Paper Workers' Union, and the research was funded by the Finnish Working Environment Fund. Paying attention to occupational well-being was seen as important, at a time when the forest industry was going through an exceptionally extensive transition. Eight production facilities took part in the study. In the spring of 2008, a questionnaire was sent to all blue-collar employees (response rate was 52%, n=1 955) and in autumn 2009, a follow-up was carried out (response rate 48%, n=1518) (Pahkin *et al.*, 2010).

During the study period, all the participating units had faced organizational restructuring. The restructuring meant outsourcing, lay offs, notices. In addition, one of the units was closed down. Compared to the situation in June 2007, the number of blue-collar employees decreased 28% in the participating units in two-year time (Paperiliitto, 2009).

For the ELDERS-project these data were used to analyze what kind of effects restructuring had especially for elderly (50 +) workers.

Content of the questionnaire

The questionnaire used in 2009 included several questions about the changes, for example the type of the change, how the change was experienced. To find out how successfully the management of change process was carried out, a set of questions related to the actions of the management and supervisors was formulated based on the literature and to the interviewees carried out in the project (Pahkin *et al.*, 2010b). Also several questions on general well-being, like the level of stress, were included in the questionnaire.

Background of the respondents

The forest industry has traditionally been a sector, where the work contracts are permanent, and employees stay until they retire. Therefore, the mean age of respondents (all blue-collar workers) was quite high (44.0, sd. 9.3), and the respondents had worked a long time in the factory (20.2, sd. 10.4) and also quite long in the same work task (10.2, sd. 9.4). 33% of the respondents were 50 years or older in the 2009 sample.

General well-being

The results showed that age was not connected to job satisfaction or the level of stress in the study population. However, the job satisfaction of the workers had slightly decreased (3.8 in 2008 vs. 3.7 in 2009) and was in a lower level compared to the forest industry in general (satisfied 69% vs. forest industry 79%, in Work and Health survey, 2009). In the same way, level of stress was slightly higher in

the study population compared to the forest industry in general (no stress 59% vs. forest industry 79%, in Work and Health survey, 2009) (Pahkin *et al.*, 2010). However, age was related to the view of the future. Those under 50 years saw their future more negatively than the older ones (2.8 vs. 3.0 in scale 1 to 5, $p < .010$).

The changes during the last year

The three most general changes that respondents had experienced during the last year in their workplace were dismissal of personnel, layoffs or outsourcing of work (table 1). Since the respondents came from the same factories, there were no differences in the type of the changes experienced during the past 12 months by age.

Table 1: Type of the changes in the work place during last year (HYVIS 2009)

Type of the change	no	yes
enterprise sold	79	21
outsourcing of work	30	70
closing down of production department or unit of work	52	48
dismissal of personnel	15	85
layoffs	28	72
investments	45	55

However, as a consequence of the above mentioned changes (table 2), younger workers had faced more changes related to their every day work than the older workers. Older (50 + years) workers own work had changed less often than the younger workers and they had not changed their working team as often as the younger workers.

Table 2: A consequences of the change (% of those answering yes) (HYVIS 2009)

A consequence of the change	under 50 years	50-64 years	All
own work tasks have changed*	59%	52%	57%
superior has changed**	38%	42%	39%
him/herself has moved into new working team*	30%	24%	28%

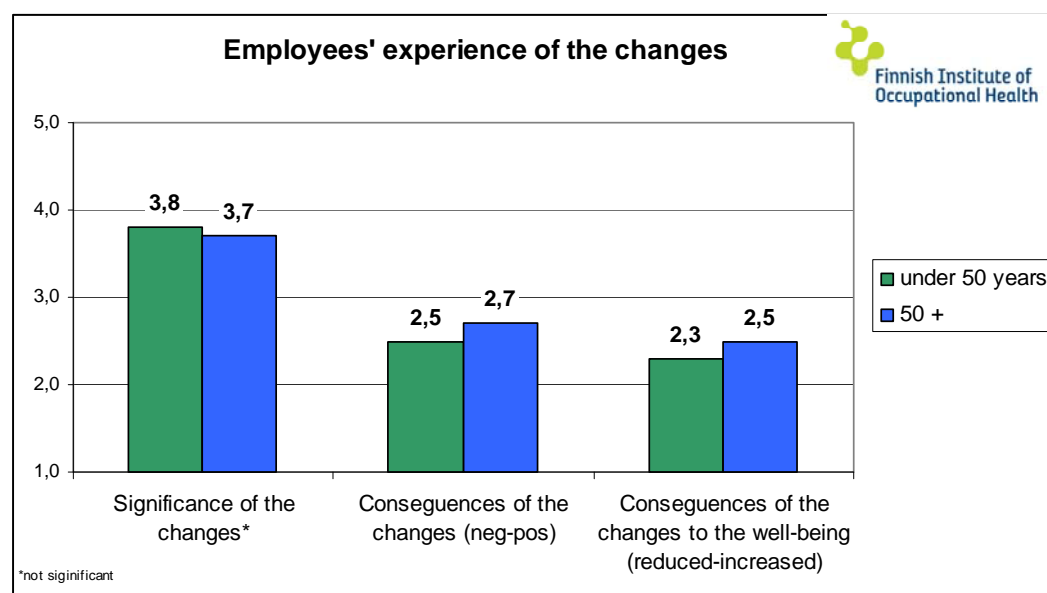
* $p < .050$

** not statistically significant

Employees' experience of the changes

Respondents were also asked to evaluate the significance of the change from their own standpoint. Both younger and older workers evaluated that the changes had been quite significant for them (3.8 and 3.7 in scale 1-5). However, younger workers evaluated the changes more negatively (2.5 vs. 2.7 in scale 1-5, $p = .050$) and thought that the changes had reduced the well-being at work (2.3 vs. 2.5 in scale 1-5, $p < .010$) more than the older workers. (Figure 3).

Figure 3: Younger and older employees' experience of the organizational changes during the last 12 months (HYVIS 2009)



Satisfaction to the actions carried out during the change process

The results showed that there were no difference in the way the actions of the closest supervisor or the actions of the management during the change process were viewed between the younger and the older workers.

However, when the effects of the change management actions were studied, a strong effect was found between the change management actions and employees' well-being (table 3).

Table 3: Satisfaction to the management or supervisor actions during the organizational change process and employees' well-being (HYVIS 2009)

		Work ability	Level of stress	Job satisfaction	Trust to the future
Management actions during the change	Dissatisfied (n=532)	3.70	2.63	3.33	2.38
	Satisfied (n=276)	4.13	1.96	4.27	3.63
Supervisors actions during the change	Dissatisfied (n=385)	3.62	2.63	3.34	2.46
	Satisfied (n=429)	4.10	2.08	3.99	3.23

Statistically significant differences between the groups.
t-test for equality of means. The test result of equality of variance was used to select either the separate-variance *t*-test or pooled-variance *t*-test for means. The pooled-variance *t*-test was used when the *p* value for the variance equality test is $> .05$.

When the satisfaction with the other actors (occupational safety organization, local trade union, occupational health care, personnel administration, own work group) during the change process was evaluated, the results showed that, younger workers were a little bit more satisfied with the way their own work group had acted than older workers (3.6 vs. 3.4 in scale 1-5, $p < .010$). Otherwise there were no differences in the way the actions of the other actors were evaluated.

Ideas on how to improve organizational change implementation

The survey carried out in 2009, also included an open question: *What suggestions do you have on organization change implementation development in your own unit of work or in the whole organization?*

The three most typical suggestions were:

- » truthful and sufficient flow of information;
- » participation by all those involved to the planning of the changes and development of actions;
- » appreciation of everyone.

2. Policy issues

Pension system in Finland

A broad revision of the Finnish earnings-related pension system became active at the beginning of 2005. The revision primarily aimed at generating savings when people retire at older ages. The pension reform offers pension increases to workers who remain at work longer and also revises the condition for an early retirement.

One action was to tighten the terms for early retirement. In addition the terms for part-time pensions and early old-age pensions became stricter, and unemployment pensions and early retirement pensions will gradually cease to exist. Senior workers are being encouraged to work by offering them an increase in the accrual percentages set for pensions and new opportunities for rehabilitation.

The pension reform was initiated to ensure the following:

- that the promised earnings-related pensions can be paid;
- that the earnings-related pension contributions will remain reasonable;
- that Finnish competitiveness and employment will be sustained;
- that the work life of citizens will lengthen and, as a result, improve the

employment rate and decrease the dependency ratio.

Those benefiting from the reform include the young and old, students, and parents of small children, whose pension benefits have been increased. The most obvious winners in the new system are, however, people in their 60s who stay in work life longer. Their work contribution will add an accumulation to their pension of 4.5% a year from the age of 63 years to the age of 68 years.

Central changes made in the earnings-related pension system (Ilmarinen, 2006):

- From the age of 18 years, all earnings add to workers' pensions.
- The percentage of accrual increases with age: by 1.5% for 18- to 52-year-olds, by 1.9% for 53- to 62-year-olds, and by 4.5% for 63- to 68-year-olds.
- For people 53 years of age or over, a higher contribution to earnings-related pensions will compensate for approximately one-third of the costs of the pension accrual increase.
- The 60% maximum limit for pensions has been removed.
- A flexible retirement age has been introduced for old-age pensions – the pension age ranges from 63 to 68 years, and it is decided upon by the individual.
- People 62-65 years of age are entitled to take early retirement, and, if so, their pensions are permanently reduced by 0.6% (maximum of 7.2%) for each month that the pensions are taken early.
- A wage coefficient that maintains gained pension rights has been introduced, and a unified pension index has been created for retirees.
- A life expectancy coefficient has been introduced – an increase in life expectancy reduces the monthly pension payment.
- The right for an individual early retirement pension will cease to exist for those who were born in 1944 or later.

A central issue for older employees in the Finnish pension system is the so called 'unemployment pension tube'. This means that older workers who lose their job, e.g. as a result of restructuring, can stay as unemployed getting earnings dependent unemployment benefits (maximum 500 days) until they reach 60 years of age. At this age they can move to unemployment pension until they will reach the regular retirement age of 65. This system has been earlier more generous and has been used a lot by firms performing restructuring. Recently, this system has been made stricter and only those long-term unemployed born before year 1950 can apply for unemployment pension.

Protection in the event of restructuring

In Finland there are several laws related to employees' rights during the organizational change: Employment Contracts Act (55/2001) (Työsopimuslaki),

Joint Operation Agreement Act (334/2007) (Laki yhteistoiminnasta yrityksissä), Public Labour Service Act (1295/2002) (Laki julkisesta työvoimapalvelusta), and Unemployment Allowances Act (1290/2002) (Työttömyysturvalaki).

The Finnish Ministry of Employment and Economic Affairs have organized services to make sure that employees' situation during the organizational change is secured. Once the employer has informed Employment and Economic Development Office (TE-offices, Työ- ja elinkeinotoimistot) about the opening of cooperation consultations, TE-office contacts the employer without delay. Together with the employer and personnel representative, TE-office draws up a plan of action and makes an agreement on providing services and appropriate arrangements.

In eventual restructuring-situations TE-offices offer among others:

- help services for searching work;
- placement services;
- labour market measures on occupational adult education;
- occupational assessment;
- entrepreneurship counselling;
- information on EU launching aid;
- services that develop other vocational skills.

In the employment programme these services can be individually agreed upon with every worker. In the programme it is also possible to agree for example upon finding one's way into voluntary training.

The functional employment and protection model in the event of restructuring amends worker's status in situations, where he or she is in danger of being made redundant, or has been made redundant on the basis of economic or manufacturing reasons. The protection in the event of restructuring-model has been expanded so, that it pertains better than before even workers on fixed-term employment, and workers who are, or have been laid-off for 180 day's worth. Parties of the functional model are employer, worker as well as the TE-office.

The ones, who benefit legally, are:

- those who have been made redundant on the basis of manufacturing or economic reasons, and who have an occupational history of working at least three years with the same or different employer;
- those, whose employment contract has expired because it was fixed-term, and who have worked with the same or different employers at least five years in the seven years prior to the expiration of the contract.

If the worker, at the expiration of the fixed-term contract had worked with the same employer for at least three years without interruptions, or had been in a fixed-term employment for at least 36 months with the same employer during past 42 months, is entitled to access protection in the event of restructuring. In addition, protection in the event of restructuring pertains besides the above-mentioned redundant and fixed-term workers, even to persons made redundant on certain terms.

Workers covered by protection in the event of restructuring are entitled to a personal employment programme and on the basis of protection in the event of restructuring right to raised unemployment benefit for the time of unemployment. Additionally, the job seeker can seek work during his or her notice period.

3. National projects

Actions to support work careers

Along with the ageing of employees, discussions on how to make employed employees continue – and feel able to continue – their career as long as possible, are very topical in Finland. Pension reforms, as well as different working life development projects, aimed to the extension of careers have recently been implemented.

The challenge of ageing had already been addressed at the end of 1990, and development is continuing. The different actions are summarised, for example, in the *Healthy Work in an Ageing Europe* -report and in the *Towards a Longer Worklife* -report (Ilmarinen, 2006).

For the term ‘workplace health promotion’ an equivalent term in Finland is the maintenance and promotion of work ability (TYKY-toiminta in Finnish). The maintenance and promotion of work ability at workplaces include «activities aiming at maintaining the ability to work including all measures taken by the employer and the employees, as well as the cooperative organizations at the workplace, in a united effort to promote and support the ability to work, and to enhance the functional capacity of all persons active in working life throughout their working careers».

The Collective Agreement between employers associations and trade unions was agreed in 1989, and the workplace health promotion as the employers’ obligation was included in the Occupational Health Service Act in 1991. The Council of State set up a Committee to chart the prerequisites for employing ageing (45-55-year old) and older (55-65 year old) persons. The Committee introduced 40 recommendations. The Council of State made a decision in principle for the National Programme on Ageing Workers in 1997 for the years 1998-2002 to put the recommendations into practice with the slogan «experience is a national treasure».

The strategy of the Ministry of Social Affairs and Health for social and health policies supports health promotion through the occupational health services, in cooperation with work, the work environment, employers, and employees, in order to help prolong working life and to increase work ability. The strategy underlines well-being at work, and health and safety in working conditions.

The Ministry of Labour aims to raise the employment rate among the ageing work force in the age groups (55-64) by the year 2010 up to 50%. The national aim is to rise the retirement age by three years, which would mean that the employment rate would be over 60%. There are several measures the ministry will take to achieve these aims. Since 1992, the ministry has yearly published a working life barometer which also includes topics related to work ability.

In Finland, there have been several national programmes/projects aimed at promoting health in the workplace, and paying attention to the ageing workforce:

- ***Respect for Ageing (FinnAge)*** was carried out from 1990-96. FinnAge - programme can be seen as the first institutionalised approach on age management issues in Finland. Before this phase, activities were carried out merely in form of research projects but the action programme gave Age Management for the first time an established position in the repertoire of Finnish Institute of Occupational Health (FIOH).

The programme at FIOH focussed on the development of health, work ability and employees' wellbeing. It was run in collaboration with universities and companies. The aim was to improve the work ability of employees over 45 years of age both in public and private sector. The programme tested the paradigms and methods in practice and gave practical verification for their applicability.

After conducting several case studies, models of good practice were created and tested in a broad-based cooperation within companies and organisations. The models of good practice were given as handbooks: «Work Ability and Welfare from Exercise: Principles and Examples from Practice», 'Good Work Ability: Maintenance Handbook for Work Ability', and 'A Handbook on Ageing and Work».

- The ***National Programme on Ageing Workers (FINPAW)*** was implemented from 1998 to 2002. Different ministries built together a national programme on ageing workers to implement the committee consultation document. The programme was aimed at enhancing the labour market position of the senior employees, prolong their participation in work life and support their employability.

Finpaw -programme consisted of different information and training campaigns, maintenance and promotion of work ability initiatives, improvement of employment rates and promoting information for creating age-positive attitudes. One of the main targets was to gain influence on these attitudes. Besides training, special attention was also paid to the development leadership skills and culture. The aim was to train managers to observe age-related issues in their management practices and share good practices. The programme gave good results and this raised interest also internationally.

In addition to the above mentioned programs there has been several inter-ministerial programmes on work life development:

- The ***National Action Programme for Prolonging Working Life, Employee Well-being and Rehabilitation*** (VETO - www.vetoatyolamaan.fi) started in 2003, and was run until 2007. VETO-programme was run under the Ministry of Health and Social Affairs and it focused on developing the activities of institutions, such as occupational safety and health inspectorates, occupational health service providers, and rehabilitation institutes, which help workplaces cope with the issues mentioned. The programme dealt with factors that influence the maintenance and promotion of an individual's ability to work, prevention of marginalisation from work life, prevention of premature incapacity to work, and improvement of opportunities to return to work.

- The ***Programme 'Improve the Employability, Career Prospects and Length of Work among the Least Educated Adults*** (NOSTE - www.noste-ohjelma.fi) started in 2000, and was run until 2007. The Ministry of Education launched the Noste -programme to promote the education level of senior employees without vocational training. The aim was to ensure the employability of these employees with an obvious risk of seeing their competence base becoming obsolete. It encouraged the improvement of employee and entrepreneurial skills. In addition, the Ministry of Labour supported the training of unemployed, less skilled people so they can attain a professional examination or degree, as well as training in computer literacy, also for ageing people.

- The ***Workplace Development Programme for the Improvement of Productivity and the Quality of Working Life*** (TYKES - www.tykes.fi) started in 2004, and was finished in 2009. Tykes -programme ran under the Ministry of Labour and it was targeted at funding projects to develop the quality of work life. Three different funding categories were basic analysis, method creation projects and work development projects. The programme promoted new work and human resource management practices, and developed methods, models and tools tried out in programme-funded development projects.

Since Tykes -programme was completed, its position became more established as its activities were integrated to the Tekes – the Finnish Funding Agency for Technology and Innovation.

All of these programmes also had strong linkages to other simultaneous programmes and each ministry mentioned above can be seen as more of a process owner. Even though the specific focus on senior employees was actually on Noste -programme, all of these programmes also included elements that have supported the development of Age Management in Finland.

There has also been several other programs in Finland aimed at improving employment, working capacity etc.:

- ***National Productivity Programme*** ran from 2000 to 2003. The main objectives were to improve the functioning of work communities, to speed up productivity improvement in companies and organizations, to promote the competitive edge of international markets and to raise employment rate and level of income.

- ***Research Programme on Ageing*** ran from 2000-2002. The main task was the production of information to help in dealing with problems and challenges associated with ageing of workforce. The programme consisted of 21 projects from 12 universities and institutes involving over 100 researches.

- The ***Well-being at Work Programme*** ran from 2000 to 2003. The programme focused on research, development and information dissemination. It aimed to promote working capacity and competence, and to help to maintain well-being at work.

- The ***Finnish National Workplace Development Programme*** (1996-99, 2000-03) aimed to boost productivity and the quality of work life by furthering the full use and development of staff know-how and innovative power at Finnish workplaces through the development of human resources and by helping work organizations to reform their modes of operation.

Actions to support well-being in changing work life

Since 2006 Finnish Institute of Occupational Health (FIOH) started activities under Life Course and Work -theme. The target has been to disseminate scientific knowledge gathered so far by turning it to different training and development programmes.

Among other things the theme has created 'Successful Seniority' and 'Age Power' programmes that are aimed at helping practitioners to implement Age Management in their organisations. The idea is to train a network of certified trainers to these methods who can then take the solutions to larger audiences. At the moment FIOH has a network of approximately one hundred trainers who can spread the knowledge of these programmes.

In 2009, the Finnish Ministry of Social Affairs and Health launched a Well-being forum. The objective of the Forum is to promote occupational health and safety collaboration as well as attractiveness of working life in collaboration with various actors.

As a part of the Well-being forum, Ministry of Social Affairs and Health and FIOH have arranged regional seminars. The first *Future and well-being at work - operational modes in changing work life* -seminar was organized at Helsinki in autumn 2009 and it got a wide participation. Therefore the Ministry of Social Affairs and Health and FIOH decided to organize the same seminar at different locations in Finland in spring 2010.

The objective of the seminars is to offer tools for workplaces to support business activities and personnel development. There are several topics, such as well-being and changing work - methods.

4. Current political actions

At the beginning of 2009, the Finnish Government and labour market organizations agreed on a plan to raise the expected average retirement age of 25-year-olds by three years from 59,4 years of age within 2025. It was agreed that

proposals should be prepared in following two work groups: pension negotiations group and working life group. The shared goal of the workgroups was to present means to raise real, average retirement age by three years.

Working life group (1st February 2010) presented a series of action that consisted of promoting working ability, improving well-being at work as well as prolonging careers starting from the beginning and improving prerequisites of providing jobs during the whole career. In order to implement proposals it was suggested that workgroups should be constituted on following topics:

1. Developing occupational health care.
2. Work disability processes and nationwide scope of occupational health care.
3. Propositions related with pension scheme.
4. Promoting the work capacity of the unemployed.
5. Cutting down interruptions of vocational education and speeding up transition into working life.
6. Work ability, well-being at work, occupational safety at work and adding things connected with working life knowledge into national curriculums and study programs.

Practical proposals are presently discussed. Also the work of the pension negotiations group is still open.

5. Good examples

Towards successful seniority -method and its effects

The Towards Successful Seniority group method was developed by the Finnish Institute of Occupational Health (FIOH) to promote career management preparation, work ability and mental health among employees in changing organizations (Vuori *et al.*, 2009, Toppinen-Tanner, Vuori 2010). The aim of the method is to strengthen preparedness for career management. This includes both self-efficacy and inoculation against setbacks during career changes. Preparation

and effective coping may be seen as motivators in a process whereby individuals adjust to working environment, make plans and set goals for their future and evaluate their possibilities and competencies in achieving these goals. Based on previous studies, this is assumed to lead to better work career quality and mental health in the long run. A more general aim of the method is to provide tools to companies for primary prevention on individual level by combining the knowledge bases from occupational health services regarding stress and health, and from human services management regarding occupational competencies and work careers.

The intervention was carried out in 17 organizations, both in the public and private sector. The effects of the intervention were investigated in a randomly assigned field experimental study (RCT study) during 2006-2008 with 718 voluntary participants. Altogether, 368 (51.4%) of the individual participants were randomly assigned to the experimental group and 349 (48.6%) to the control group. Those in the experimental group were invited in one of the 34 groups arranged in organizations during the intervention phase and those in the control group were given a literature package on the same topic. The mean age of the participants was 50.5 years (SD 6.5) and 88% of them were women. The randomization succeeded well and there were no significant differences between the groups in background variables or studied measures in baseline.

The activities during the 20 hour intervention comprised topics such as identifying own interests and skills, lifelong learning, managing organizational change, getting social support, managing conflicts, career management, and committing to a concrete career goal. In all content areas, self-efficacies and inoculation against setbacks were enhanced 1) by identifying work/life goals and barriers, 2) identifying solutions to them, and 3) by practicing these solutions in small groups. The intervention applied principles of active learning process, group support and trainer referent power. The results on the effects of the intervention are based on three questionnaire measurements: T1 just before the randomization procedure and T2 just after the group activities and T3 7 months after the intervention.

The immediate impact was a significant increase in career management preparation among the group participants compared to controls. Work life goals and intrinsic motivation towards these goals increased significantly among group participants. The follow up after seven months showed that the intervention significantly decreased intentions to retire and symptoms of depression, especially among those participants who were in risk of depression at baseline. The 7 month follow-up results also showed an increase in psychological resources and a conditional increase in work engagement. This study demonstrates that employees' preparedness to manage their work career can be strengthened with resource-building group interventions in the changing work life.

Case of the Voikkaa paper factory: Supporting the health of employees during the closing of the factory

The Voikkaa paper factory was established in 1872. In 1996, after several owner changes, the factory had been merged to the international forest company UPM (United Paper Mills). At the end of 2006 the factory was closed. Reasons for closing were heavy global competition and overproduction of magazine paper. New investments would have been needed to keep the factory running. One year before closure, the employees had committed to a productivity program to enhance competitiveness. As the program had been successful, people were not prepared for the decision to close. At the end of 2006 the factory employed 670 people and the closure had a deep impact on the whole community, families and individual lives. For four generations it had offered education, training and health services for workers and their families.

During the closing process, Occupational Health (OH) services took an active role in supporting the health of employees. The chief physician, chief nurse and occupational health psychologist developed a multifaceted programme for the factory. Internal and external collaboration with other actors was exceptionally comprehensive. This was possible because the necessary trust had been created in the long run. A combination of preventive and curative actions formed a good practice in this innovative approach: health was given priority in all decisions.

The strategy and methods were chosen on the basis of earlier experience and models of psychological crisis management. Although no earlier action models were available for the OH-services to manage a major restructuring such as closing of a whole factory in a small community, the longitudinal experience in active work place health promotion had created the basis and channels for immediate reaction. This was possible due to the commitment of the company and factory management in supporting the employees in transition to re-employment. Similar closures have occurred since the case of the Voikkaa paper factory in Finland. The developed action model has probably helped others to avoid the worst predicted consequences on health of employees⁽²⁶⁾.

6. Field research and national seminar

The Finnish national seminar was held on 10th September, at the Finnish Institute of Occupational Health, Helsinki and its English title was Work and Life Course organizational Innovations and Management.

Pre-seminar findings

Six representatives of both public and private sector (government, representative of employees/employers, etc.) who were invited to the national Elders-seminar were asked to give their opinion about the practices related to the way organizational changes are handled in Finland and if they see that the current practices cause inequality at the workplace between employees. Their answers were presented at the national Elders-seminar as a starting point of the joint discussions.

Those who answered to the open-ended questionnaire thought that:

1. the most important way to support employees (those who will keep their job and those who will lose their job) is *a*) to give enough accurate information

²⁶ This case is described in more detailed way by Ruuskanen *et al.* in the HIRE-report (2009).

about the changes, *b*) train superiors about how to handle issues related to the change and *c*) to make clear plans how the changes are carried out in the work group level and how it will effect individual employees. It was also mentioned that it is important to give enough time to employees to adapt to changes. For those who will keep their job it is important to train them to their current (changed) tasks and to make sure that the tasks are fairly divided. For those loosing their jobs it is important to treat them respectfully and support them for example in finding new work.

2. The pros of the current practices e.g. protection of the workers in the event of restructuring, ‘unemployment pension tube’, is that they support individuals during the organizational changes. However, at the same time the goal is to get employees’ to continue their working careers, but the current practices also support retirement during organizational changes. It is also important to make sure that each individual chooses the ‘unemployment pension tube’ voluntarily.

3. The current practices were also seen to cause inequality at the workplace, since for example, not all older or handicapped persons are not willing to retire, but would like to continue working as long as possible.

4. The current practices should be developed to show that they would support individual solutions. The experience of elderly workers should be valued in the workplace.

5. It would also be important that all actors (TE-offices, occupational health care, human resources management, etc.) would not only work together but also together with the person facing organizational changes.

Main findings of the seminar

The Finnish national Elders-seminar started with four presentations: Specialized Researcher Tomi Hussi discussed about the role of age management during organizational restructuring. Finnish Institute of Occupational Health (FIOH) offers the training programme Agepower, which gives information and ways of action in age related issues; Senior Researcher Anna-Liisa Elo presented the recommendations of the HIREs (Health in restructuring: Innovative approaches

and policy recommendations http://www.ipg.uni-bremen.de/research/hires/HIRES_FR_090518_english.pdf) workgroup; Team Leader Krista Pahkin presented the main Finnish findings of the Elders-project (section 2 in the report and section 5.1); and Senior inspector Irma Hiltunen told about the change process of the Finnish Ministry of Employment and the Economy: the tools used and the role of ageing workers. The Ministry used nation-wide training program called Towards Successful Seniority (see section 4.1.) which applies group mentoring in changing organizations.

34 representatives (for example, occupational health care personnel, human resources experts, development consultants, researchers) of both public and private sector participated to the national seminar arranged in 10th September 2010 by FIOH. In the workshop participants discussed what 1) the society (authorities, policy makers, etc.), 2) management and supervisors, 3) Occupational Health Services (OHS), and 4) elderly employees themselves should do in case of a) work tasks are changed, or b) there is downsizing of the company and c) from the point of view of individual well-being.

Following recommendations can be summarised based on the discussions.

Society:

- More information about the protection in the event of restructuring (Ministry of Employment and the Economic).
- Restructuring are part of the every day work life nowadays, and laws etc. should be modified for changing situations:
 - Companies should be financially supported to use occupational health care services during organizational restructuring.
 - Companies should be financially supported to offer occupational health care services to their former employees (for example, for one year after the employment had ended) to make sure that their work ability stays in good level.
- More flexible, individual solutions on retirement is needed.

Organization's management and supervisors:

- Co-operation with OHS is important when changes to the way work is carried out are done, for example they can help to evaluate the work ability of the employee, ergonomics etc.
- Co-operation with OHS, Employment and Economic Development Office (TE-offices, Työ- ja elinkeinotoimistot) and other actors is important when major organizational restructuring is carried out in the organization.
- Supervisors (and other important actors like industrial safety delegate) should be trained to handle organizational restructuring process.
- Different kind of support (information, discussion possibilities, training etc.) should be offered to everyone at the workplace.
- It is important to discuss with the employees about the changes and give them the possibility to influence to the decisions.
- It is important to give information again, again and again.

Occupational Health Services:

- Should participate to the organizational restructuring processes.
- Should support individuals to be responsible for their own health and for their future.
- Should know what kind of other protection there is available in the event of restructuring, and advice organizations about it.

Elderly employees:

- Should make sure that their work ability: health, well-being and know-how stays in good level.
- Should actively participate to planning of the changes when possible
- Should use support available (it is not a sign of weakness to ask and receive support).
- Not feel guilty about keeping their job.

7. Conclusion

In Finland, like in other European countries, society expects employees to continue their working careers and maintain their working capacity for as long as possible, preferably up to their full retirement age. Research, development and other activities have been conducted to find reasons for early retirement and solutions to support staying at work as long as possible.

There have been several national Finnish programs to support employees' well-being by maintaining and promoting their work ability and thus making it possible for them to be actively involved in the work life. The challenge of ageing was already addressed at the end of 1990's. Finland has thus been pioneer in the field of supporting work ability of the aged employees.

Government policy programmes on health promotion and employment, entrepreneurship and work life have included some issues of Age Management in their agendas but it has not been a major theme of these programmes. This issue has been focal among practitioners and therefore strong political commitment has not been needed.

The revision of the Finnish earnings-related pension system in 2005 may have affected willingness of elderly people to continue working until they reach the retirement age. The revision primarily aimed at generating savings when people retire at older ages. The pension reform offers pension increases to workers who remain at work longer and also revises the condition for an early retirement.

Global economical situation has also affected Finland, and during the last two years many companies have been downsizing. Unemployment hit younger workers the hardest compared to other age groups. For supporting employees' well-being, the Finnish Ministry of Social Affairs and Health launched recently a Well-being forum to promote occupational health and safety collaboration as well as attractiveness of working life in collaboration with various actors. One of the topics of the Forum has been the changing work life. Also the Finnish Ministry of Employment and Economic Affairs have organized services to make sure that employees' situation during the organizational change is secured.

The Finnish labour market parties decided in 2005 to implement the law of 'change security' for events of organizational restructuring. The aim was to promote re-employment of redundant employees. The law includes paid leave for redundant employees in order to search for a new job, more efficient information from the employer, re-employment promoting plan for the personnel and a personal re-employment plan which is made in local employment office. Nearly all employees who have a work history of three years are entitled to change security. Also furloughed employees are entitled to this model with some restrictions. Information about the law and its implementation has first reached bigger companies.

A major reason why aging employees in Finland quit work due to restructuring situations is the so called 'unemployment pension tube' system. Employers can make a deal with older employees where they first get higher level earnings related unemployment benefit and then unemployment pension and finally regular pension. The terms of this system have been made stricter recently.

It seems that consequences of the recent restructuring, organizational changes, have been quite minor for those elderly Finnish workers who are still working. The findings of the Work and Health survey 2009 showed that the majority of work contracts are permanent in Finland and that young (under 35 years of age), women are those doing temporary work. The findings of the survey showed that 46% answered that there had been changes in the workplace during the last 3 years that had affected to their work, work tasks or the amount of work. However, the amount of people experiencing changes at work was in the same level as in 2006. Elderly workers, like workers in general, were quite or very satisfied with their work, and it seems that people of different ages are mostly treated equally at the workplace.

One of the sectors going through a significant change process recently in Finland has been the forest industry. For those units participating to the so called HYVIS-project, restructuring had meant outsourcing, lay offs, notices. Even though there had been a lot of changes during the past year the general well-being of employees had stayed in good level. Interestingly, it was the younger workers

who experience the consequences of the changes more negatively than older workers. In general, a strong connection between the management or supervisor actions' during the change process and employees' well-being was found.

Even though a lot has been done in Finland to support work ability, working until full retirement age, return to work after unemployment, prolonging work career is still a current issue in Finland. One example of this is that in beginning of 2009 the Finnish Government and Labour market parties agreed that their shared goal is to prolong Finns working careers with three years before year 2025. To reach this goal work committees have got the tasks of making proposals how this can be achieved. The next parliamentary election will take place in Finland in spring 2011 and it can be stated already now that the topic of prolonging the work careers will be very high on the Finnish political agenda

8. Recommendations

It is widely acknowledged in Finland that communication, appreciation and co-operation between all parties during the organizational restructuring process are key elements of a successful change. These three elements involve all levels in society: policy makers, ministries, organizations (managers, supervisors, work groups, individual workers), Occupational Health Services (OHS) and other parties.

It is important that also society offers support for all employees going through restructuring. To improve the current systems it is important to evaluate their functioning: how well they are implemented and how effective they are in the current, changing work life.

Organisations should remember that the way they treat elderly workers now, will affect the way young workers see them as a potential employer and whether or not the valuable know-how of elderly employees is transferred to the younger workers.

OHS and other parties should also evaluate their actions and see how well they are prepared to the challenges of organizational restructuring of their customers, and if they have all the relevant knowledge of the support systems.

Elderly employees, like all employees, should make sure that their own work ability, their health, well-being and know-how is at the sufficient level, so that can continue working even though the work is changing.

9. Literature and references

In Finland, like in all other European countries, society expects employees to continue their working careers and maintain their working capacity for as long as possible, preferably right up to their full retirement age. In Finland, research, development activities etc. have been conducted to find reasons for early retirement and solutions to support staying at work as long as possible. At the same time world of work has changed. In order to survive and succeed in modern business life, companies have to cope for example with technological changes, international competition, the opening up of new markets, and cuts in expenses.

Ageing workers

Finland has a long tradition in studying the relationship between ageing and work. In comparison to, for example, other European countries, the baby-boomer generations were born rather early in Nordic countries during 1945-1952, at least seven years earlier than elsewhere. Despite the fact that Finland was among front-runners to meet the ageing of the baby-boomer generations, it was yet a question of having sufficiently foresighted researchers and decision-makers to start the research in this field as early as it did in Finland.

The research on ageing workers leads back to early 1980's. Already in 1981 Finnish Institute of Occupational Health (FIOH) commenced study on municipal employees with focus on ageing and work life. The initiative for this study came from the Local Government Pensions Institution, which has an interest in job-

dependent old age pensions ranged from 53 to 63 in municipal sector. The focus was on epidemiology on ageing and work, functional capacities of ageing workers and assessments of worker's strain in different occupations.

This study has been the basis for the development of several methods on ageing workers. For example, the work ability -framework and its applications, like work ability index, are rooted in this longitudinal study. The originating study is still ongoing, as 2010 FIOH started 29-year follow-up on same group of respondents. Therefore it can be stated that Finland really is among pioneering countries studying this topic because the topic has become more and more acute since late 1990s across European Union, but also world wide.

Other example of a research aiming at supporting working careers is a Finnish longitudinal study (Seitsamo 2007) which found that a good physical functioning and an active life-style contributed to staying on at work until normal retirement age. Also work-related factors, i.e. possibilities for development and influence at work, responsibility for others, meaningful work, and satisfaction with working time arrangements were positively related to continuing working. The transition from work to retirement had a positive impact on a person's health and functional capacity. The study results support the view that it should be possible to ease one's work pace during the last years of a work career. This might lower the threshold between work and retirement and convince people that there will still be time to enjoy retirement also a few years later.

It has also been found that continuing in employment is more likely if an employee has a high level of education, remains in good health, is satisfied with his or her work and has a secure job (Väänänen-Tomppo, Tuominen E., Tuominen K., 2006).

The importance of education level is also confirmed in longitudinal study. The findings of Järnefelt (2010) show that the higher the level of education, the higher the probability of late exit from working life. Education-related differences in late exit were essentially connected to characteristics of the subjects' work paths and labour market context. Furthermore, the scale of education-related differences varied between employment sectors and was dependent on the subjects' position

in relation to the occupational restructuration of labour markets. Education-related differences were particularly pronounced in regard to the relative risk of early exit due to unemployment and acquisition of an ordinary disability pension. The results support the expectations that younger and better-educated cohorts are able to prolong their working lives as they grow older. The significance of the work and labour market-related factors suggest that investments in the improvement of working conditions and personnel policies are effective ways of prolonging working lives and supporting the employment of particularly those who are less educated (Järnefelt, 2010).

Other studies have emphasised the importance of good health. Factors relating to health and capacity, such as long-term illness, physical condition as well as mental illness significantly impacted retirement on a disability pension. Additionally, education and exhaustion in particular seemed to affect the risk of disability pension. A closer examination of long-term illness and education showed that a low level of education among those suffering from long-term illness also increased the risk of disability pension. On the other hand, the education level of those who did not suffer long-term illness did not seem to impact retirement on a disability pension (Polvinen, 2009). It has also been shown that although majority of work disability relates to poor health, also burnout increases the risk of disability (Ahola *et al.*, 2009). Chronic illness was also associated with burnout (Ahola *et al.*, 2009).

Job security has found to be the main prerequisite for continuing in employment among 45-64 years old employees. Even though most of them had permanent work contracts they felt a lot of different kind of insecurity. Women were more worried about changes in their work tasks, whereas men were more worried about losing their job (being unemployed) (Väänänen-Tomppo, Tuominen E., Tuominen K., 2006). However, the study findings also showed that for the majority of the 50-59-year-olds Finns the labour market status remained unchanged in 2003 to 2004. As much as 95 per cent of the employed 50-54-year olds, who had been employed the previous year, were also employed the next year, while only 88 per cent of the 55-59-year-olds were employed the next year.

The level of education considerably increased women's and the marital status men's remaining at work.

In the same way, the majority of the 50-59-year-olds who had been unemployed the previous year were also unemployed in 2004 (Haataja, 2007). Similar findings have also been found in a more unstable employment situation. A recent study (Jolkkonen, Kurvinen, 2009) found that age was to most important factor predicting unemployment after the closing down of the factory. The risk of being unemployed was highest among workers over 50 years of age.

One reason for the findings that ageing considerably reduces staying on at work and access to employment after the age of 56 among Finns may be the implementation of unemployment pension in Finland. Companies have had the possibility to make this special arrangement with older workers (nowadays those born before year 1950) who will, consequently, first become unemployed when they reach the age of 60 when they have the right to apply for and get a pension.

Also the intention to retire has an effect on actual retirement. Forma *et al.* (2006) found that early retirement thoughts (retirement under 60 years) are more common among men than among women. One of the reasons is the weaker health of men. However, at the same time there are more men planning to continue working at least until the age of 64. One reason behind this is that in women's personal retirement contacts the retirement age is a little bit lower than the ones men have. The factors which explain intention to retire are similar (level of education, health etc.). However women planned to retire earlier if they were in relationship. This supports earlier findings that if the spouse has retired women also have plans to retire. To keep men's working until their retirement age can therefore have a double effect.

Organizational restructuring

Consequences of organizational restructuring have also been studied in Finland. Some of the first studies in the field of organizational downsizing have been conducted already during a severe economic decline between the years 1991 and 1996 in Finland.

For example, the Raisio study has found that that major downsizing was associated with a significant twofold increase in medically certified sickness absence among employees. The risk of long-term sick leave after downsizing was especially high for older employees, employees with a tendency towards hostile reactions, employees with a higher income, and employees in large work units. The risk of health problems, as indicated by musculoskeletal problems and poor self-rated health, was at least two times greater after major downsizing than after no downsizing. Half of this excess risk was attributable to an elevated level of work stress after major downsizing (for example Vahtera *et al.*, 1997; Kivimäki *et al.*, 2000; Kivimäki *et al.*, 2000b; Kivimäki *et al.*, 2001).

The findings of the widely known Finnish 10-Town study have confirmed the findings for sickness absence. This Finnish 10-Town study has also showed that cardiovascular mortality was similarly twice as high after major downsizing than with no downsizing (Vahtera *et al.*, 2004), Kivimäki *et al.* (2007) has also found that employees who were exposed to downsizing but kept their jobs were at a higher risk of being prescribed psychotropic drugs (rate ratio 1.49, 95% CI 1.10 to 2.02 in men and 1.12, 95% CI 1.00 to 1.27 in women) than those not exposed to downsizing.

One of the finding has also been that the disability pension rate after major downsizing among those who remained in employment significantly increased. To minimize the effect of non-medical early retirement, these studies were restricted to disability pensioning due to medical causes under 55 years of age only (medical causes is the only possible cause for retirement at that age whereas other causes may additionally contribute to retirements after age 55). The findings showed a linear trend between downsizing and disability pensioning ($p=0.004$). After adjustment for age, sex, occupational status, type of employment contract and town, employees who had experienced major downsizing had a 1.8-fold greater risk of being granted a disability pension when compared with the employees who had not experienced downsizing. The two leading causes of disability were psychiatric diseases and musculoskeletal disorders (Vahtera, Kivimäki, 2009).

In Finland, other kind of restructuring than downsizing has also been studied. A study (Väänänen *et al.*, 2004) concentrating on mergers found out that all sources of social support had a significant effect on the experience of change in one's job position. A decline in job position strongly increased the risk of poor subjective health after the merger. Weak organizational support was associated with impaired subjective health, especially in blue-collar workers, while weak supervisor support impaired functional capacity in white-collar workers. In turn, strong co-workers' support increased the risk of poor subjective health among blue-collar workers when their job position declined.

In this report the recent changes in the Finnish work life and the situation of the elderly workers are shortly described by using two national wide studies and one recent sector specific survey. Also the pension system in Finland is described since it may effect to the willingness of elderly people to continue working until they full retirement age. The actions of the Finnish Ministry of Employment and of Economic Affairs to secure employees' situation during the organizational change are also explained. Examples of previous national programs to support work careers, as well as examples of training program, are given. Also case example how closing down of factory can be carried out so that attention was paid to the health of employees.

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Part III

Germany

1. Introduction

Today Germany's economy is characterised by several developments such as the demographic change, the continuing technologisation and the globalisation of finance, goods and services markets, becoming a heterogeneous and complex event. Companies respond to the worldwide increase in competition with the reduction of costs and a boost in productivity. As a result, organisational practices have changed nowadays drastically in the economy. For a more effectual competition, lots of companies have restructured themselves and downsized their personnel, increasingly relying on non-standard employment practices like temporary workers and contractor-supplied labour, and established more flexible methods and lean production technologies.

Less and less labour force can make them hope of a permanent full-time employment, but are under pressure to make their labour flexible available. The change is characterised by so-called 'atypical' employment relationships. Phrases such as pluralism, flexibility and precarity of employment conditions describe these change processes. For many workers, these trends have led to a variety of potentially stressful or hazardous circumstances, e.g. less job stability and an increased workload. Gainful employment is changing. The extension of average life expectancy, raising the retirement age, the aging workforce, higher female employment rate and the shortage of young qualified professionals is exemplary for this development. Employees need to be longer 'fit' for the job, the early retirement which was possible with the support of the state is hardly applicable

any more and in the future (2029) the retirement age will be raised to 67 year in Germany.

Against this background, the issue of ‘health in organisations’ gained continuous significance in the past. Measures to improve health and satisfaction of employees are now regarded not only as purely employee-oriented initiatives or seen in the context of fulfilling the legal requirements. There is rather a growing recognition, that effective and motivated employees are an important factor to ensure the competitiveness of an organisation.

In connection with the improvement of the occupational health situation, health management approaches in companies have found an increasingly wide distribution. But little is known about the changed circumstances due to restructuring measures and the trigger of stress and the effects on well-being. Not only the health of laid-off workers had deteriorated, but even among those who remain in the company. Here companies underestimate the impact of the changes, because, in reality, these revolutionary changes in the organization of work have far outpaced our understanding of their implications for work life quality and safety and health on the job’ (NIOSH, 2002, V).

2. The changing organisation of work

The organisation of work in advanced industrial countries such as Germany has gone through extraordinary changes. Influenced by major economic, demographic, technological, legal, and political changes, service and knowledge work takes an increasingly important role in the job market. The liberalisation of trade regulations and further developed information and computer technologies made it possible for companies to operate globally, leading into intensified price and product competition. Moreover, rapidly shifting product and service demands result in higher pressure to produce quality and customized products (NIOSH, 2002). The permanent improvement of organisational performance and competitiveness is being achieved, or at least inspired, by various forms of ‘Human

Resource Maximisation’ just as management techniques (e.g. just-in-time management or team work), flexible work arrangements (e.g. temporary contracts and pay rolling), and networks of production (e.g. subcontracting or using self-employed). Increased work intensification and fatigue may be the consequence of these forms of performance maximisation as well as higher job insecurity. Not only employees with a temporary contract might be affected, but also those who still have a permanent job but fear to become outsourced or subcontracted (HIRES, 2009). These trends are taking place against the backdrop of an aging and increasingly diverse workforce and tightening labour markets. Organisational practices have changed drastically in the new economy (NIOSH, 2002).

3. Restructuring of work

The EU defines the term ‘restructuring’ in their report ‘Restructuring in Europe 2008’ in general as «a modification of a company’s workforce that affects both the qualitative (skills and qualifications required) and quantitative features (number of jobs) following adaptations to the company’s structure, organisation or production processes» (European Commission, 2009, 10). Restructuring often implicates radical changes in organisational structures and processes (Karambayya, 2002). The European Monitor Centre on Change distinguishes the following forms of restructuring (HIRES, 2009).

- **Relocation:** The activity is relocated to another location within the same country.
- **Offshoring/delocalization:** Relocating or outsourcing of activities into another country.
- **Outsourcing:** Another company in the same country is subcontracted for the activity.
- **Bankruptcy/closure:** An industrial site is closed or a company goes bankrupt for economic reasons not directly connected to relocation or outsourcing.

- ***Merger/acquisition:*** Two companies merge or a company acquires another company which then involve an internal restructuring concept with the objective to rationalise the organisation by cutting workforce.
- ***Internal restructuring:*** The company conducts a plan to downsize or other forms of restructuring that are not associated to a type as defined above.
- ***Business expansion:*** A company extends its business activities and hires new employees (Source: European Monitoring Centre on Change).

Not only restructuring in crises may cause health effects. The operational restructuring has increasingly become a steady way to improve the organisational performance and competitiveness permanently (HIRES, 2009). In the European Restructuring Monitor of the European Foundation in Dublin, almost 890 cases of restructuring measures in Germany have been included between 2002 and May 2010. Through these measures 579,000 jobs were reduced and 185,000 jobs were created. Under the consideration, that the monitor takes up only companies with more than 250 employees, and only takes measures into account, of which more than 100 employees are affected, the dimension of restructuring for the German labour market is obvious (Eurofound, 2010).

The study ‘restructuring in Germany in 2006’ by the consultancy Roland Berger (2006) has asked 520 companies of various industries in Germany, which have conducted a restructuring project over the past three years, about restructuring processes. The most important criteria for a successful restructuring were Management Commitment (engagement of the top management) (75%), a holistic framework (Balance Sheet, Income Statement, Cash-Flow - all products of the value chain) (56%) and a quick implementation (52%). Restructuring usually last between one and a half years, a shorter period is very rare. However, there is a large gap between the importance and the implementation, about 21% less on average rated the implementation as ‘very successful’. The most important measure to reduce costs is by 42% enforced redundancy. Furthermore, the partial retirement gained in significance. In 2003 estimated 17% of the surveyed companies this HR-instrument as important, in 2006 already 29%. With an increase of 15% an even larger rise in the importance is attached to salary cuts and

wage sacrifice. These measures are considered by 24% of the interviewed person as important to reduce costs. The findings suggest that the workplace is gaining importance by attempts to reduce personnel costs by more job retention methods, but still almost 80% of the companies reduced jobs in the last three years. Moreover, restructuring is seen in 70% of those companies as a continuous task.

In 2008, the consulting Cap Gemini (2008) has released a study of Change Management in the German-speaking countries (Germany, Austria and Switzerland). Managers from 122 larger medium-sized and large enterprises were interviewed. Change Management is in 36% of the companies a 'very important' issue and in 50% an 'important' one, only 2% of the companies assessed change management as insignificant. Almost 50% of the interviewed persons indicated, that restructuring is the main reason for diversifications in the change management, followed by growth initiatives (38%), modified business strategy (33%), cost reduction programs 'rightsizing' (32%), change in market strategy/sales approach (32%) and mergers & acquisitions (21%). The major goals to be achieved by such measures are to increase growth (44%), to reduce costs (29%) and to improve the quality (14%). As an important mega trend, almost half of the companies specified the topic of demographics.

The following assessment of the statement gives an indication of the leadership behaviour of managers: To the statement 'If the psychological strain of employees is large enough, they will adapt themselves to the necessary changes,' agreed 48% of the top management level. Of ten randomly selected senior executives are five to six participative-integrative orientated and four to five can be characterised as 'tough', this will also have an impact on restructuring. Thus, the interviewed managers assume that on average the productivity of the affected employees will fall by 23% if the change management is performed insufficiently or no counteractive measures are taken. But about 80% expected inefficient work by missing or inadequate information through the change process, but only 11% higher absenteeism.

These two studies show, that restructuring is an ongoing issue in many companies, the objectives and implementation are clear, apparently only on the health effects and their significance for the company seems to be ignorance.

4. Health and restructuring

«Work is known to be a central determinant of individual health. Especially during phases of organisational restructuring, individual health may be at risk!» (HIRES, 2009, 29). Health is defined in the WHO constitution of 1948 as: «A state of complete physical, social and mental well-being, and not merely the absence of disease or infirmity. Within the context of health promotion, health has been considered less as an abstract state and more as a means to an end which can be expressed in functional terms as a resource which permits people to lead an individually, socially and economically productive life» (WHO, 1998, 1). Today's working conditions have a major impact on the health of employees. Restructuring may affect the working conditions positively or negatively. The performance of employees is increasingly determined by the following factors:

- Work organisation and work tasks.
- Organisation of work tasks.
- Interface between man and machine.
- Leadership and
- Social support as a team.

These organisational, social and technical conditions are in the narrow sense to be understood as the workplace psychological stress factors. Classical stress factors such as heavy physical work, one-sided activities and the influence of noise, heat and hazardous materials have lost their significance for the greater part of employees. However, they still exist (Rigotti, Mohr, 2008). Mental stress factors are coming more and more into focus.

Restructuring is often leading to changes in performance and quality requirements as well as higher work density. Under these changed circumstances, the

company's success is not primarily determined by technology optimisation, but is assured by an optimal adjustment of the working systems to the physical and mental performance of humans (BSG, 2009). The following table refers to short-term stress reactions and long-term consequences of stress, as stipulated, any worker reacts differently to change.

Table 1: Classification of possible short-term stress reactions and long-term stress effects (BAuA, 2001, 29)

	Short-term reaction	Medium to long-term, chronic effects
physical	<ul style="list-style-type: none"> - Heart rate - Blood pressure - Adrenaline - Blood lipids 	<ul style="list-style-type: none"> - General psycho-somatic symptoms and diseases (cardiovascular, gastrointestinal) - Heart attack risk
mental (experience)	<ul style="list-style-type: none"> - Tension - Frustration - Anger - Feelings of fatigue - Experience of monotony - Experience of saturation 	<ul style="list-style-type: none"> - Mood disorders - Dissatisfaction - Resignation - Depression
Behaviour-related	<i>individual</i>	<ul style="list-style-type: none"> - Performance fluctuations - Concentration - number of failures - Course in motions
	<i>social</i>	<ul style="list-style-type: none"> - Nicotine, alcohol and pill consumption - absenteeism - loss of efficiency - loss of quality - Conflicts - Disputes - Aggression against other - Isolation inside and outside of work

Errors in processes of change are repeatedly caused by paying too little importance to the human factor, because not the strategy but the human dimension was responsible for 60-75% of the errors while restructuring (Kinsey, 2000).

The consequences of an insensitive dealing with restructuring are among other things:

- Counterproductive loss of productivity.
- 'Creaming-off' effect of the most productive parts of the workforce.

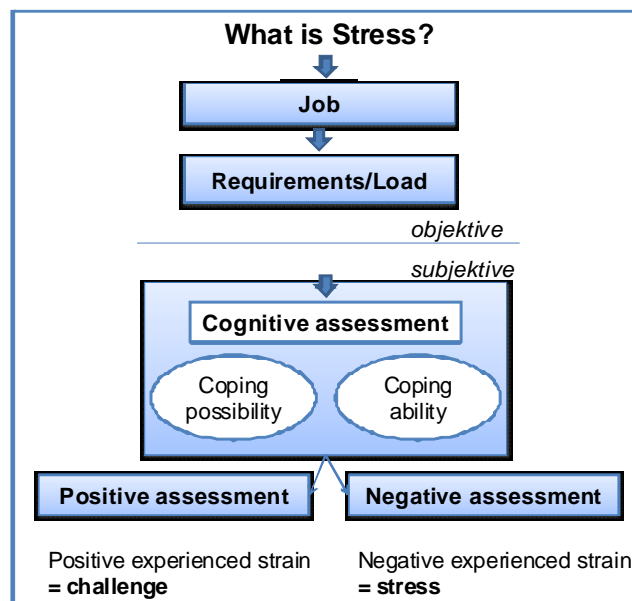
- Loss of innovative capacity and commitment of the survivors.
- Low tendency for qualified parolee to return after economic recovery.
- Deterioration of the company image with potential future candidates.

The socio-political goal of ‘humane’ design of work is in this context a very significant factor. Not only because it is a requirement of the employment protection act, but because it is in accordance with the interests of businesses for a skilled, motivated and creative workforce. Only satisfied employees are healthier in the long run and thus contribute to the economic success of the company (BSG, 2009).

Occupational stress and well-being

Occupational stress is rapidly becoming the single greatest cause of occupational disease (Leigh, Schnall, 2000) and can have extensive consequences for the worker as well as the workplace. It «occurs when external demands and conditions do not match a person’s needs, expectations or ideals or exceed their physical capacity, skills, or knowledge for comfortably handling a situation» (Noblet, La Montagne, 2006, 346).

Figure 1: Stress experienced as negative strain (Stadler, 2006, after Strobel, v. Krause, 1997)



Detailed information about individuals' personal and social characteristics, just as the context within stress is experienced and coping efforts are made is necessary to understand this phenomenon (George, 2005). Against the background of workloads Selye (1971) defines stress as the nonspecific response of the organism to any form of stress. With the change in work contents, from work requiring physical strength to mental-concentrative tasks, stress at work exists nowadays mainly in the form of mental strain. Thus, excessive and/or chronic psychological overload are for many years the most common causes of absenteeism and occupation disability. Stress conditions are experienced subjectively as persistently unpleasant, anxious and excited strain and linked with the fear of failure, restlessness and nervousness. Stress expresses itself in the form of increased frequency of errors, hasty pace of work as well as reduced perception, rationalness and capacity of reaction. It is associated with changes in objective measurable characteristics of the organism. The increase in pulse and breathing rate, blood-pressure and the sugar and fat in the blood as well as the typical changes in release of adrenaline, noradrenalin and cortisone, in the activity of the digestive system or the increase in the conductivity of the skin and the widening of the pupils. Psychological stress experiences have multiple conditions and causative factors: In addition to the increased job-related requirements, personal problems (e.g. familial or financial) and social changes (such as poor employment opportunities or financial concerns) influence the perception of stress (Oppholzer, 2010). These kinds of factors will cause serious illnesses, if the person cannot cope with stress or no help is given by the family, plus if they get no support at work and the working atmosphere does not allow asking those questions. Results of loading caused by stress are initially in a short-term perspective, an increased accident proneness, and a reduction in mental well-being (e.g. due to anxiety, nervousness, irritability or sleep and eating disorders) (Leidig, 2006). Furthermore, in a medium to long-term view stress conditions increase the risk especially of cardiovascular diseases, diseases of the digestive tract, musculoskeletal disorders, depression, sleep disturbances, and not least the dependence on drugs are – often associated with an unbalanced diet and physical

inactivity – the long-term consequences of stress (Oppholzer, 2010; Oetting, 2008). In the meantime, almost every disease of civilisation is associated with chronic stress (Bauer, 2006; Kopp, Rethelyi 2004; Segerstrom, Miller 2004).

The opposite of stress can be described as well-being. We understand in this report subjective well-being ‘as a person’s cognitive and affective evaluations of his or her life as a whole. These evaluations include emotional reactions to events as well as cognitive estimations of satisfaction and fulfillment’ (Diener *et al.*, 2009, 187). In former interviews with occupational safety experts the work place is mentioned as the main cause of mental stress. In new employee attitude surveys more than half of the employees (56%) felt significantly loaded. Constant time pressure, frequent excessive demands or mental underload, missing acknowledgement and lack of job control are the most common stressors (Liessmann, Zoike, 2010). Stressors are defined «as conditions that challenge or threaten individuals’ capacity to respond in ways that preserve and protect personal wellbeing» (George, 2005, 292). Therefore it is well recognised that stress reduces the well-being of employees (Kanji, Chopra 2009). Most people between 20 and 60 years spend the biggest part of their waking hours at work, hence the question of the well-being at work has not only a direct impact on the operational successes, but also long-lasting consequences for the physical and mental health of employees of a company (Hüther, Fischer 2010). Therefore, each company should be interested in organising restructuring as ‘stress-free’ as possible, because they will also benefit from this course of action.

Psychological effects of restructuring

The research on the effects of the changing working environment on the psychosocial quality of work is still in its infancy, although a growing awareness of the relevance of a systematic study of these problems arises (Dragano, Siegrist 2006). Obviously, restructuring is a stressful event for both managers and employees. «It involves uncertainty, the reality or the prospect of job loss, loss of support networks, and additional pressure to work long hours and achieve short-term results» (Karambayya, 2002, 56). Managers have also to make or to

communicate unpopular decisions, and must take accountability for decisions and outcomes that are often outside their sphere of control (Karambayya, 2002). So even if it is recognized, that psychological distress is an unavoidable result from closure or downsizing for those workers who have lost their jobs, little attention is paid to the health effects before and after the crisis. Simply the fear of job loss may cause distress as real as actual dismissal. Also after a crisis, many employees may experience symptoms of a post-traumatic disorder, which has already been labeled 'survivor sickness'. Some workers that remain experience feelings of guilt ('Why was I spared?') and some experience continued uncertainty ('Will I be out next?'). Employees in post-restructuring context may be wary about the future direction of the organisation and may experience a decline in trust. Even if the future of the enterprise has been secured by the layoffs, survivors of these layoffs will have to adjust to a new working situation as well an increased work load or work intensity with an increasing work pressure. They often find their job has been deeply modified, and increasingly experience role ambiguity (HIRES, 2009). Reports of an increasing sick leave in companies and organizations, which implemented drastic rationalisation measures, are alarming. Thus the number of early occupational disability cases has increased due to psychological complaints in Germany from 1997 to 2004 by about 70 percent (DAK, 2005). The wear due to stress is revealed by an increasing decline in the entry age in the early disability benefits: In the 70s it was 59 years, now only 50 years, while the average retirement age is 63. The age for early disability benefits of chronic mental illness has fallen to 48 years.

Mental illness is now the most frequent cause for reduced earning capacity: Their proportion on the early disability benefits increases from 8% (1983) to 32% (2006) (Gute Arbeit, 2009). Both the costs to companies and health insurances are enormous. Stress effects are now a significant economic damage (Oetting, 2008). Besides the fact that such interventions do not frequently lead to the desired economic success, additional disadvantages appear caused by the loss of working ability and motivation of the staff. Due to the fact that rationalisation often occurs in the context of a difficult competitive situation, such side effects are all the more

painful, as they additionally hamper a successful adaptation. No less serious can be the consequences for individual workers; present studies show that the range is from short-term health problems to serious diseases.

The organisation of work and the whole environment of the workplace determine to a large extent how likely it is, that work becomes a liability, and thus the assumption is, that rationalisation also encourage the emergence of psychosocial work strain.

These work strains in turn are the sources of stress reactions, which are involved in the development of a number of diseases. Therefore it is not surprising that employees, who are exposed to high psychosocial loads, have a higher absenteeism than other individuals (Dragano, Siegrist, 2006).

In a comparison of men and women with the same occupation, women had generally a higher absenteeism. While women are more often incapacitated due to mental health problems, the ratio reverse when hospitalization is needed. In 2008, men were treated stationary mainly because of addiction (particularly for mental and behavioural disorders due to alcohol), women on the contrary because of affective disorders (especially depression).

A deterioration of psychosocial working conditions in the course of rationalisation can therefore lead, according to the current state of research, to an increase of stress-related disorders. However, it must be differentiate exactly what kind of rationalisation measures and which characteristics of work are affected. In addition, it should not be forgotten that there seems to be also positive effects, e.g. introducing new management concepts can lead to a broadening of skills and new scope of duties for employees, or by useful outsourcing employees have more time for their main tasks (Liessmann, Zoiike, 2010).

Models of stress

In the current international research a large number of work-stress-models (as an overview, see Cartwright and Cooper (2009) exists, however, the two following briefly described models have investigated risks of psychological stress in different occupations, industries and countries most often, so that scientific

evidence is available. Moreover, their focus, in contrast to more psychologically oriented work-stress-models, is on the work organisation and structural conditions of work and it can therefore be the basis for the design of structural prevention approaches.

The first widely used concept is known as the **job control strain model**. (Karrasek, Theorell, 1990) It indicates that high strain arises where employees are confronted with high quantity demands (e.g. permanent time pressure), while at the same time their leeway of decision-making and control is limited in coping with work tasks. This combination results in psychological stress conditions that can affect long-term health. This effect is exacerbated by a lack of social support at work. This model is used particularly in industrial production, where repetitive monotonous work is performed with low qualifications as well as in the service sector.

A second approach, the **job demand model**, deals with pathogenic effects resulting from the employment relationship. It is postulated, that an imbalance of constantly high expenditure of human labour without an adequately reward, produce stress conditions. The occupational disappointment can not only be related to the insufficient payment, but also to the recognition of performed services, promotion prospects and job security (Siegrist *et al.*, 2010). Experiences violating the norm of reciprocity trigger usually strong negative emotions. The occupational gratification crisis affects most frequently employed with limited prospects of alternative employment e.g. low qualification, older workers, but also employees engaged in highly competitive businesses (Dragano, Siegrist, 2006).

Both models are complementary, different theoretical aspects of stress are investigated. A clear difference is that the job control strain model only takes job characteristics into account, while additionally in the job demand model the performance of the employee is captured by including the aspect of intrinsic expenditure tendency in the analysis. Based on these strains, the statistical risk can be estimated, when an exposed person in accordance with a defined period of time sickens on a defined medical disorder, compared to a person with otherwise similar initial conditions is free of these psychosocial pressures. The majority of

previously conducted studies that have specifically dealt with mental disease, depressive symptoms or clinically depressive disorders, show, that there is a corresponding increase of risk in the range between 50 and 150 percent.

It can be said, that employees who are affected by chronic work stress in form of one of the two aforementioned models, have on average about double the risk of being affected by a stress-related mental illness in comparison to employees without a corresponding experience of pressure at work. Studies show that stress-related illnesses like depression and heart disease occur with higher frequency to middle and older workers. It can be concluded, that in these age groups a special need evolve, which may diminish the health risks by measures of prevention and intervention (Siegrist *et al.*, 2010).

5. Older workers in restructuring

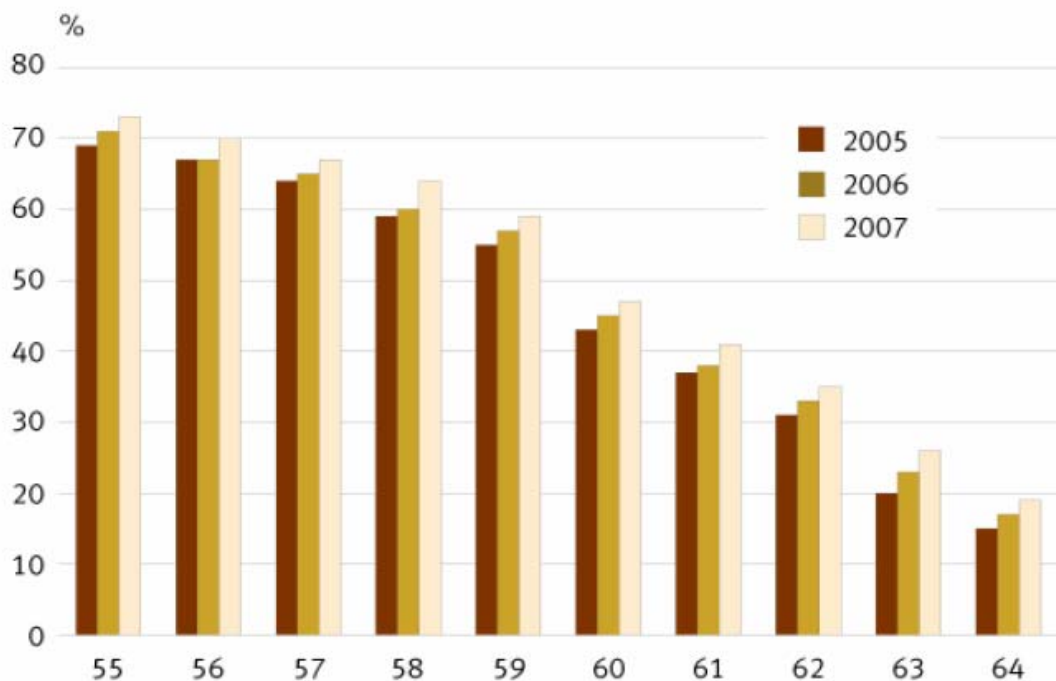
The consequences of demographic change for businesses

These developments must be seen against the background of an aging society, because the aging of society will also have an impact on companies and organisations. The average age in companies will increase along with a reduction in labour supply. This means for companies, that in the future, fewer young people than previously are on the labour market, but therefore a higher proportion of older people, e.g. by raising the retirement age (Künemund, 2007). The labour force potential (people between 15 and 65 years) remains constant until 2015 by approximately 50 million, only through the increase of the group of people between 50 and 65 year olds the significant decrease in the under 50 year olds can be compensated. In particular, the age group of 30 to under 50 year olds decreases fast, while initially the group of 20 to under 30 year olds, so mostly the young professionals, remains stable. According to projections are in 2030 there will be approx. 42 to 44 million and in 2050 still 35 to 39 million people of working age. This means a significant shift in the age structure within the working age. Currently still 50% of people in their working age belong to the middle age group

from 30 to 49 years, but in 2020 there will be only 42% in this age group. The workforce potential of 50 to 64 year olds is projected to grow by 10% to 40% (Statistisches Bundesamt, 2006).

In recent years the policy aims for a rise in employment of older workers. Thus, in the framework of the Lisbon process at EU level it was agreed to increase the employment rate of the population aged 55-64 years to over 50% by the year 2010. In Germany, the employment target for older workers (55-64 years) was achieved for the first time in 2007 with an employment rate of 51.5%. In the last ten years, the employment rate in Germany did not rise in other age groups as strong as in the group of 55 to 64 year olds: with an increase of 13.4 per cent over the last 10 years (Statistisches Bundesamt, 2009a).

Figure 2: Employment rates by age (Statistisches Bundesamt 2009)



This change will induce new challenges for both performance and competitiveness of enterprises as well as the entire economy. The general image of the older workers in our society is usually characterized by negative attributes such as lower performance, more down time due to illness and low skills,

particularly in relation to new technologies (Künemund, 2007; Grumbach, Ruf, 2007). Personnel policy practices are often made on the negative age image, especially during restructuring. On the one hand, it equates to the corporate policy, when older workers were dismissed through restructuring measures. On the other hand, personnel reductions of older workers, who are going to retire in the near future, was for the elderly themselves and for the company but also for the policy, which creates the appropriate possibility, morally easier to justify than a high youth unemployment - and in fact, the intergenerational equity was always an argument for an early retirement (Künemund, 2007). Thus, the decades of practice of early retirement supported by policies and economy led to a drop out of many older workers (Höpflinger, Clemens, 2005). However, the state-funded retirement was only possible until the end of 2009 (Winkels, 2007), so that retirement considered as a 'soft' form of restructuring/downsizing is no longer possible in the so far practiced dimensions. A reversal of the trend in the rethinking of both companies and employees is developing only slowly (Grumbach, Ruf, 2007).

Prejudices against older workers

The term 'age' is a complex and not clearly defined term. It is used in different contexts and has many social and cultural interpretations (Niederfranke, Schmitz-Scherzerer, Filipp, 1999). A consistent, universally binding definition, from which time on old age begins, does not exist. Social age limits are based mostly on the calendaric age (Moschis, 1994). The World Health Organization defines the following categories of older people: 45-59 'the middle-aged' 60-75 'the elderly' and from the age of 76 'the aged' (WHO, 1983). The working world still applies to other rules. In certain industries workers over 38 years already belong to the 'older ones'. Workers over 45 years are counted in most industrial sectors as 'older,' who is over 50 years, virtually everywhere. In this report we understand in the context of labour older workers as those who are over 50 years, knowing that the border is not to draw as sharp and must be shifted higher individually or in certain professions. A look at the labour market of recent decades let the

following assertion seem to be quite bold, older people are described as a labour reserve, when it is notorious, that job seekers over 50 years are often told that they are too old for the job, and actually older workers have only little chance to get back into work when they need to leave the company after restructuring (Winkler, 2005).

Older workers over 50 end more seldom their unemployment by taking up employment than unemployed people in general (September 2007: Elderly 29.1%, all unemployed: 35.6%). Older people have difficulties in going back into employment after a period of unemployment. However, there is the alternative – unlike for younger unemployed people – of retirement. Older unemployed people are compared to all unemployed longer out of work. They find a new job after an average of 66.9 weeks, all unemployed after 41.9 weeks. 54.3% of the older unemployed have been jobless for more than one year, the share of all unemployed is 39.1%. These data reflect not only the obstacles to reintegration into the labour market (Bundesagentur für Arbeit, 2007). It is conceivable that their employment prospects turn out disadvantageous, because in companies negative age stereotypes are common, even if there is no empirical research existing, which can support this thesis on an objective basis (Settes, 2009). The following chart shows a summary of ascribed characteristics for younger and older workers, which may lead to positive or negative attitudes:

Table 2: INIFES/SÖSTRA, 2000

Achievement potential	Younger workers	Older workers
<i>Experiential knowledge</i>	+	+++
<i>Theoretical knowlege</i>	++	++
<i>Creativity</i>	+++	+
<i>Willingness to learn</i>	+++	+
<i>Learning aptitude</i>	+++	+
<i>Employee morale, discipline at work</i>	+	+++
<i>Attitude to quality</i>	+	+++
<i>Reliability</i>	+	+++
<i>Loyalität</i>	+	+++

<i>Capacity for teamwork</i>	++	++
<i>Leadership ability</i>	+	+++
<i>Flexibility, Responsiveness</i>	+++	+
<i>Physical Capacity</i>	+++	+
<i>Mental capacity</i>	++	++
<i>Professional Ambition</i>	+++	+

Changes in competences

The public discourse on the implications of demographic change comes mostly from a negative age image, which combines aging with an inevitable efficiency loss of older workers and concludes disadvantages for the growth of macroeconomic productivity. The scenario of a less competitive and innovative economy is often demonstrated. However, there is no psychological or economic theory, which has made a connection between the age of the workforce and the economic productivity (Fischer, 2007). The typical change of performance due to age is characterised by a variety of changes. In the following competence profile change trends that may arise in the age process can be identified:

Table 3: Work-related change in the competency profile (Uepping 1997, Bruggmann 2000, Winkler 2005)

Competence	Age-related changes in competence		
	decreasing	identically	increasing
Risk-taking	✓		
Promotion orientation	✓		
Willingness to learn	✓		
Employee motivation	✓		
Response flexibility	✓		
Delegations readiness	✓		
Information behaviour		✗	
Enforcement behaviour		✗	
Decision behaviour		✗	
Performance/Goal orientation		✗	
Creativity		✗	
Experience/routine			▲

Quality/ safety awareness	▲
Communications skills	▲
Strategic thinking and action	▲
Conflict management	▲
Market and customer orientation	▲
Knowledge and Expertise	▲
Willingness to cooperate	▲
Job satisfaction and work climate	▲

This competency profile can only show trends. Older people are not ‘less’ powerful, but ‘different’ capable in comparison to younger employees, (Uepping, 1997). However, interindividual differences are huge. The occurrence is influenced by the characteristics of a person, the situation and the environment. (Fischer, 2007).

Employment risks

Older workers will probably remain in the near future a problem group on the labour market, notably because of the following two aspects: (Künemund, 2007). Thus, older workers – compared with younger – have a higher risk of illness as well as a higher risk of qualification. Both risks are subject to occupational developments, i.e. they develop in the course of professional biography - often become noticeable very gradually and reach their peak in the late phase of their working life. Here they are often cumulative and play a decisive role for a higher employment risk of older workers (Behrend, Frerichs, 2004). Furthermore, motivation is also assumed to be a growing risk, which is partly encouraged by the first two factors (Naegel, 2005). In the following chapter these risk factors and the avoidance of potential impacts will be discussed in more detail.

Health risks

Health issues rise with an increasing age. The heightened risk of older workers is shown by the fact, that they are sick more infrequently than younger workers, but therefore for longer durations – with the result of a higher absenteeism rate per

case (Künemund, 2007). In addition, chronic diseases increase with the rising age of employees, which is reflected in the fact that the 40-45 year old workers most often reported on perceived workload associated with health effects. In many cases, this higher risk of illness leads to an early disability. Regarding the diagnostic spectrum, especially chronic diseases are the most common medical reason for occupational disability. Crucial are diseases of the skeleton, muscles and connective tissue, diseases of the circulatory system, psychiatric diseases and neoplasms (these four diagnostic groups combined cause more than three-quarters of all early retirements due to occupational disability).

Summarising the available evidence on the connection between aging and the state of health, mainly three categories of occupational risk factor can be identified, which correlate over the occupational career i.e. with longer exposure time or with a high health risk and therefore affect the employment opportunities of older workers:

- Excessive physical and psychological demands (e.g. static muscle work, high input, lifting and carrying, high concentration demands, poor working time).
- Highly stressful physical-chemical environment (e.g. noise, dust, weather effects).
- Poor work organisation, new forms of division of labour and increased performance control (e.g. lack of freedom, time and deadline pressure, responsibility pressure, role conflicts at work) (Behrend, Frerichs, 2004; Naegele, 2005).

Qualification risk

In the transition to new production technologies and to a service society, the industrial sectors and practice patterns change more rapidly. Therefore, formal training qualifications are expeditiously out of use and new skills are essential. These requirements are opposite to the currently still dominant qualification risks of older workers and an age selective qualification practice. Age selective qualification practice is expressed, inter alia from the fact that, according to the Further Education Report VIII 50 to 64 year olds participate in a much lesser

degree in advanced vocational training than younger workers. The significantly lower participation rates of this age group are ascribed to occupational barriers or rather cost-benefit considerations as well as a lower labour force participation of older workers. The for older workers characteristic risk of qualification is based on a multidimensional perspective. A reduction of qualification potentials may result from decades of concentrating on the same work in the same business processes, work areas or operations. The originally existing skills can be impaired and thus lead to a 'disuse' effect. The introduction of new technologies and new organisational concepts increase the risk of a deskilling process (Behrend, Frerichs, 2004), especially for older workers, who find it often difficult to adapt to new technologies (Blossfeld *et al.*, 2006). The required novel professional knowledge can not be taught in the dated back vocational training and have to be acquired through further education. Therefore, the following age groups have usually the advantage of a higher level of qualification. The age selective participation practice of advanced training enforces these differences further (Naegele, 2006).

Motivation risk

It was found, that older worker have a higher rate of discouragement and loss of reputation, this is called the age typical motivation risk. Their causes originate from age discrimination, such as pass over promotion, exclusion from professional training or the existence of negative age stereotypes with colleagues and/or supervisor. Motivation losses arise from management deficiencies, and thus from the lack of an 'age-friendly' corporate culture. An additional increase of age typical risks can also be triggered through the change of the working world, due to the impact of globalisation, greater cost pressures or labour flexibility, destandardisation of labour time and employment relationships, as well as the increased operational pace of innovation (Naegele, 2005).

Conclusions

In describing the relationship between the health situation of older people and demands and strains, it must be emphasised, that regardless of the conditions of the workplace, aging processes occur. Aging includes the physiological degradation processes, muscle and strength loss and reduction of response time as well as an increased risk of diseases. This aging process underlies considerable individual variation. Depending on the disposition (genetic predisposition), health behaviour, and various environmental influences (including the quality of the working conditions) the calendaric age is only a limited predictor for the biological age. Therefore a significant interindividual range in regard to the biological age of older workers exists (BAuA, 2010) «The most important characteristic of aging is the considerable inter-individual variation, which prohibits making performance assessments solely on the chronological age» (Maintz, 2010, 4).

6. Research on restructuring, stress and older workers

The reformation of work arrangements during the last twenty years led to permanent restructuring/downsizing and have endorsed the development of more flexible/precarious employment as well as contributed to an increase in perceived job insecurity even amongst those workers who stayed in the company after restructuring processes. International research indicates that job insecurity and contingent work arrangements are linked with significant adverse effects on worker safety, health and mental well-being (see for example, Kalimo *et al.*, 2003; Vahtera *et al.*, 2004). Thus, an international review of published research on the health impact of job insecurity and restructuring/downsizing (Bohle, Quinlan, Mayhew, 2001) deduced that 88% of the compared 68 studies found a measurable adverse effect in terms of least one of a range of indices (including an increased risk of work-related injury, occupational violence, cardiovascular disease and psychological distress/mental illness) (Quinlan, 2007).

Only one German analysis about restructuring and the effects on stress could be identified: The results of a German cross sectional study (BIBB/IAB) based on a large sample of more than 20.000 employed men and women ‘indicate that a combined exposure to organisational downsizing and work related stress in terms of effort-reward imbalance is associated with an increased risk of work related symptoms that exceeds the risk produced by each exposure separately’ (Dragano, Verde, Siegrist, 2005: 697). In the sample 14.1 % of men and 12.1% of women experienced downsizing over the past two years. The proportion of the employees remaining in the companies after restructuring varies due to age (more lay-offs of older employees), residency (more downsizing in East Germany), and socio-economic status (more downsizing in higher positions). From the latter finding Dragano *et al.* (2005) concluded, that better educated people have a higher probability of surviving downsizing than lower skilled employees, because of their higher risk of losing a job or being offered a short term contract. Furthermore, work stress in terms of effort-reward imbalance is more prevalent among those who experienced downsizing (Dragano *et al.*, 2005). In connection with stress, results from the same survey show that in all age groups a significant number of employees reported an increased level of stress and work pressure, especially older workers in the 45+ age group. In this group reported 47.9% higher levels of stress and work pressure, for all workers was the average 45.8% (see Table 4) (Milczarek *et al.*, 2009).

Table 4: Stress and work pressure by age, Germany (1998) (BAuA in Milczarek et al. 2009)

Stress and work pressure					
			increased	constant	decreased
Age	Under 30 years	n	2,660	3,595	353
		%	38.7%	52.3%	5.1%
	30 - under 45 years	n	7,045	6,857	607
		%	47,2%	46.0%	4.1%
	45 years and older	n	5,972	5,666	469
		%	47,9%	45.5%	3.8%
	Not specified	n	31	34	2

	%	43,1%	47.2%	2.8%
Total	n	15,708	16,162	1,431
	%	45.8%	47.1%	4.2%

Regarding restructuring/downsizing and older workers, a Swedish study (Isaksson, Hellgren, Pettersson, 2000) of repeated downsizing in the retailing industry found that older workers were more likely to experience negative and long-term symptoms of distress.

Thus, the studies in the 1980s (Meaning of Working Research Team MOW, 1987) show for example clear age differences. Of particular interest in relation to the psychological effects of restructuring are the differences regarding a safe workplace, the equivalence of requirements and capabilities and the ability to learn new things. From this it can be concluded, that with increasing age, the safeness of the workplace and fitting into certain conditions are getting more important and changes in terms of new requirements are getting less important. (Grote, 2004).

Table 5: Age differences in relation to the importance of various work characteristics. (Grote 2004)

Rank	Until 30 years	31- 50 years	Over 50 years
1	Interesting tasks/job		
2	Good payment		
3	Good work climate		Safe workplace
4	Opportunity to learn new things	Safe workplace	Plenty of independence
5	Safe workplace	Meet the requirements and capabilities	
6	Lots of job variation	Plenty of independence	Good work climate
7	Meet the requirements and capabilities	Opportunity to learn new things	Lots of job variation
8	Plenty of independence	Lots of job variation	favourable working hours
9	favourable working hours		Good physical conditions

10	Good opportunity for advancement	Good physical conditions	Opportunity to learn new things
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These attitudes towards a safe workplace may be the reason that findings have shown, why employees in their 60 who are facing job threat are more likely to experience workplace stress (Flynn, 2010). Furthermore, Gallo *et al.* (2006) suggests that proximity to retirement raises the probability that job loss leads to depression.

7. Best Practice: Deutsche Bank²⁷

Nowadays, Deutsche Bank is one of the leading international providers of financial services and serves more than 14 million customers in 70 countries. (Deutsche Bank, 2010). In June 2001 Deutsche Bank was ranking third in terms of revenues. By 2002, a reduction in assets due to the economic downturn, had a major negative impact on its results. Therefore restructuring measures were proclaimed, cutting 14,500 jobs by 2003, 4,500 of them in Germany.

The HR response to restructuring

The Human Resources Department anticipated the risk of restructuring already in 1997. A wide range of solutions was implemented in Germany for coping with the situation as well as to soften the impact of downsizing. In cooperation with the works council an impressive offer on programmes was arranged to promote the following objectives: 1. employability, 2. flexibility of the internal job market and 3. provision of individual professional perspective (particularly for employees who are directly affected by restructuring)

²⁷ This case is described in a more detailed way by Rogovsky *et al.* (2005).

Employability

Deutsche Bank considers the employability of their employees as their responsibility, but at the same time, it also aspires to support its employees in their efforts to gain the maximum capability. Furthermore, it realises the social obligation to create a working environment with appealing opportunities for development. This will make it easier for employees to find new positions within or outside of the company, if redundancies are necessary. Remaining employable over the entire working life means to be accessible for lifelong learning, flexibility and change.

The following measures are particularly attractive for older workers, in parts also in restructuring, and are a selection from the entire activities of Deutsche Bank.

Internal options

Intrajobs: The internal job market of the Deutsche Bank is worldwide organised by Intrajobs. All openings, except executive positions, are posted in a programme accessible to all employees. Automatic information on new job listings is sent to those employees who subscribe. Every Application and enquiry is submitted by email on an anonymous basis. Only if the manager is interested in the application, the employee's identity will be disclosed.

Competency development: For each position a set of competencies has been developed. Employees are able to assess their competencies every second year with an online tool (CDO) and build a development plan with their immediate manager.

Life crisis counselling: Exceptional stress emerging in the areas of family, work or health, including addiction and financial problems, Deutsche Bank offers information on psychosocial topics and how to cope with conflicts. Networks of consultants are available internally as well as externally.

Old age part-time: Compensations for employees close to retirement age, who choose to work part time.

Collective part-time: Collective reduction of working hours in economical difficult situations – providing job security for all employees, based upon solidarity.

Re-education: Providing further education in marketable professions, where qualifications are deficient, particularly in IT-related fields.

Placement: Internal and external advisers are accessible to provide assistance in the area of professional reorientation.

External options

Job coaching: Job coaching is offered for those employees who will lose their job due to reorganisation/downsizing. In 2002 the three-day workshop attracted 300 workers and 700 more participated in 2003. On the first day a self-assessment is done by each employee regarding her/his personal situation, personal/professional skills and goals; after that the individual meets with an internal Human Resource consultant. The seminar on the second day three weeks later deals with job markets and job application strategy. On the third day participants practise interviews and the application form is completed, then HR gives individual advice. Job coaching has been highly appraised by participants. Experience shows a highly effectiveness: 90 per cent of participants have been able to find new jobs after their lay-offs.

Bankpower: Bankpower GmbH Personnel Services is a joint venture between Deutsche Bank and Manpower Deutschland. As a legally independent temporary work agency it is designed particularly for financial service providers. Employees deciding to join Bankpower receive a by two-thirds reduced severance pay from Deutsche Bank in accordance with the Social Plan. Therefore they have an unlimited contract with Bankpower without a period of probation, and a guarantee for 24 month not to be dismissed for operational reasons. Furthermore, their previous gross salary is guaranteed by Deutsche Bank for a period of 12 to 30 months. In the following time, they are assigned to temporary employment in companies within the financial sector. Experience shows that in most cases the volunteers can find a permanent job within the first year.

The Berlin model: The Berlin model consists of the retraining of employees whose jobs are in danger. Intern or extern trainings may be organised in coordination with the chambers of commerce. Degrees can be reached, which are recognised by the profession in areas like information technology, insurance and foreign trading. The programmes can take up to two years, in this time Deutsche Bank. Such programmes may last as long as two years, during which time Deutsche Bank pays the difference between the training remuneration and the individual's previous net income.

Support of new business creation: Employees who plan to start their own business are offered professional support from the bank's business start-up experts. It has been developed a start-up kit, and financing may be provided at favourable conditions. As far as possible, Deutsche Bank may become a customer during the start-up phase. The compensation may be tax optimized.

Management Support: DB Management Support has been found as a subsidiary of Deutsche Bank. It gives an employment alternative for executives and specialists leaving the company after the age of 55. Those are offered the opportunity to become a partner in a consulting company that provides services to Deutsche Bank but also other customers. Thereby a smooth transition from professional life to full retirement is assured. Partners earn a base pay plus fees related to their projects. Internally they are responsible for representative assignments, project management, task force leadership and coaching of junior executives. Externally, they are involved in consulting for small, medium or start-up firms especially in the finance sector.

8. German results from the ELDERS survey: survey design & sample characteristics

The marginal adapted ELDERS questionnaire²⁸ was sent to different departments of one of the ten largest savings banks in Germany with over 2000 employees. A savings bank is a credit institution. Savings banks have the task to offer secure and interest-bearing investments for everybody and to satisfy the local credit needs. Here the financial gain is not the main purpose of the business. The line of business of a savings bank is usually limited in the area of the wearer, such as a city, a county or a special administration union. A savings bank is a public institution. In recent years, however, economic maximizing gets more important for savings banks, so that there have been layoffs, centralisation of units and outsourcing. Triggered by realignment various restructuring measures were carried out over the last years and employees were laid off. A new sales strategy was the reason for the changes. So units were combined, separated and outsourced to adjust to the new service system. The intention of the survey was to find out more about the employees feelings towards the satisfaction with the past restructuring processes and their present situation at work. 237 questionnaires were sent out anonymously, resulting in 117 responses from 36 men and 80 women. We divided them into two groups, one of 72 younger employees between the age of 28 and 49 and the second group with 45 older employees up to 57 years. In both groups were approximately the same proportions of men (younger employees: 32%; older employees: 29%) and women (younger employees: 67%; older employees: 71%). 97% of the younger employees have a fixed-term contract and all of the older employees (one respondent decided not to answer this question). The respondents are to some extent part-time employed. All but two respondents had the German nationality (one respondent decided not to answer this question).

²⁸ Differences in the German retirement system lead to an alteration of the questions 65 to 70.

Due to the small sample size, results with a certain degree of differentiation have to be interpreted with caution.

9. Survey results

Monetary satisfaction

A first impression about the general level of job satisfaction can be the contentment of the respondents with their salary, measured by their assessment of their profession and position in the national context. On a scale from 1 ('far below average') to 5 ('far above average'), the average result in terms of satisfaction with their salary was 3.06 points. Exactly the same percentage of younger and older employees considered their salary as normal in comparison to other employees in comparable job contexts. Nevertheless, 13% in both groups think that their income is below average, but 19% of the younger and 18% of the older group assess their income as above average. Nobody considers their income as far below average or far above average. (see chart 1) So no age difference in the assessment of monetary satisfaction can be observed.

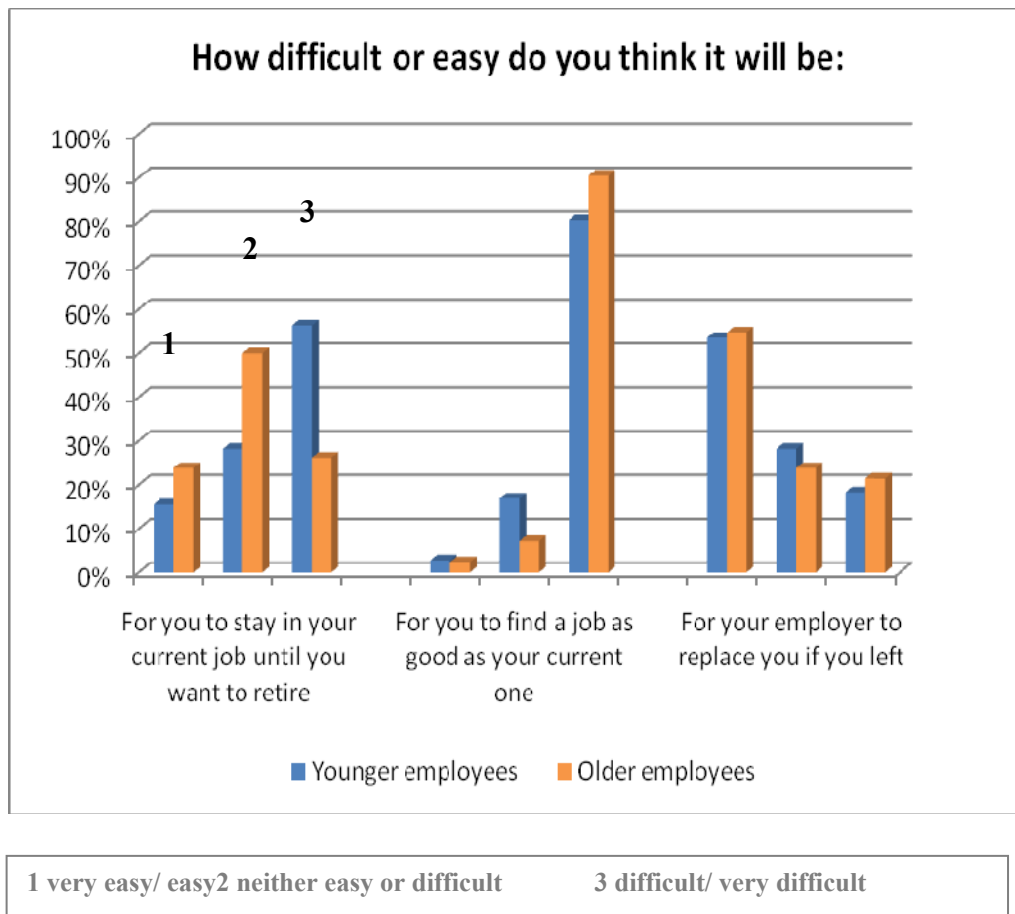
Chart 1: Salary satisfaction, by age groups



Perceived job security

The next graph shows first differences in the estimates of the younger and older employees regarding the position permanence and the perceived employment security until retirement (see chart 2). More than twice as many of the younger employees are worried about their position permanence and think, that it will be difficult or even very difficult to stay in their current job until retirement. Therefore 10% more of the older workers assess their chances to find a job as good as the current one as difficult or very difficult, but both age groups evaluate their chance to find a job as good as the current one under 3%. In each group more than half of the respondents think it will be easy or very easy for their employer to replace them if they leave. At least around on fifth in both age groups assess this as difficult or very difficult. This shows that older people seem less afraid of losing their jobs than younger people, but therefore estimate it as more difficult to get an equivalent job in another company.

Chart 2: Position permanence and perceived employment security until retirement (without category 'not applicable')



Workplace changes during the last two years

The majority of the employees of the whole sample (86.3%) think, that staff is employed on a fix-term basis. The most frequent organisational change during the last two years are that departments were combined or separated (80.3%), followed by restructuring of the department and initiatives related to the companies stated mission or value with the same percentage (77.8%). Two thirds of the respondents experienced changes due to alterations in the service system. Slightly more than 40 % mention changes of the hierarchical structure. In one quarter of the cases was the work outsourced, 20% reported one-time layoffs and 12% systematic layoffs.

Table 1: Frequency of changes occurred in the respondents' workplace, percentages (sorted by share of affirmation, without category 'not applicable')

Changes during the last two years	Total in %
Staff employed on a fix-term basis	86.3
Combining or separating units or divisions	80.3
Restructuring of department/work unit	77.8
Initiatives related to the companies stated mission or values	77.8
Restructuring of core productions or service systems	62.4
Changes in the hierarchical structure of the organization	42.7
Significant change in product and service focus	41.0
Changes in management system	39.3
Reduction in service and product offers	30.8
Outsourcing of work	25.6
One-time layoffs	20.5
Systematic layoffs	12.0
department/unit sold	3.4
Enterprise sold	0.0

Consequences of workplace changes

Different consequences arise from the changes mentioned before (see table 2). Two third of the young and older respondents reported a change in their work tasks. One quarter of both groups moved into a new working team and approximately 14% of both groups got additional people reporting to them. Differences between younger and older employees can be found at the following questions, less younger (19.4%) than older employees (31.1%) had to go on unpaid temporal leave. Therefore younger employees were forced to go on paid temporal leave three times more than older employees (younger employees: 15.3; older employees: 4.4%). Slightly more younger employees had a change of their working contract (younger employees: 25%; older employees: 17.8%), but slightly more older workers had a change in their working hours (younger employees: 12.5%, older employees: 20%).

Table 2: Frequency of consequences, percentages (sorted by share of affirmation)

Consequences of changes (in %)	Younger employees	Older empl.
Have your work tasks changed?	69.4	71.1
Have you moved into new working team?	26.4	26.7
Were you forced to go on unpaid temporal leave?	19.4	31.1
Has your employment contract changed?	25.0	17.8
Has the number of working hours changed?	12.5	20.0
Have you received additional people reporting to you?	15.3	13.3
Were you forced to go on paid temporal leave?	15.3	4.4

Table 3 shows that the changes had for at least half of the respondents' effects on the work situation. In every question, a higher proportion of respondents from both groups said that they have a decrease instead of an increase because of the changes. A significant difference between younger employees could not be found.

Table 3: Impact of changes, percentages (sorted by increase, without category 'n/a')

Consequences the changes have for (in %)		Decreased	Unchanged	Increased
your position in the company's hierarchy	Younger	27.1	67.1	5.7
	Older	27.3	68.2	4.5
your overall level of responsibility	Younger	26.8	46.5	26.8
	Older	27.3	47.7	25.0
your monthly income	Younger	15.5	80.3	4.2
	Older	9.1	86.4	4.5
application of your experience and skills	Younger	33.8	46.5	19.7
	Older	32.6	44.2	23.3
duration of your weekly working time	Younger	27.1	67.1	5.7
	Older	27.3	68.2	4.5

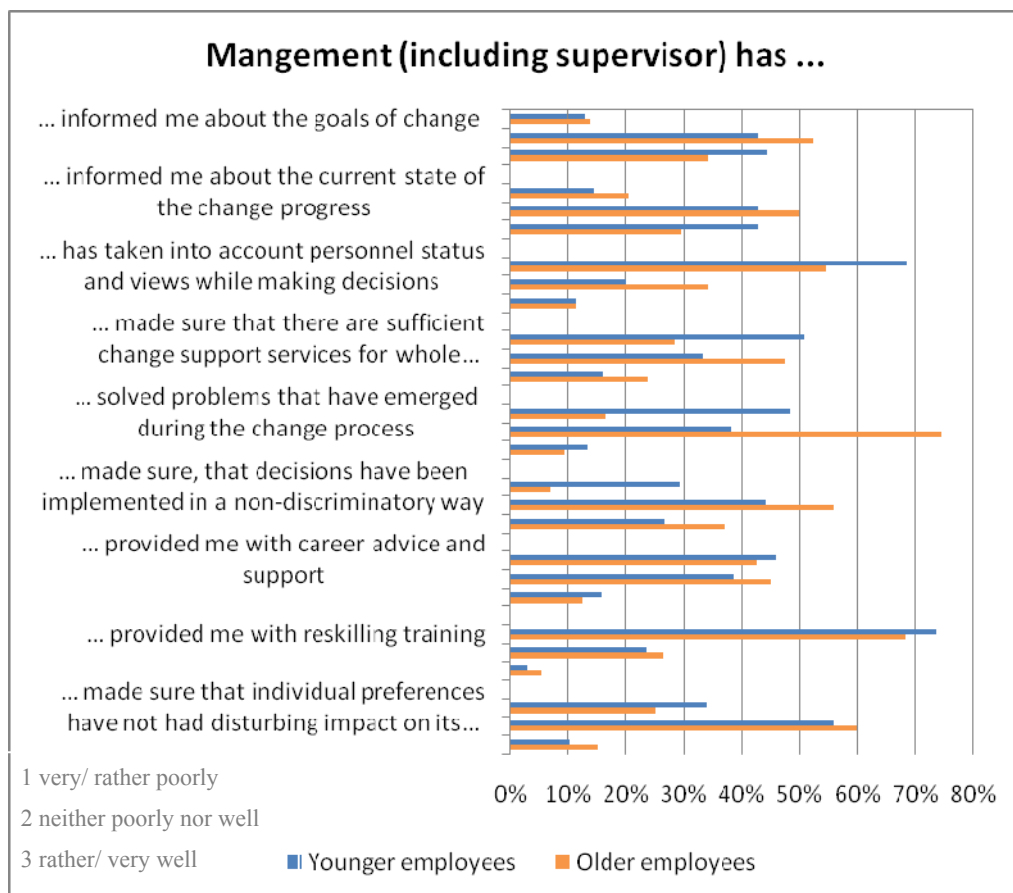
Implementation of changes

The respondents estimated how the planning and realisation of changes has taken place at their workplace. Evaluated was the behaviour of the management, (including supervisor), co-workers and other parties during restructuring.

Management

In general, the impressions of the planning and realisation of changes at the workplace were rather negative (see chart 3). More than 40% of the younger employees felt well informed about the goals of change (44%) and the current state of the change process (43%), around ten percent less felt well informed of the older employees (34%; 30%). But while feeling well informed about the restructuring process, almost 70% of the younger and 55% of the older employees felt that their personnel status and views while making decisions were not taken into account. Only 16% of the younger group and 24% of the older think, that the management made sure that there is a sufficient change support services for the whole personnel. Even less (younger employees: 3%; older employees: 5%) consider the provision with reskilling training as well or very well. Overall, younger employees seem to have higher expectations in the management.

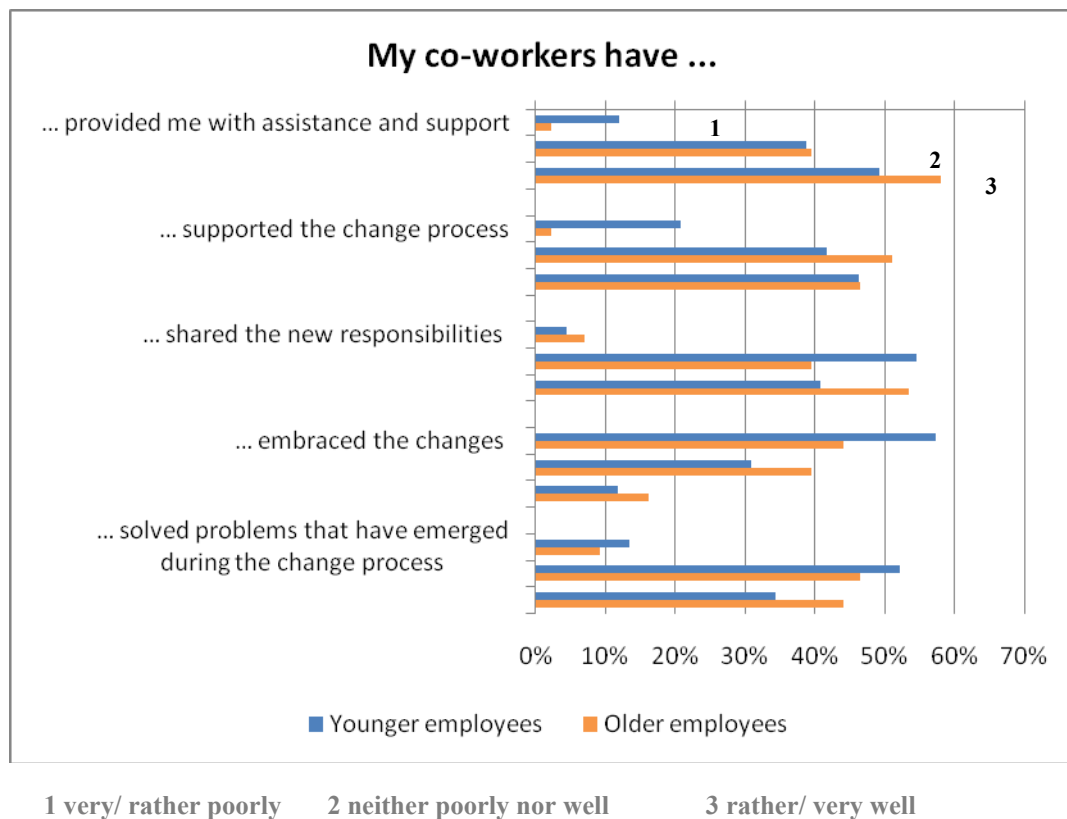
Chat 3: Performance of management (without category 'not applicable')



Co-workers

Another important influence during restructuring is the role of colleagues. The following chart shows the estimation of the performance of their co-workers during the process of change (see chart 4). The most respondents were satisfied with assistance and support of their colleagues during restructuring. Only 12% of the younger and even 10% less of the older employees assess their behaviour as rather or very poorly. Half of the older and over 40% of younger workers think that their co-workers shared responsibilities, even if almost 60% of the younger and 44% of the older employees did not embrace the changes.

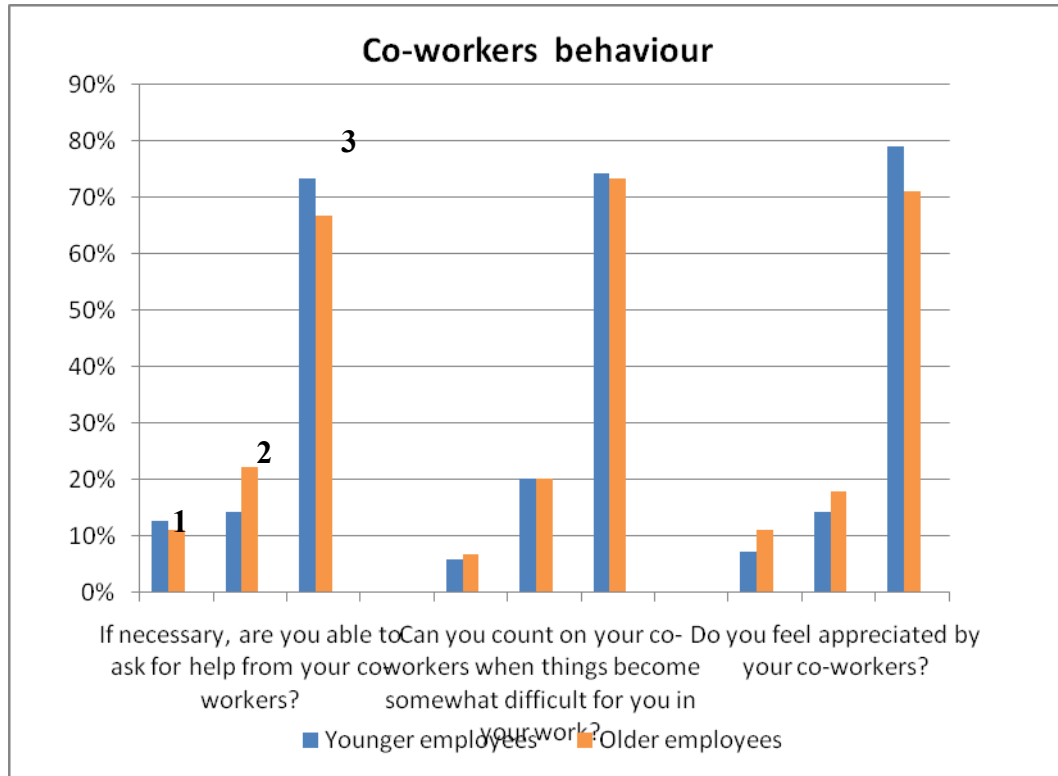
Chart 4: Performance of co-workers (without category 'not applicable')



When evaluating the attitude of colleagues in terms of the frequency of helpfulness, reliance and appraisal, the biggest part of the respondents ticked 'often' or 'always'. The percentage of employees, who recognise their co-workers

positively, was in all three categories in the younger age group slightly higher as in the older one. (see chart 5) In sum, older workers seem to be better integrated.

Chart 5: Evaluation of the co-workers behaviour (without category 'not applicable')



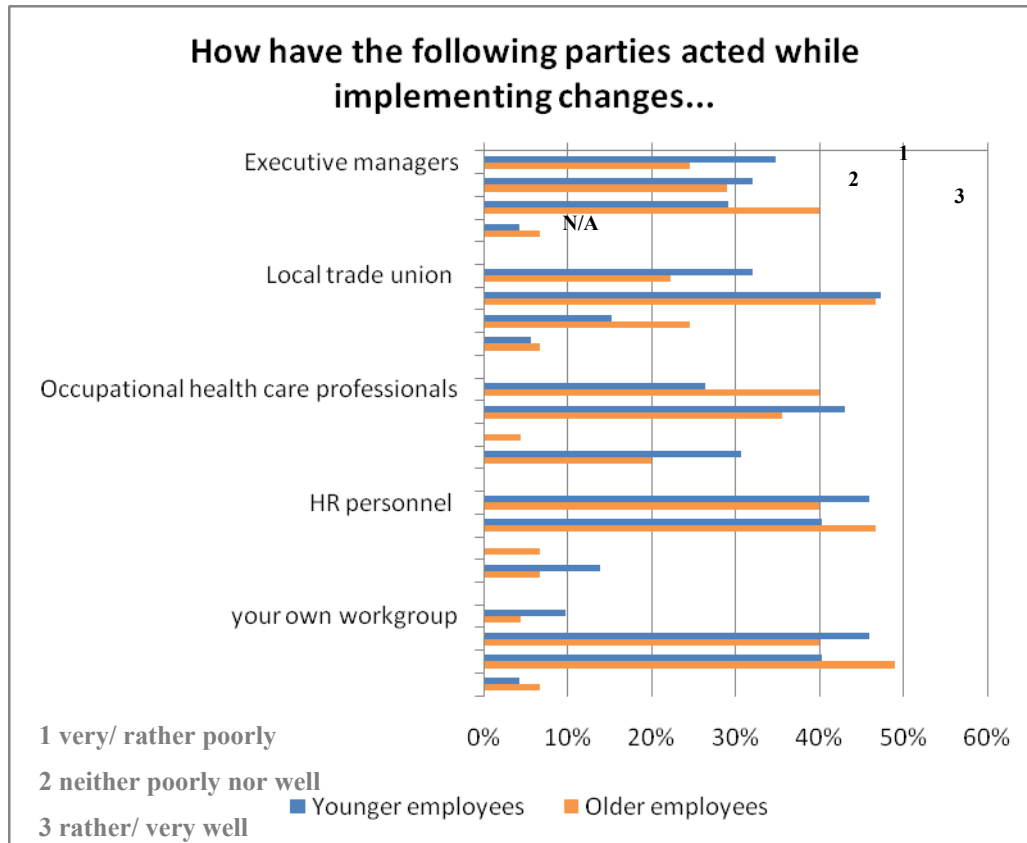
Organisational parties

Organisation parties include the executive managers²⁹, local trade union, occupational health care professionals, HR personnel and their own workgroup. The best assessment got the own workgroup of the respondents followed by the executive managers. The occupational health professional got the highest score for 'not applicable', 20% of the older and 30% of the older workers cannot estimate the occupational health professional, and only two older respondents assessed ticked 'rather well', nobody of the younger age group. The second lowest estimation got the HR personnel, also nobody of the younger employees describe

²⁹ The German questionnaire unlike the English version did not ask about „occupational safety organisation”, because no such institution exists in Germany, instead we asked for an assessment of the executive managers.

their performance as ‘rather well’ or ‘very well’, and only three of the older age group consider their performance as ‘rather well’.

Chart 5: Performance of organisational parties



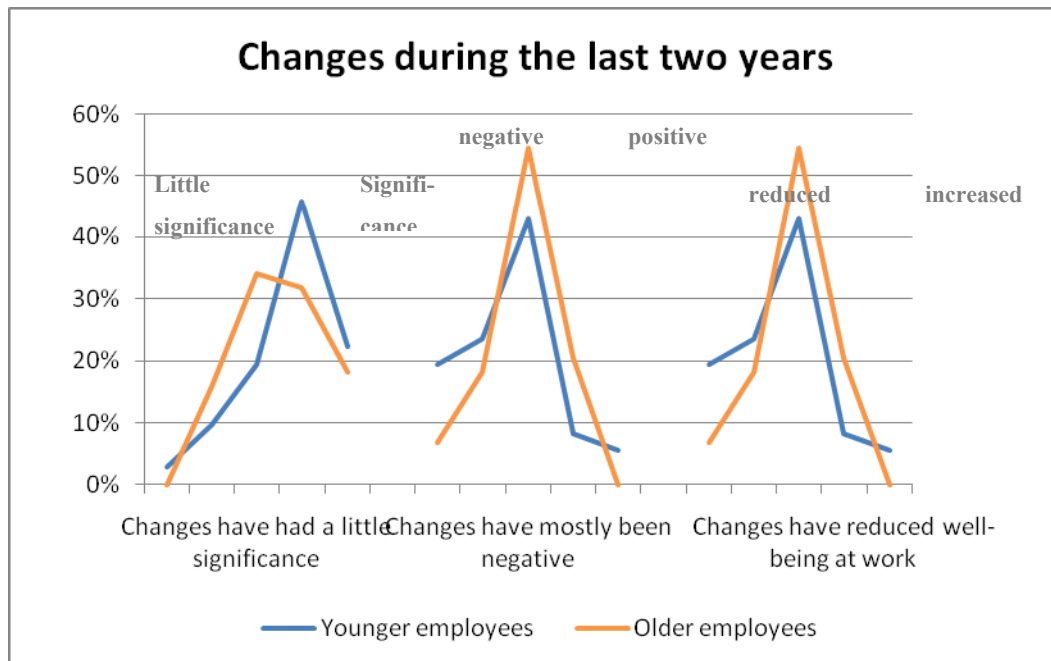
Overall assessment of the changes during the last two years

The respondents were asked to give an overall assessment of the changes, which have taken place at their workplace during the last two years. For the most of the respondents the changes had a high or very high significance in both the younger and the older group. In the younger group 46% agreed and 22% agreed totally, that the changes have been significant for their work situation. Less respondents in the older age group agreed (32%) or agreed totally (18%) that the changes have been significant. More younger (19%) than older employees (7%) think, that the changes have mostly been negative. So nobody of the older and at least 6% of the

younger workers consider the changes as mostly positive. Consequently more younger than older employees report a reduction of well-being at work.

In sum, the respondents of the younger age group assessed the changes as more significant, more negative and recognise a higher reduction of well-being at work.

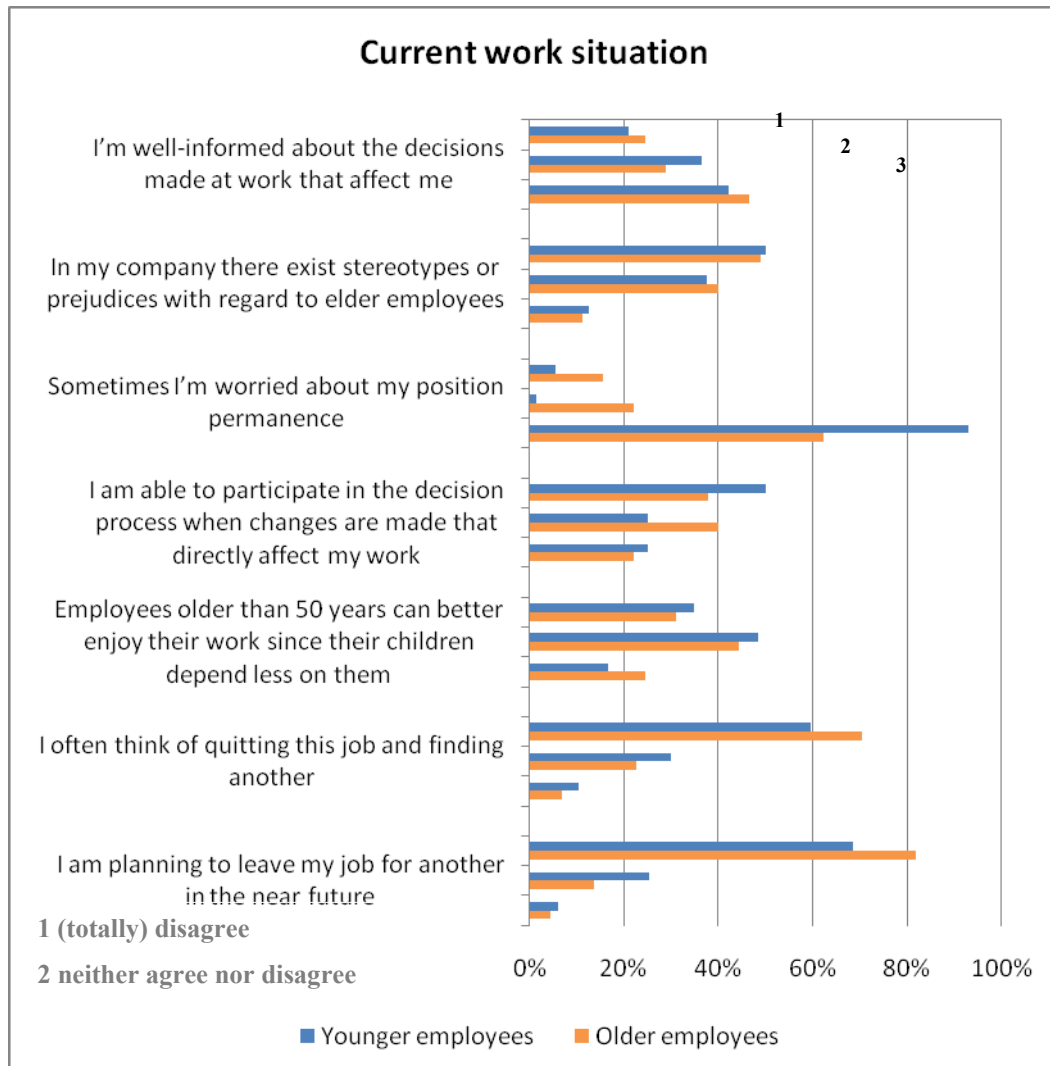
Chart 6: Overall assessment induced by changes during the last two years (without category 'not applicable')



Current work situation

Most employees from both groups felt that they were well-informed (younger employees: 42 %, older employees: 47%). But half of the respondents of the younger age group and almost 40% of the older age group recognise that they are not able to participate in the decision process when changes are made which directly affect their work. Only a few respondents from both groups think that stereotypes or prejudice regarding older employees exist (younger: 13%, older: 11%). While 93% of the younger employees and 62% of the older employees are sometimes worried about their position permanence, only 6% of the younger and 5% of the older employees are planning to leave their job in the future. (see chart 7).

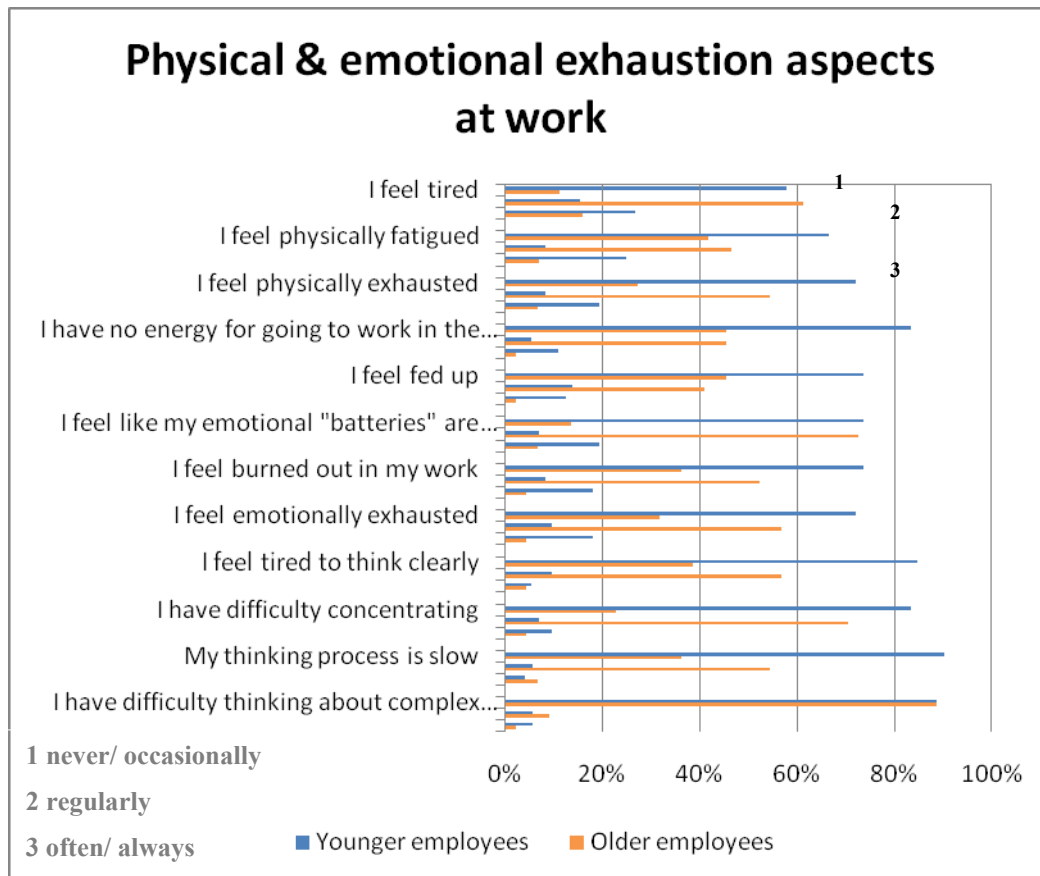
Chart 7: current work situation (without category 'not applicable')



Physical and emotional exhaustion aspects at work

The participants were asked about their feelings during the past 30 workdays. The obvious difference between the younger and the older age group is that the younger employees mainly answered with 'never' or 'occasionally' and the older employees mostly with 'regularly'. The employees, who answered with 'often' or 'always' are presented proportionally higher in the younger age group. (see chart 8)

Chart 8: Feelings during the past 30 workdays (without category 'not applicable')



Emotional well-being at work

The participants were asked about their problems at work during the last 3 months. In general, for the first six questions around half of the respondents reported that they had problems to relax, a loss of energy or interests, had been irritable and felt nervous. When asked if they had a loss of interest during the last 3 months, significantly more younger employees answered with yes (younger employees 53%; older employees 34%). The same with the next two questions, more younger than older employees lost confidence in themselves (younger employees 18%; older employees 4%) as well as felt hopeless. (younger employees 28%; older employees 11%). (see chart 9)

Chart 9: Problems during the last three month (without category 'not applicable')



1. Have you felt nervous, on edge?

5. Have you had a loss of energy?

2. Have you been worrying a lot?

6. Have you had a loss of interests?

3. Have you been irritable?

7. Have you lost confidence in yourself?

Summary

The intention of the German ELDERS survey was to give more of an insight into the situation of older employees in restructured organisations in terms of stress and well-being in Germany. Little is known about older employees who remain in the company after restructuring. German results are part of The ELDERS Project, which was carried out in six European countries. The survey took place in one of the ten largest savings banks in Germany with over 2000 employees. A savings bank is a credit institution. Savings banks have the task to offer secure and interest-bearing investments for everybody and to satisfy the local credit needs. Here the financial gain is not the main purpose of the business. The line of business of a savings bank is usually limited in the area of the wearer, such as a city, a county or a special administration union. A savings bank is a public institution. In recent years, however, economic maximizing is getting more important, so that there have been layoffs, centralisation of units and outsourcing.

For a better classification of the results, the character of the restructuring process of this bank will be specified. Neither the ownership structure nor the continuance is at stake. There is no sectoral structural change, which threatens the usability of the professional qualification. Unlike through sales slumps or the change of economic (e.g. exchange rates) or political conditions (e.g. guarantees) induced crises, restructuring is here a question of the corporate strategy. The company would like to increase the strong position in the market and the market share of an established brand as well as increase profitability. It pursues long-term return-on-investment objectives. Organisational changes are at the top with about 4/5 of the nominations – the closure of units and the dismissal of employees are irrelevant in this survey. For the survey 237 questionnaires were sent out anonymously, resulting in 117 responses from 36 men and 80 women. The respondents were divided into two groups, one of 72 younger employees between the age of 28 and 49 and the second group with 45 older employees up to 57 years. The respondents were asked to assess their feelings towards their current and future situation at work and their plans for the following years. By elaborating and analysing the multifaceted dataset, the following main results were found.

Results

In sum, there were no significant differences in substantive issues between older and younger employees. Nevertheless, some differences were found, even if due to the small sample size, results will have to be interpreted with caution.

- The most respondents in both age groups consider their salary as average.
- Younger employees tend to see problems to keep their job, older employees tend to see problems on the labour market.
- Younger employees have higher expectations of the management.
- A good cohesion between employees exists, with older employees slightly better integrated.
- The younger respondents assess the changes as more significant and negative, and report a higher reduction of well-being at work.
- Older employees feel more often physically and emotionally exhausted.

- Younger employees seem to have a higher risk to lose their confidence and motivation.

All in all, on the basis of the German survey it cannot be assumed that older employees have more stress in restructuring. In addition, the German survey does not confirm the basic assumption of the ELDERS project, that older employees in restructuring are more negatively affected due to stress or perceive a reduction of well-being at work. However, this analysis is based only on a very small survey in one German company, so of course these results are not representative. Further extensive studies are necessary in order to reach better conclusions about the perception of stress of older and also younger employees.

10. Strategies of prevention and compensation

«Healthy employees are an important prerequisite for any organization» (Kieselbach *et al.*, 2009, 128-129). Health promotion and the prevention of disease in the workplace are getting more and more important. This also applies to those in insecure employment or for unemployed person. Because of the various group needs, i.e. according to occupation and working environment, it is necessary to offer different strategies to ensure health at work.

The concern of companies during restructuring should not only be in coping with change effects, but also cover preventive strategies, which need to be brought into the organisation. This is particularly true for workers who will lose their jobs or continue working in an unsafe situation (Kieselbach *et al.*, 2009). Stress factors are in principle unavoidable and lead to performance degradation when mental health is affected. But a company can neither abolish stress factors nor prevent personal stress. Instead, people should be able to manage the daily stressors as efficiently as possible: good coping skills are the most important determinants of mental health and improve verifiable the capability (Leidig, 2006).

Health should be understood as a dynamic and procedural discussion of professional requirements and conditions, which requires and promotes self-

responsibility and self-activity. In daily operations, this means that managers and employees should develop a responsibility for health and capacity together. In addition to a permanent active health management³⁰, businesses need to offer special policies to attain the employability of the employees (Leidig, 2006).

11. Recommendations

The following list shows recommendations for the development of healthier ways of restructuring for ensuring the employability of employees. Our recommendations apply to both companies and employees.

Possibilities of prevention for companies

- **Avoid lay-offs** – Companies should consider if downsizing and relocation into another country are really necessary and useful. If there is no threat of bankruptcy, but rather the intention of maximizing profits, the decision should be reconsidered and maybe other measures are found. Studies show that in many cases, the hoped-for benefits cannot be achieved and therefore should not be taken too quickly, especially knowing that downsizing can reduce the productivity of the employees, who remain in the company for years.
- **Transparent and consistent communication of the current decision processes** – The company's information policy plays a crucial role in times of operational changes. Unclear information contributes to the emergence of rumors and thus to an increase in perceived job insecurity. Clear and rapid internal information about changes can reduce uncertainty. Frequently downsizing processes are communicated inadequately or even inconsistently. For a clear

³⁰ «Occupational health should aim at the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations; the prevention amongst workers of departures from health caused by their working conditions; the protection of workers in their employment from risks resulting from factors adverse to health; the placing and maintenance of the worker in an occupational environment adapted to his physiological and psychological equipment and, to summarize: the adaptation of work to man and of each man to his job» (ILO/WHO Joint Committee on Occupational Health, 1995).

corporate communication, it is also to inform the staff as early as possible whether they will be affected by a dismissal or not. Security, no matter which way it goes, is less harmful than a constant situation of uncertainty.

- **Comprehensible and fair decisions** – Comprehensibility as a criterion that leads to staff reductions, e.g. access to economic necessity, helps employees to understand the decision. Negative effects of staff reductions can also be reduced by fair treatment of those affected. The involvement of employees in change processes and their feeling that the organisation decides on fair criteria who has to go and who stays, can have positive effects on the well-being of the affected as well to those who remain.

- **Participation: Early inclusion of employee representatives in the decision process** – If employees are involved in the process of downsizing, for example in form of regular information and participation, employees will have a higher job satisfaction and well-being at work than employees who are not involved. A possible explanation for this phenomenon is that employees through information and greater participation perceive a higher control of the events.

- **Management training for dealing with change processes** – Executive managers and supervisors must be informed about the upcoming changes for a transparent communication. They must also be prepared in training courses and seminars on termination interviews because these are also stressful for managers. In addition, they also have the thankless task of motivating the remaining employees to deal with the changing conditions. However, if employees in times of restructuring and downsizing are supported by their supervisors, the negative impact of job insecurity in the organisation will be reduced (Boege, 2010).

- **Further education and health measures during restructuring processes** – Companies should have a sustainable strategy on employability at company level rather than short-term crisis management. The occupational health management should be continued during restructuring, so that even after restructuring, the work content, working conditions and work organisation will be designed after health-promoting criteria. Health measures can help the staff to better deal with the changing everyday work. Also, further training should be

continued in order to prepare employees to meet the new requirements and avoid excessive demand.

- **Evaluation of the workload of the ‘survivors’** – Often a company cannot assess the well-being of employees at work after restructuring. To develop appropriate measures for the employees, it is necessary to learn more about how employees perceive the working conditions. One way to find out more about their working conditions after restructuring is, to use the BASA-Method which is developed by the Federal Institute for Occupational Health and Safety (BAuA). BASA is a systematically developed conceptual tool for psychological evaluation of working conditions. With the help of the BASA-Method not only negative aspects i.e. deficits in workplace design can be detected, but also already well-designed workspaces can be identified (Richter, Schatte, 2009). The objective is to evaluate working conditions whether they promote or inhibit a safe and healthy work performance. Only in this way, measures can be used accurately.

Possibilities of prevention for employees

Each employee has a responsibility for his/her professional future, and naturally everyone should therefore assume personal responsibility to live healthy and to maintain the employability as well as to take appropriate personal prevention strategies to deal with job insecurity and if necessary with a job change. Only those who developed new resources have in crisis situations competitive advantages.

- **Health:** Also in uncertain times everybody should pay attention to their own health e.g. in form of a healthy diet and exercise. It is also important, especially in stressful work situations to pay attention to free time compensation in order to reduce the own perception of stress. Only those who remain healthy and are able to work are resilient even in crisis situations.

- **Further education:** A keyword is ‘Lifelong Learning’. Everyone should make an effort to participate in further education within the company, but should additionally study further in their spare time during their entire working life. This

is not only an advantage for the company, but it also helps everybody remain flexible at the labour market.

- **Corporate culture:** Everyone should actively participate in the corporate culture and improve the working climate. This may help during restructuring processes, as it can promote a culture of trust and support among colleagues, which proved to be a moderating factor on the connection between job insecurity and the negative reactions of those affected.

12. German National seminar

Failed restructuring like Hertie, Quelle and the Bremer Vulkan or successful restructuring such as EON or LOEWE – many employees experience changes in companies as a personal and professional crisis. Thereby, health, identity and professional skills of the workforce are under pressure. At the seminar ‘Older workers in restructuring – maintenance and development of health, productivity and competence’ on 18.06.2010 were at first dealt with the legal and labour market conditions which older workers can find in professional change processes. Second, it was investigated whether there are occupational and health challenges for older employees and what they look like. Third, offers to promote health and professional resources in change processes were presented. Fourth, the role and opportunities of social partners were discussed. Finally, in the sense of ‘good governance’ an institutional framework for the successful management of professional change processes was introduced.

Older workers, health and restructuring – first results from the project ELDERS

In the introductory lecture Dr. Goetz Richter, a research fellow of the Federal Institute for Occupational Safety and Health, at first makes a conceptual clarification of the concept of restructuring. Richter draws a distinction between internal and external restructuring. Then he goes into the state of the scientific

discussion on the correlation of biological age and professional capability. Age alone is not a adequate predictor for the professional capability, but must be seen in relation to the occupational activity and lifestyle. Health, professional competence and personal initiative of older workers are the results of one-sided stress and an unhealthy lifestyle, often accompanied by factors such as shift work, physical postures, or time pressure. But the picture is contradictory, because older workers on internal labour markets are more secure against dismissal as younger workers and the proportion of temporary work is lower among older than among younger people.

Legal framework of restructuring

Rolf Fischer from the Federal Ministry of Labour and Social Affairs, talked about social, pension and labour market choices of the recent past in regard to the employment of older workers with the image of ‘closure and opening of spaces’. The policy has confined on the one hand the scope for early retirement strategies and on the other hand expanded the space for the employment of older workers by promoting flexible working hours, professional development and pilot projects as part of INQA, the Initiative for New Quality of Work.

Proposals from the project HIRES

Dr. Karl Kuhn has presented the findings of the HIRES-Project about restructuring and society in which the BAUA was involved. Healthy restructuring is characterised by existing norms, values and cultures. An awareness of the different perspectives of different (old) people is as important as the participation of those affected. Transparent and constructive communication strategy allows the open management of conflicts. In order to achieve these requirements during restructuring, a social convoy is necessary. Not only the ‘victims’ but also the ‘survivors’ of restructuring can benefit, just as the productivity of enterprises. The protection of workers against health and social risks is the focus of the discussion. Health promotion, corporate culture and personnel development and training are the crucial areas to maintain capability.

Older workers in business change processes – a practice report from the occupational health point of view

Dr. Hubertus von Schwarzkopf, Occupational Health Service, Hospital Bremen Mitte, described the health effects of an internal restructuring, where the employees remained in the company, based on his own data. He emphasise the importance of prevention in change processes, the participation of the works council and company agreements covering measures of labour and health protection. Therefore the aim is to exploit existing laws, collective agreements, instruments and opportunities to cooperate in practice.

The psychological contract in the transformational change

Dr. Beatrix Behrens, Head of Personnel at the Federal Labour Agency in Nuremberg, has gone into the importance of the psychological contract in the internal change process of the Federal Labour Agency. The psychological contract (explicit and implicit) denominates mutual expectations and obligations of employees and managers. This is changing in the course of an aging workforce. Hence, in the process of restructuring the Federal Labour Agency targets specific life-stage strategies. Such problems, like unclear affiliation to organisational units and the limited influence of middle management, which are typical of internal restructuring, are handled.

Corporate culture and well-being as a framework for individual initiative in change processes

Sibyl Backe-Proske, Project IT 50 Plus, a joint initiative of IG Metall and BITKOM, acts on the assumptions of a high pace of innovation and the common restructuring in the IT industry. By a health-promoting corporate culture with a 'feel good factor' opportunities for the organisation, executives and employees open up. The major source of the emerging opportunities is that employees can realise on the basis of this corporate culture the meaning of their work. The organisation gains flexibility in the use of personnel, monetary and time resources

of their employees. The executives gain confidence and understanding of the teams and the employees receive orientation and awareness in dealing with the tasks.

Older workers in restructuring

Dr. Uwe Jürgenhake, CEO of the consulting firm Social Innovation in Dortmund, has introduced a concept to strengthen the professional competence of older workers in restructuring processes. In this form of workplace-learning internal experts are supported by consultants to pass on their skills to colleagues. Also interdisciplinary qualifications are preferably implemented in the spatial and personnel context of the company in restructuring. Important elements include the preparation of knowledge brokers, developing workplace solutions and the use of tandems. Procedures that build on their own work experiences, find a high level of acceptance by older workers and those with little further training.

The struggle for identity - the psychomental situation of older workers in restructuring

Dr. Wolfgang Hien, Research Office of Labour, Health and Biography in Bremen, broaches the issue of the demands of external restructuring for older workers. He makes different patterns of subjective processing of restructuring the starting point of its contribution. In addition to frustration and resignation, endurance but also discovering new personal potential are widespread subjective reactions to the loss of employment. Impending layoffs, layoffs and unemployment are often life phases of personal identity crises. Specific for older workers is that they have with experience, emotionality and responsibility special, but often unconscious, resources. Social Security and other institutions are involved in the monitoring and care of older workers after losing their jobs, but often there is a lack of competences and instruments to mobilise through a subject-specific access the potential of older workers. In addition, the offerings of existing institutions for the target groups are often not very transparent and also often not coordinated.

Possibilities and limits of the unemployment insurance

Heribert Markoni, team leader at the employment agency in Essen, extracts the possibilities and limits of the unemployment insurance. In addition to the broad instruments of promotion in the search for new employment, there are special offers for over 50 year olds. While e.g. transitional agencies have been engaged only comparatively rarely, transitional companies are established as a tool for handling restructuring processes. But in the minds of employees and employers are barriers. Older workers often lack the willingness to learn, many employers lack the willingness to recruit older applicants.

Possibilities and limits of the health insurance

Health promotion in change processes is the subject of Jürgen Wolters from BKK Bundesverband (Federation of Company Health Insurance Fund), Essen. With § 20 SGB V there is a legal framework for offers. The focuses of the presented project ‘Health-conscious self-management in case of imminent unemployment’ are individual changes in dealing with stress, diet, exercise and drug use. These changes are part of a concept to enhance employability and capability, health and quality of life. However, the focus of the company in the process of change is first on other aspects. In large companies support for offers to promote health were only achieved after decisions on a social plan. To support workers in restructuring with health-monitoring, additional cooperation with e.g. transitions companies or the employment agency should be used in the future.

Possibilities and limits of the social partners

In the discussion panel Stefan Pfeifer, DGB NRW (German Trade Union Federation NRW), Dr. Peter Janssen, arbeitgeber nrw (employer nrw), and Dr. Karl Kuhn debated the ‘possibilities and limits of social partners’. The balance between flexibility and security was the focus of the discussion. The starting point was the idea of the social convoy, which was developed in the project HIRES. How can social convoy look like in practice and what is the roles of social partners? The education voucher in North Rhine-Westphalia (NRW) is considered

a successful and unbureaucratic tool to ensure the professional qualification of workers, as well as potential consulting used by various small and medium-sized companies. In many companies and industries in NRW the social partners practice close cooperation with regional employment service providers during restructuring. The social partners also participate in local networks for health prevention.

Flexicurity - Flexibility and Social Protection in restructuring processes

In the final contribution, Dr. George Worthmann, Institute Work and Qualification, has designed a framework with the aims of ‘Good Governance’ for the organisation of professional transition processes.

The starting point is the flexicurity concept of the EU. It is clear with regard to older workers in restructuring processes, that especially the design of the employment relationships is crucial for the distribution of social risks in mobility processes: ‘Normal employment’ gives workers institutional protection through the Works Constitution Act and the affiliation to the company, in the case of atypical employment this protection is missing partially. But career change processes need flexibility and security. So that the social risks of occupational mobility are mitigated for all workers, a social paradigm shift is necessary. Appreciation of professional experience, foresight, prevention and diversity management are core elements of a new working world.

The workshop was attended by 80 personnel managers and representation of interests as well as representatives of consulting agencies and occupational medicine, from social security, labour administration, associations and trade unions.

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Part IV

Italy

1. A Statistical framework: Italy vs EU

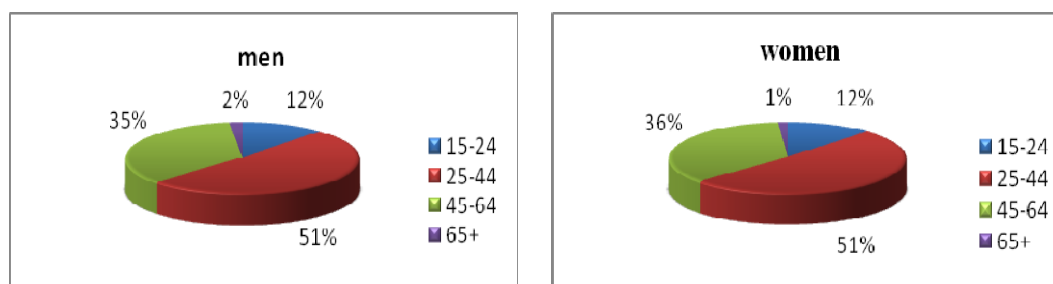
Analysis of labour force

Recent changes in the age structure of Europe's workforce will have consequences for the safety and health of workers. In the past ten years (2000-2009), according to the OECD data, the number of workers in Europe has increased by almost 20 million people, passing from around 232 million to about 250 million. But this isn't the only change that interested the labour force composition in the UE. For instance, we can see that more than 16 million of 20 million new employees are aged between 45 and 64 and that the number of young workers (15-24 years old) has dropped by 1.7 million people. Probably this is the consequence of the increased level of education all over Europe. The ageing of the workforce is having an effect on the gender balance. In 2009, as in the ten preceding years, the European workforce was still predominantly male. Furthermore the male labour force share decreased: it was 56.6% in 2009 compared to 58.0% in 2000 (-1.4%). On the other hand the female labour force share increased from 42.0% in 2000 to 43.4% in 2009 (+1.4%).

Men	Absolute value (M)		%		% gap
age	2000	2009	2000	2009	
15-24	17841.15	16735.75	13.23608	11.73383	-1.50225
25-44	71883.23	72975.65	53.32908	51.16497	-2.16411
45-64	42802.28	50247.26	31.75436	35.22955	3.475193
65+	2265.159	2669.494	1.680487	1.871646	0.191159
Total	134791.8	142628.2	100	100	0
Women	Absolute value (M)		%		% gap
age	2000	2009	2000	2009	
15-24	13774.96	13111.86	14.11258	11.96875	-2.14383
25-44	52748.84	55986.16	54.04171	51.10519	-2.93651
45-64	29898.29	38986.85	30.63109	35.58791	4.95682
65+	1185.567	1465.954	1.214625	1.338149	0.123524
Total	97607.65	109550.8	100	100	0
All persons	Absolute value (M)		%		% gap
age	2000	2009	2000	2009	
15-24	31616.11	29847.61	13.60421	11.83588	-1.76832
25-44	124632.1	128961.8	53.62838	51.139	-2.48938
45-64	72700.56	89234.11	31.28259	35.38523	4.102642
65+	3450.726	4135.448	1.484825	1.639886	0.155061
Total	232399.5	252179	100	100	0

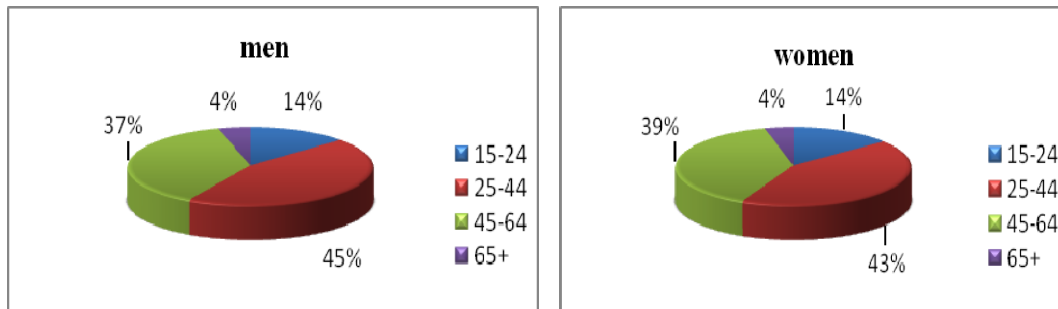
Referring to the male labour force, we can see that in Europe in 2009 the 35% was represented by 45 to 64 years old workers. Similarly the share was 36% for females.

Figure 1: share of labour force in UE for men and women (2009). Source: OECD



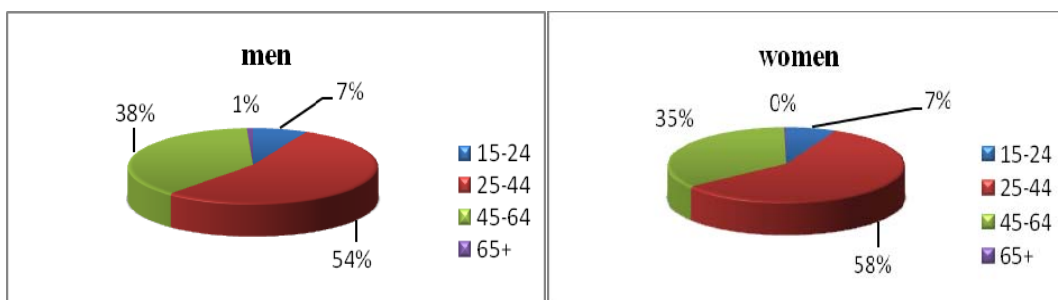
Also in the USA females were more than males in this particular class of age (39% and 37%, respectively) – Figure 2.

Figure 2: share of labour force in USA for men and women (2009). Source: OECD



The Italian scenario (Figure 3) showed instead an higher male share (38% compared to 35% of females).

Figure 3: Share of labour force in Italy for men and women (2009). Source: OECD



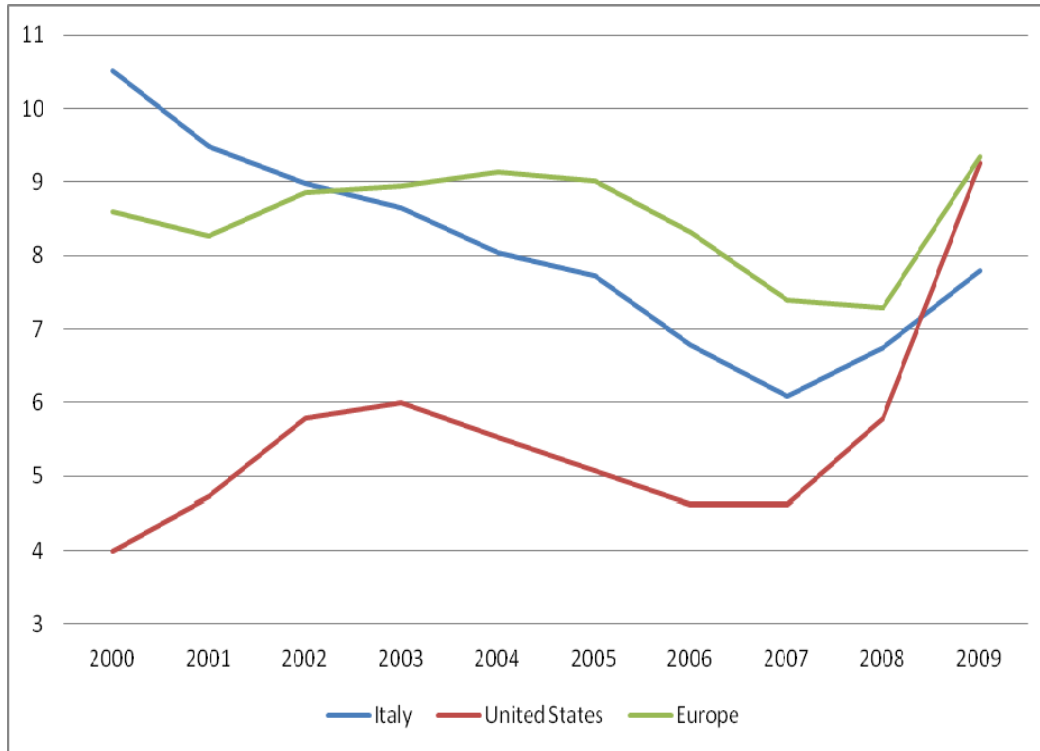
Unemployment trend

The economic crisis that has hit the world's economy since the end of 2007, has strongly conditioned the European economy and labour market. 2008 was characterized by a strong industrial decline that has relevantly affected enterprises occupational choices.

According to unemployment data (Figure 4), starting from 2007 unemployment has raised all over the world, affecting particularly the USA and the EU, while Italy, thanks to a large use of social security instruments, experienced a lower increase in the unemployment rate. However, in 2009 in Italy, the rate of

unemployment was really high for workers aged 15-24 years (male 23.25%, female 28.7%) followed by workers aged 25-34 years (male 9.0%, female 12.5%).

Figure 4: Unemployment rate.2000-2009 in UE, USA and Italy. Source: OECD



As regards older workers (45-54 years old), on which this study focus, generally speaking, the unemployment index follows the same trend all over the world, increasing more for men than for women. Even for this particular class of age, Italy registers a lower raise than most of the other countries (figures 5 and 6).

Figure 5: Unemployment rate in 2005-2009 for men between 45 and 54 in Europe, Usa and Italy. Source: OECD

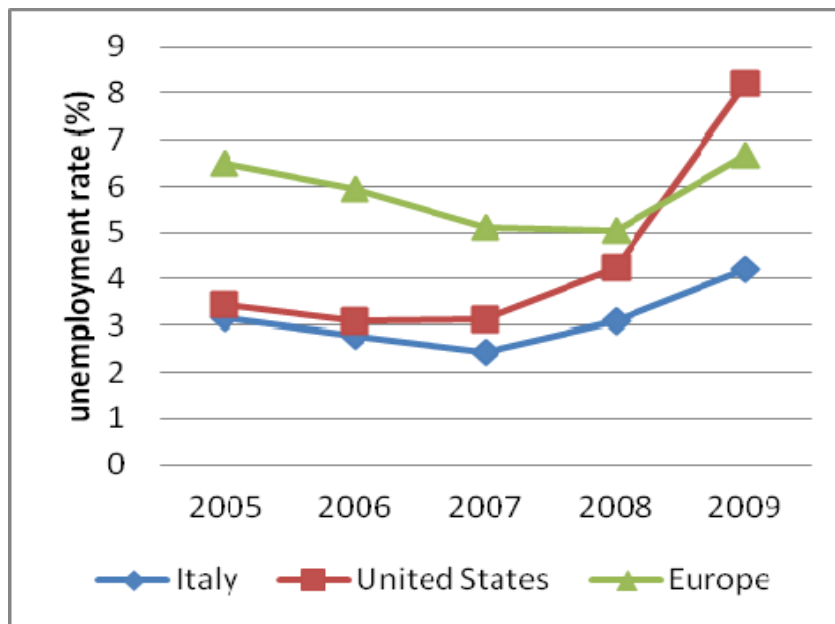
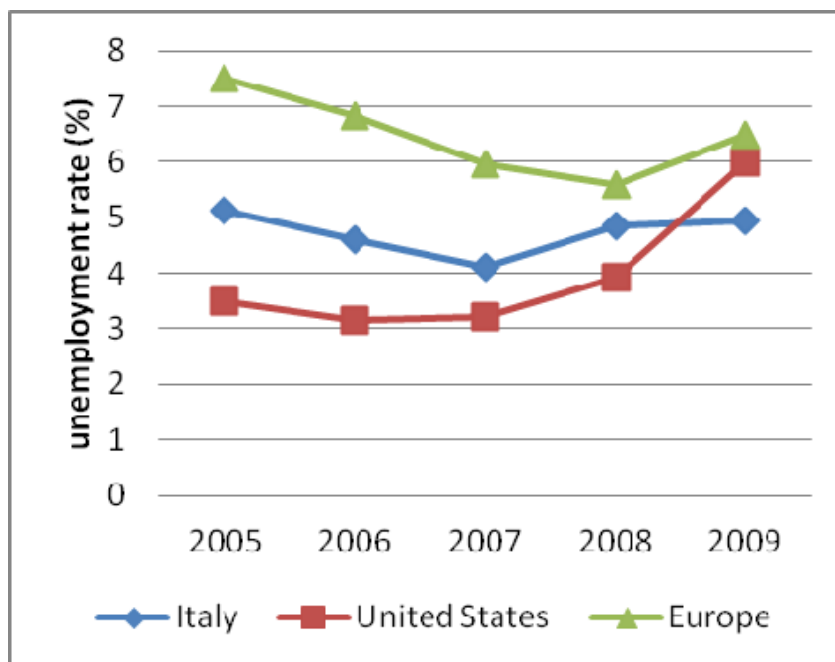
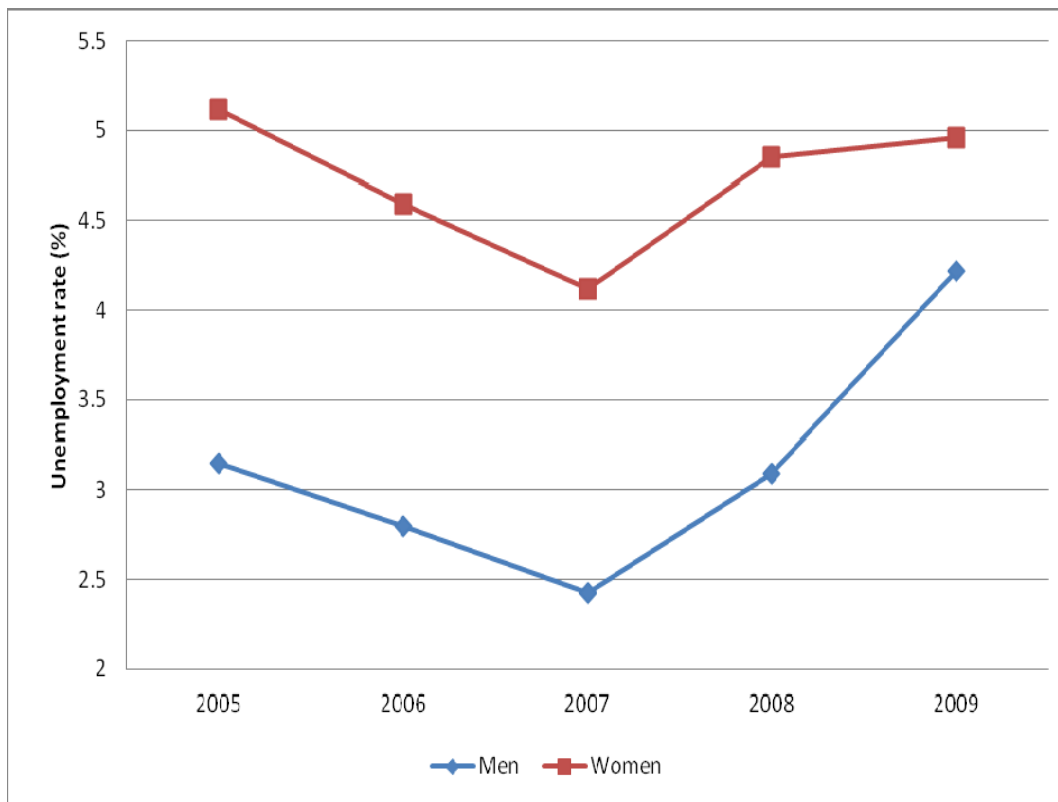


Figure 6: Unemployment rate in 2005-2009 for women between 45 and 54 in Europe, Usa and Source:OECD



Furthermore, in Italy the unemployment gender gap in this class has been constant since 2005 (around +2.0% for females), but in 2009 the higher increase of males unemployment rate has more than halved that gap (figure 7).

Figure 7: Unemployment rate 2005-2009 in Italy (men and women) of workers aged between 45 and 54.
Source: OECD

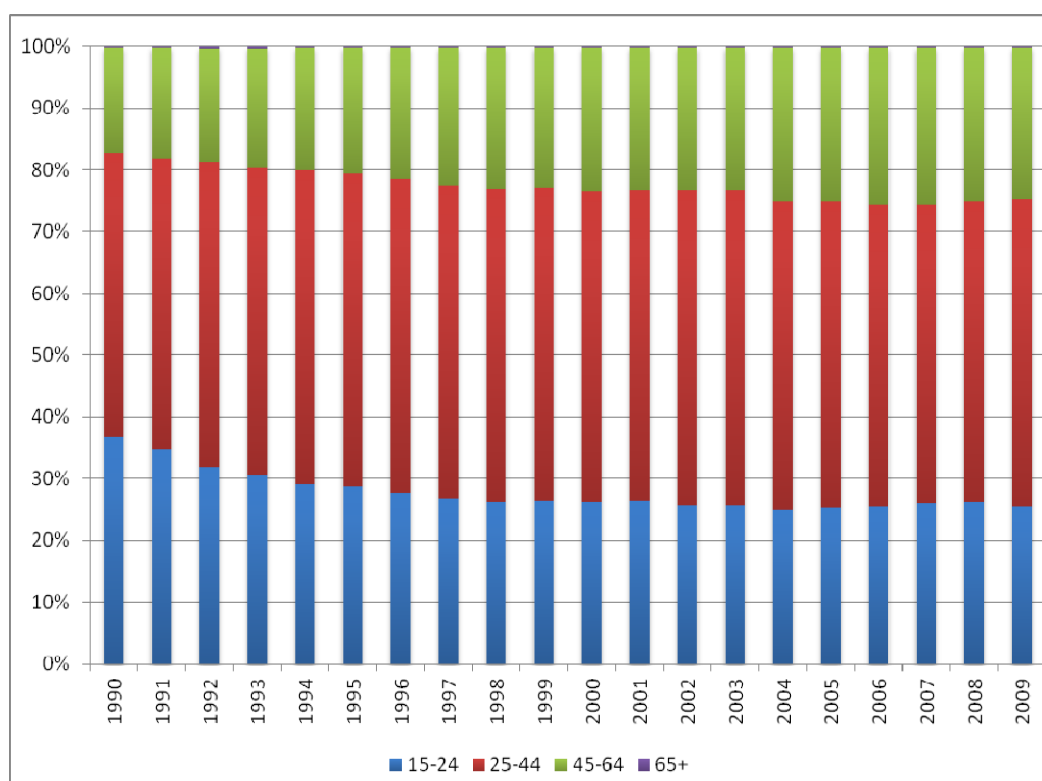


During the last decade, as mentioned before, the composition of the labour force has changed with respect to age. This is not only the change related to the labour market. It can be easily seen that also the composition of the unemployment rate with respect to age has markedly changed. These changes that occurred over time are quite different from country to country. They are very much related to the level of strictness of employment protection for collective dismissal and temporary employment: a lower level of strictness in these two indexes corresponds to much easier changes in the labour market composition. According to OECD data, in 2008 Italy was the country where workers had the highest protection against the risk of collective dismissals. Furthermore, the index of strictness connected to the use of temporary workers was higher than the OECD countries average (Table 2).

Table 2: Strictness of employment protection in GT countries and OECD (2008). Source: OECD

Strictness of employment protection		collective dismissals	temporary employment
G7	Canada	2.63	0.25
	France	2.13	3.63
	Germany	3.75	1.25
	Italy	4.88	2.00
	Japan	1.50	1.00
	United Kingdom	2.88	0.38
	United States	2.88	0.25
G7 average		2.95	1.25
OECD countries average		2.96	1.77

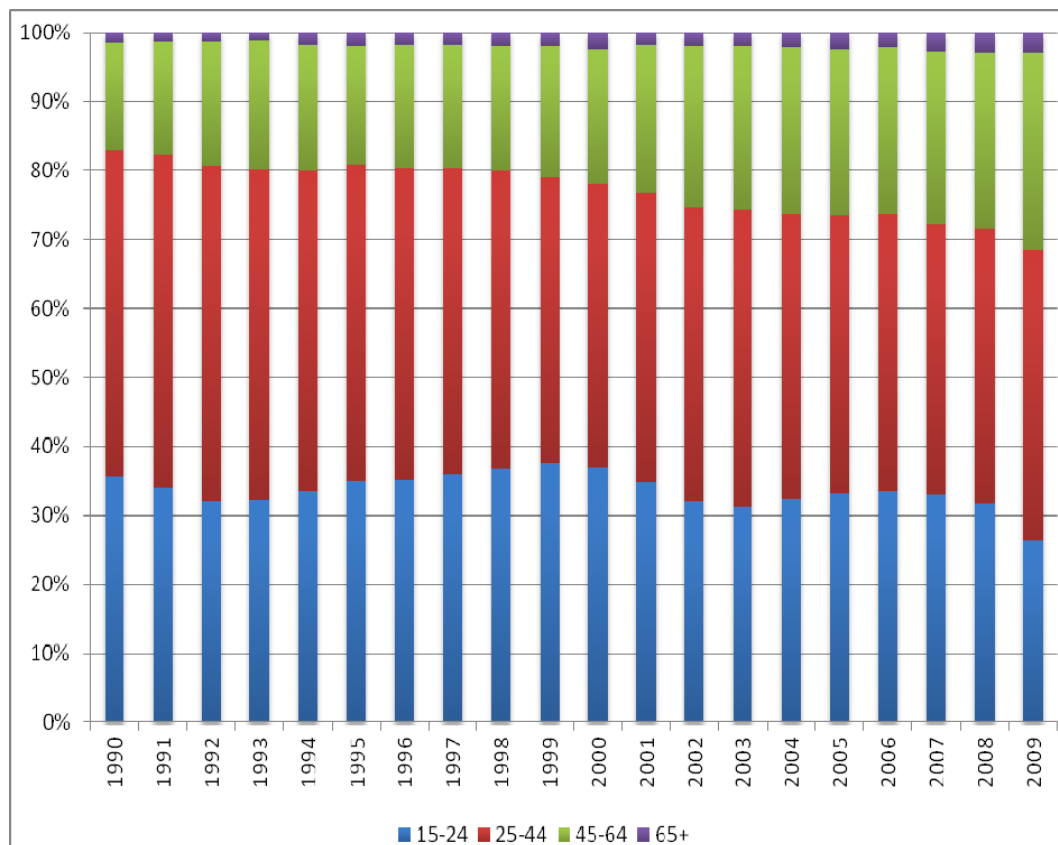
Figure 8: Share of unemployment in Europe by age. Source: OECD



On the other hand, in Canada and USA, where traditionally the level of work protection has always been quite low, in 2008 the OECD index of strictness for temporary workers was the lowest of the G7 (around 8 times smaller than Italy) and fairly under the OECD and G7 averages. Referring to the strictness index for

collective dismissals, the situation in USA was closer to G7 average, even if it still remained lower, with an index just above the half of the Italian one. If we consider the share of unemployment over age for Europe (Figure 8) we notice that, according to OECD data, starting from the early 90s, the share of unemployed workers aged 45-64 has constantly increased from a share of 16.95% in 1990 to 24.48% in 2009. Young workers, aged 15-24, were characterized in the same period by the opposite trend, from a share of 35.67% to 25.45%. Half of the unemployed people have always been workers aged 25-44 ranging between 46% and 50% all over the period 1990-2009. Differences in the labour market between USA and other countries described above are also reflected in the unemployment distribution over age. As a result we assist to fluctuations in age classes much larger than in Europe (Figure 9).

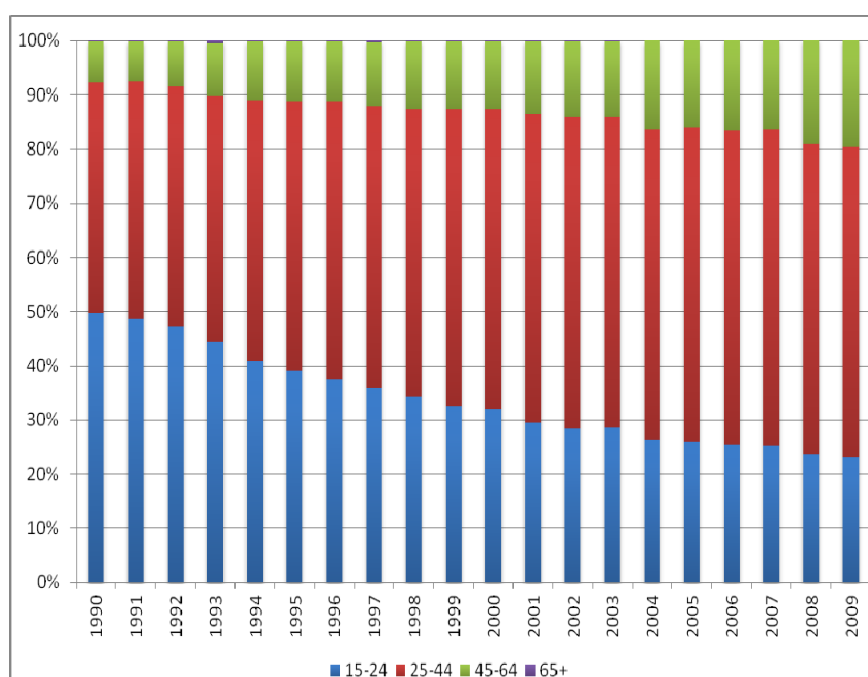
Figure 9: Share of unemployment in USA by age. Source: OECD



The share of unemployed people aged 45-64, between 1990-2009, has widely increased, from 15.73% to 28.70%. The share of unemployed young workers is more closely connected to the general economic conjuncture. After periods of strong recession (1991, 2001 and 2008) the share of young unemployed people decreased drastically. This is a direct consequence of the conscious choice to postpone the entrance in the labour market, in favour of a further specialization. The share of unemployed workers aged 25-44 in USA has decreased non-linearly in the considered period (1990-2009), in contrast with Europe, where the share of this class has remained quite constant all over the period. A peculiar difference between USA and EU is the high presence of unemployed workers older than 65 in the former: starting from 1990, this class of unemployed workers has almost doubled, passing from 1.49% to 2.45% in 2009.

Other remarkable data about the USA concern 2009: in this year the number of young unemployed workers (15-24) fell by more than 5% with respect to 2008, while unemployed people aged 45-64 have raised by 3% in the same period. In 2009, for the first time, the share of unemployed people aged 45-64 (28.60%) overcame the share of young unemployed workers (26.35%).

Figure 10: Share of unemployment in Italy by age



The Italian scenario follows a similar trend to the European one: in the period 1990-2009 the share of unemployed people in age class 15-24 halved rapidly and permanently (from 49.78% to 23.13%). On the other hand, the classes 25-44 and 45-64 have consistently risen: the first one passed from 42.50% to 57.16%, becoming the most consistent group of unemployed workers, while the second one has almost tripled from 7.61% to 19.68%. Data show that the gap between young and old workers has fallen to 3.45%: this stresses the rising importance of workers aged 45-64 with regard to labour market issues. From a more accurate analysis it becomes evident that this phenomenon is quite similar for men and women.

Figure 11: Share of unemployment for women in Italy by age

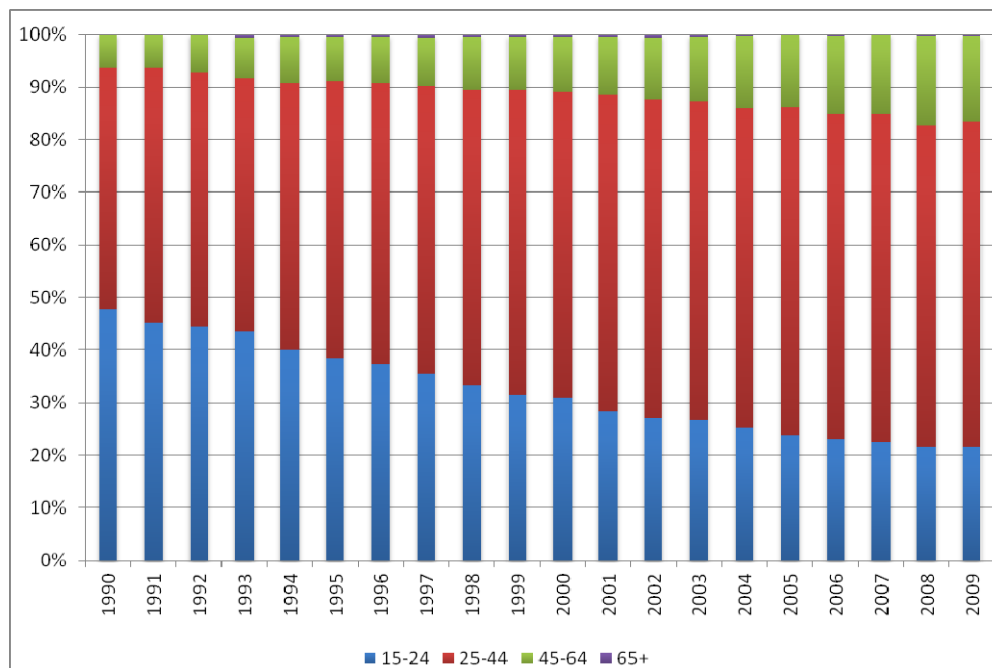
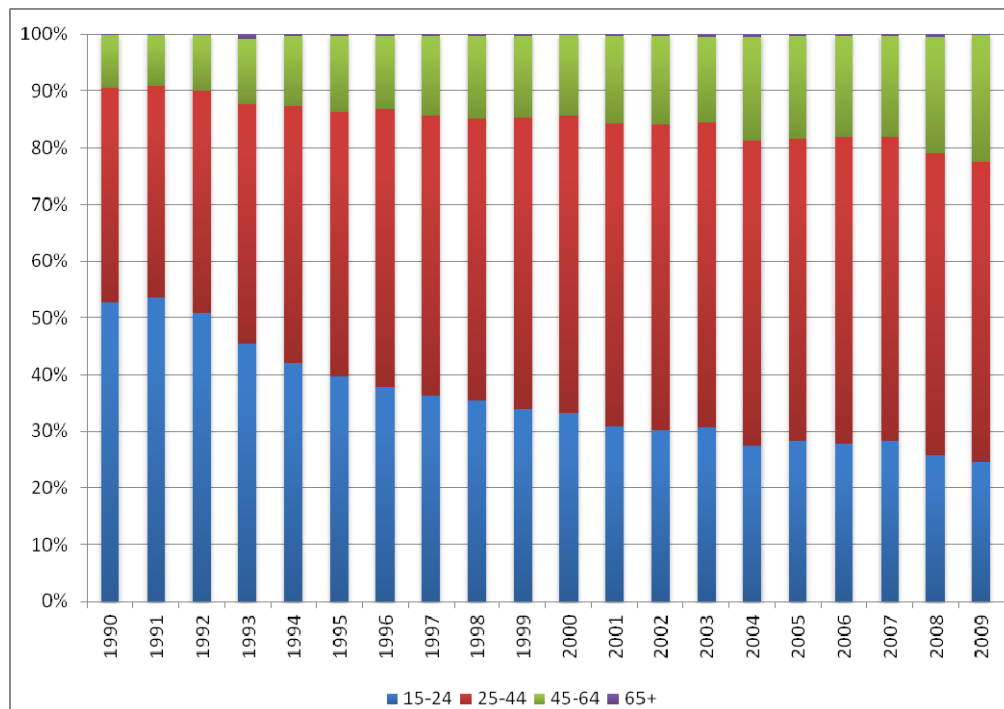


Figure 12: share of unemployment for men in Italy by age



Looking at unemployment distribution over time by gender (figure 11 and figure 12), we notice similar trends for both genders. Nevertheless, there are strong gender differences due to the early 90s distribution: even if for both genders the central age class of unemployed workers (25-44) tends to grow over time in a similar way (around 15%), in 1990 the unemployment share for women, for that class of age, was around 46.00%, against 37.82% for men. Obviously, according to the similar growth stated by the OECD data, 2009 was still characterized by a strong gender difference in unemployment shares over age. It is also interesting to underline that both genders in age class 45-64 almost doubled in the timeframe: in 2009 the unemployment share for men aged 45-64 was 22.45%, while the share for women in the same age class was 16.37%.

Finally, if we consider people over 65, the graphs also show that the share of unemployed workers is irrelevant in Europe and in Italy, while it represents a consistent part of unemployed population in USA.

Table 3: Labour force exit rates for men and women in Italy, USA and OECD. Source: OECD – European and national labour force surveys

	<i>Men</i>		<i>Women</i>		<i>Men</i>	<i>Women</i>
	Labour force exit rate	Official	Labour force exit rate	Official	Life expectancy at 65 (2005)	
Italy	60.8	65	60.8	60	77.5	83.3
USA	64.6	65.8	63.9	65.8	74.9	80.2
OECD	63.5	64.1	62.3	62.9	75.5	81.2

Retirement age

Looking at Table 3 we can suppose that the different shares of over 65 we see above may be due to differences in retirement age ³¹, which is associated with cessation of work and receipt of a pension. Even if the average effective retirement age is below the official retirement age, it can be easily seen that in the USA there is a bigger correspondence between official and effective labour force exit age than in Italy, where both men and women exit the labour market at 60.8 years: men tend to anticipate the exit by 4.2 years and women to postpone it by 0.8 years. Furthermore, despite longer female life expectancy, the average Italian and OECD official retirement age are lower for women (60 and 62.9 years) than for men (65 and 64.1 years of age).

Looking at the evolution over time (Figures 13 and 14) we can see that in Italy the male average exit age increased by 1.5 from 1990 to 2007, passing from 59.3 to 60.8; while in the same period the female one decreased by 1.5, passing from 62.3 to 60.8. In the USA the trend for men is not constant over the reporting period and the situation remains almost unchanged, rising from 64.7 in 1990 to 64.6 in 2009; while for women the values varied greatly over time and the trend is decreasing (-1%) from 64.9 to 63.9: there is an increase in the gender gap in recent years.

³¹ Net movements into retirement are proxied by the changes over time in the proportion of the older population not in the labour force. It measures the average effective age of retirement. In Table 3 official age of retirement is also depicted. Source: OECD estimates derived from the European and national labour force surveys.

Figure 4: average effective age of retirement in Italy by gender. 1990-2007. Source: Eurostat

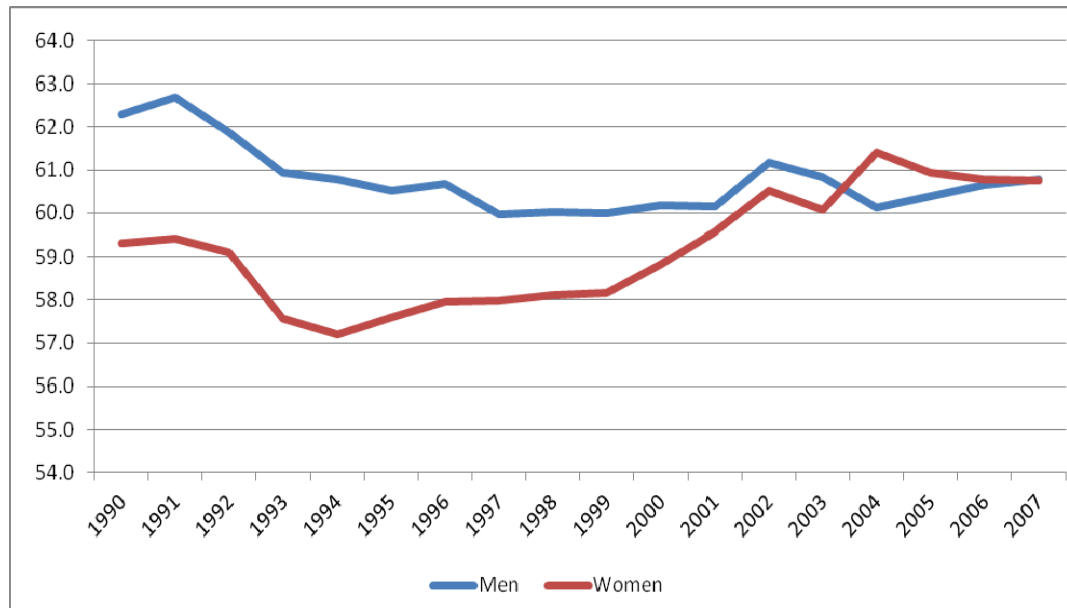
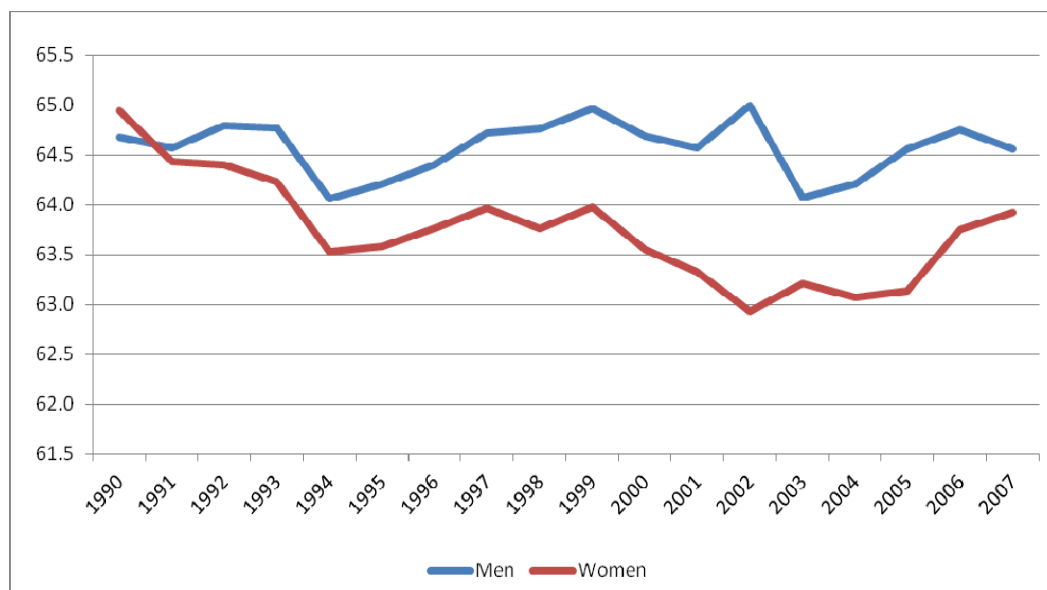


Figure 5: average effective age of retirement in USA by gender. 1990-2007. Source: Eurostat

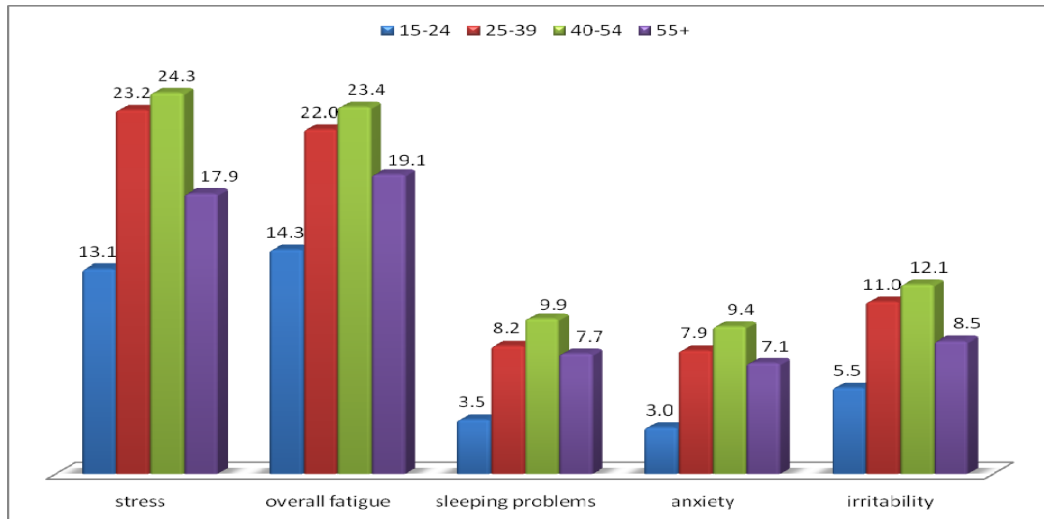


Working conditions

Data collected by the Fourth European working condition survey show that in 2005 stress was the psychological symptom most reported by workers. In particular workers between 40 and 54 were characterized by the highest rate of stress (24.3%), followed by workers between 25 and 39 (23,2%). 17.9% of older

workers (55 or older) reported the insurgence of stress, while the youngest workers (15-24) were the less affected by this psychological symptom.

Figure 6: workers (%) reporting stress, overall fatigue, sleeping problems, anxiety and irritability by age in Europe (2005). Source: Fourth European Working Condition Survey



Overall fatigue was the second most reported symptoms, just after stress. The rates were quite similar to the stress ones. The relation between age and overall fatigue peaked in mid-working life: overall fatigue level was the lowest among the youngest workers (14,3%), it increased with age (22.0% for workers in 25-39 age class) and topped for workers between 40 and 55 (23.4%), while it decreased for the oldest workers (19.1%). Sleeping problems, anxiety and irritability rates were significantly lower, but, nevertheless, they all followed the same pattern: the youngest workers were the healthiest, psychologically speaking. The oldest workers followed in this ranking the youngest, while the mid-aged workers are the most affected by the symptoms.

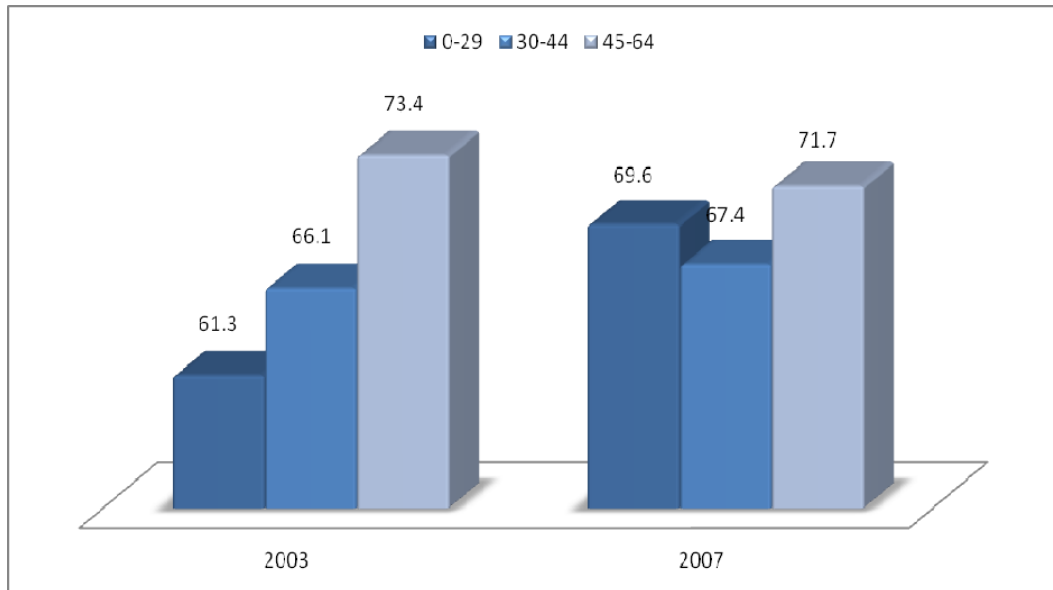
Table 4: Average physical or mental stress (4 or more days lost) in Europe (2005). Source: Eurostat

NACE BRANCH	Average (%)
Agriculture, hunting and forestry	12.7
Hotels and restaurants	15.7
Activities of households	16.4
Manufacturing	17.1
Real estate, renting and business activities	18.5
Mining and quarrying	18.8
Construction	20.4
Education	20.8
Extra-territorial organizations and bodies	21.5
Transport, storage and communication	23.0
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	23.4
Electricity, gas and water supply	24.2
Other community, social, personal service activities	24.4
Financial intermediation	24.6
Fishing	25.6
Public administration and defence; compulsory social security	27.7
Health and social work	32.0
Total	20.4

Observing data by activity (Table 4) we notice that the level of stress changes over sector of activity. In particular, the sector with the least stress seems to be the NACE branch ‘agriculture, hunting and forestry’(12.7%), almost 8% below the European average (20.4%). On the other hand the branch with the most stress is ‘Health and social work’, with an average of stressed operators of 32.0%.

In order to analyse Italian data on the workers’ perception of stress, we refer to data published by the European Quality of Life Survey (ed.2003-2007). Figure 16 shows the share of people who ‘strongly agree’ or ‘agree’ that their work is too demanding and stressful.

Figure 7: share of people who strongly agree or simply agree that their work is too demanding and stressful in Italy by age. Source: European Quality of Life Survey (2003 and 2007)



The graph on data collected in 2003 show that the levels of stress increase together with age. The percentage of workers claiming to be stressed, however, is very high for all age groups, between 61.3% for class 0-29 and 73.4% for the 45-64 class. Looking at the 2007 survey we notice a significant change indicating a significant deterioration in conditions for young workers. In particular, the proportion of older workers' stress decreases by almost 2% (71,7% in 2007) and, at the opposite, the percentage of stressed workers among the youngest reaches 69.6%, while the rate among workers in the 30-44 class reaches 67.4%.

The European Quality of Life Survey (ed.2003-2007) also collects data on boredom at work. Figure 17, which collects statistics for Italy and Europe divided by age, shows that Italians are generally more bored at work than their European counterparts.

Figure 87: Percentage of employed people (18-65 years old) who strongly agree or agree that they find their work dull and boring, on a five item scale. Source: European Quality of Life Survey (2003 and 2007)

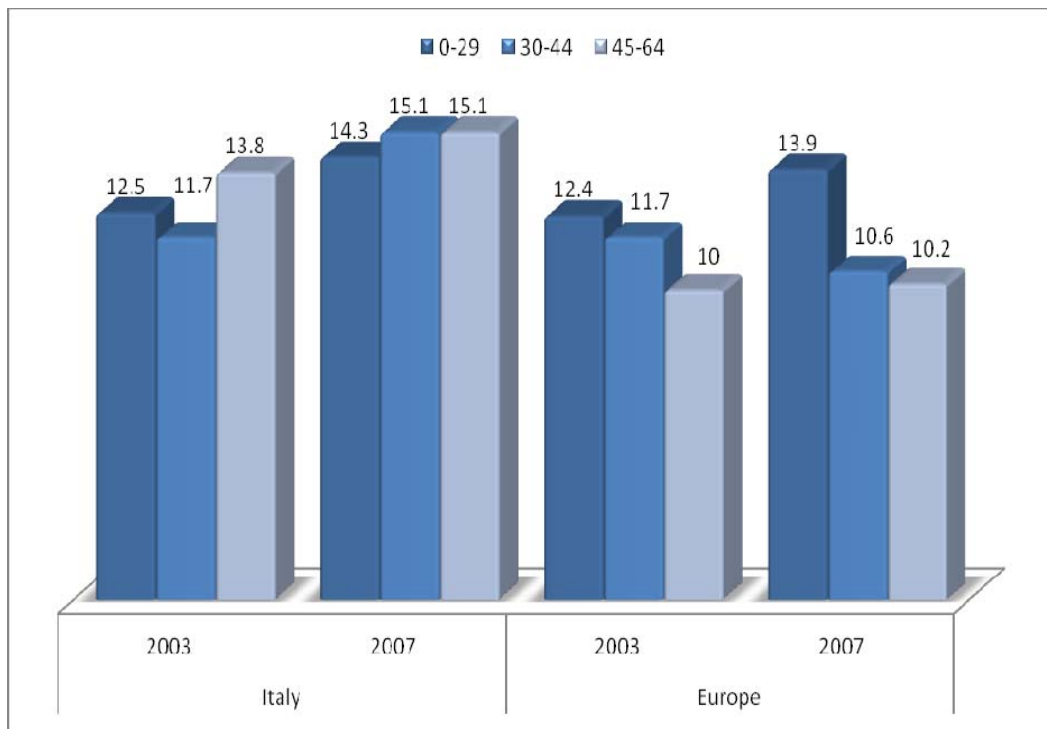
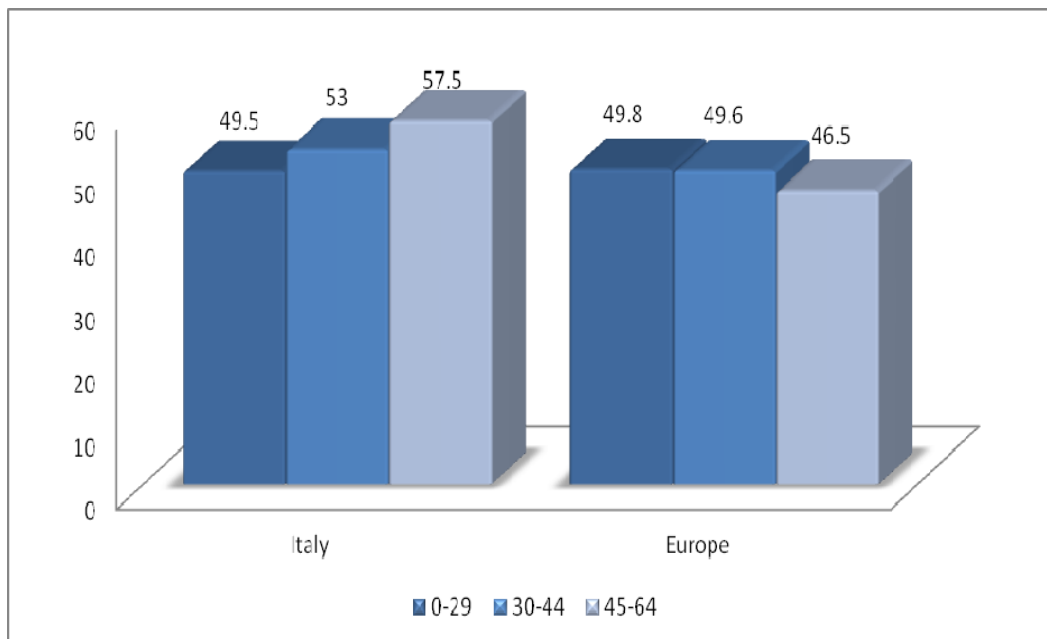
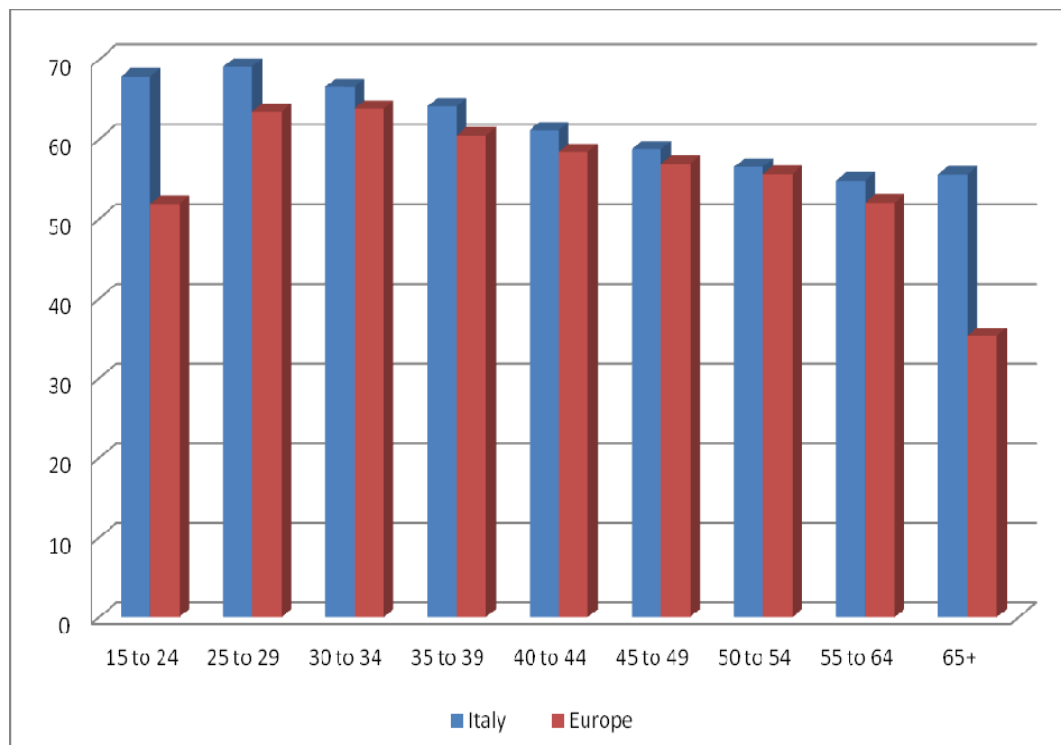


Figure 18: share of people who 'several times a week' or 'several times a month' come home from work too tired to do some of the household jobs. Source: European Quality of Life Survey 2007



Another interesting aspect is that, in general, both in the 2003 and in the 2007 surveys, work-related boredom increases with age, while in Europe we notice the opposite phenomenon as boredom tends to decrease with increasing age, underlining an huge difference between Italian and European workers aged 45-64. In particular, the number of bored workers in Italy in 2007 was 15.1% (13.8% in 2003), while in Europe it was 10.2% (10.0% in 2003): Italian older workers undertake uninspiring tasks more frequently than the European ones.

Figure 19: share of workers in Europe and Italy that declare to work more than 40 hours a week by age.
Source: OECD 2009

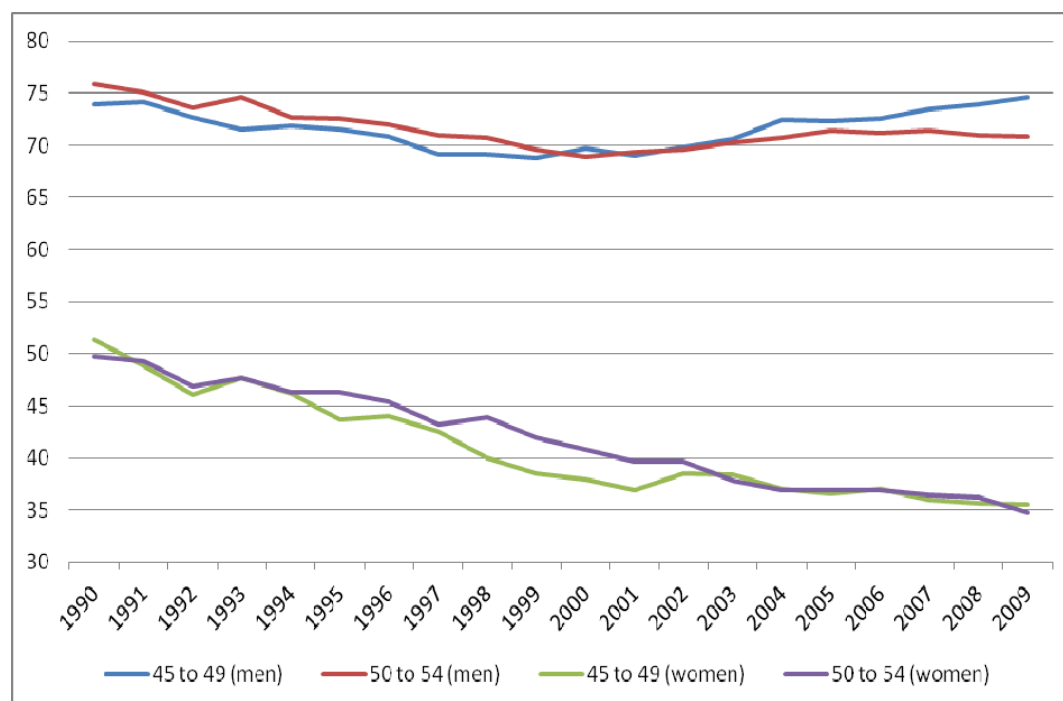


Another interesting result reached by the European Quality of Life Survey 2007 is that the percentage of people who declare that ‘several times a week’ or ‘several times a month’ come home from work too tired to do some of the household jobs is higher in Italy than in Europe. While the share of fatigued workers in Europe slightly falls over age, this doesn’t happen in Italy, where the share tends to raise with the age. The share of tired workers is quite similar for Italian and European

young workers (respectively 49.5% and 49.8% for workers aged 0-29), but it differs by 11% for older workers (57.5% in Italy against 46.5 in Europe).

The OECD database collects information about the number of worked hours by age class and country. Observing the share of people declaring to work more than 40 hours per week it becomes immediately evident that a higher percentage of Italian than European people are used to work, on average, more than 40 hours per week. This is particularly true for the youngest (15-24) and for the oldest (65+).

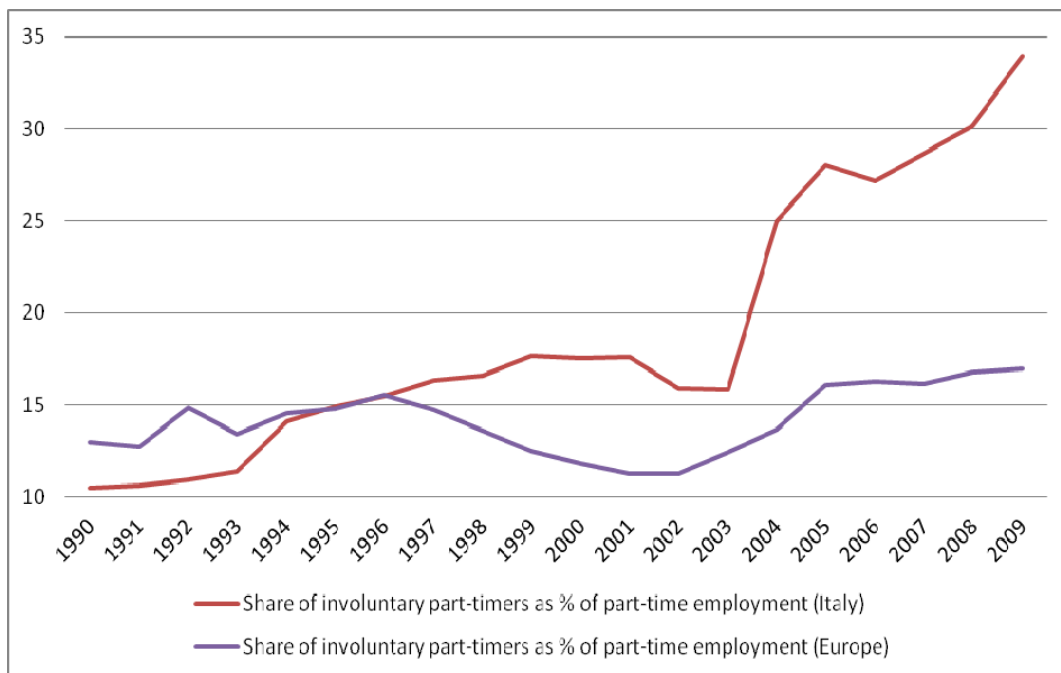
Figure 90: share of workers in Italy that declare to work more than 40 hours a week by sex and age over time.
Source: OECD 2009



Splitting the graph in a gender perspective and observing it in time series (Figure20) it is possible to notice that, in the first place, the trend followed by 45 to 49 and 50-54 is quite different between men and women, but similar beneath the same gender. The percentage of men working more than 40 hours per week on average in Italy has lowered during the 90s. After this decade it started to raise again, getting back to the share of the early 90s. This is particularly true for age class 45-49. On the other hand, women trends dropped constantly over the last two decades from a share around 50% in 1990 to about 35% in 2009.

Over time the evolution of the labour market has produced a significant change in the composition of the workforce. In particular, starting from 1990 the share of part-time workers over total workers in Italy has increased by 7.0% from 8.9% to 15.9 in 2009, while the change has been less consistent in Europe, where this form of employment was already widespread, passing from 13.0% to 16.6%. Anyway, not for everyone part-time work is a choice: OECD data about involuntary part time employment show that a consistent share of part-time workers would prefer a full time employment. This phenomenon is particularly diffused in Italy, where, from a moderate percentage of involuntary part-timers over part-time employees in 1990 (10.5%), their share tripled, reaching 34.0% in 2009. Over the same timeframe, the share has raised in Europe too, but the change was less consistent. Indeed, we see that in 2009 the percentage of involuntary part-timers in Italy is twice as much as the share of involuntary part timers in Europe (Figure 21).

Figure 101: Share of involuntary part-timers as % of part time employment in Europe and Italy over time. Source: OECD

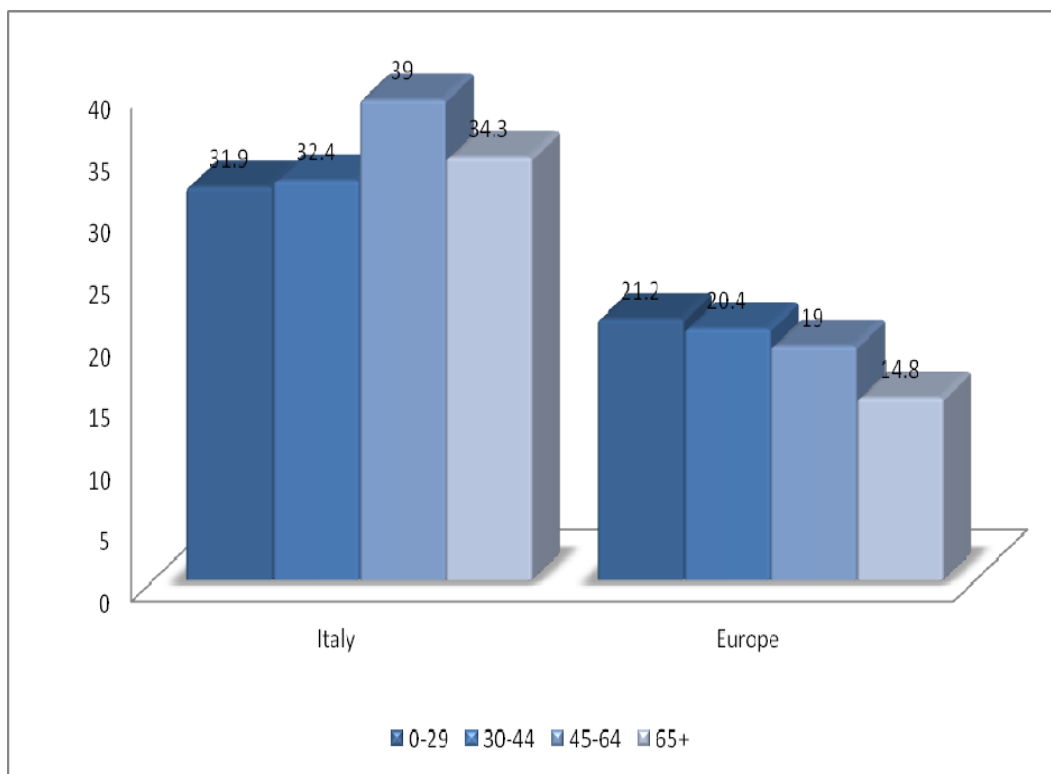


In the European Quality of Life Survey 2007 workers were also asked ‘how much they agreed to work in dangerous or unhealthy conditions measured on a 5-item scale’. For all age classes the share of Italian workers that strongly agreed or

simply agreed with the statement above was always higher than in Europe (Figure 22). European workers' perception of hazard on workplace sloped down with increasing age. It is 21.2% for 0-29 agers, it dropped to 20.4% for workers between 30-44 and to 19.0% for age class 45-64; finally it further fell to 14.8% for workers older than 65.

The situation in Italy was, as already stated, really different: the danger connected to working conditions raised together with age. The percentage of workers between 0-29 was 31.9% (10.7% more than Europe) and it increased to 32.4% for 30-44 agers, peaking up to 39.0% for workers between 45-64. The share amongst workers older than 65 dropped a little to 34.3%, remaining still higher than the young workers percentage.

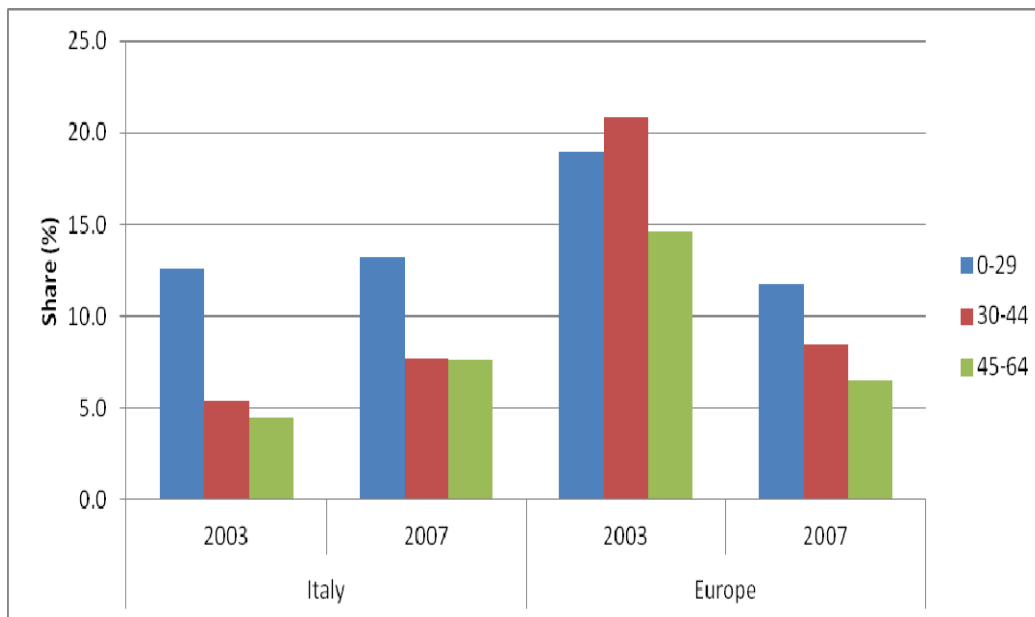
Figure 11: Share of workers who strongly agree or quite agree to 'work in dangerous or unhealthy conditions measured on a 5 item scale' in Europe and Italy. Source: European Quality of Life Survey 2007



Data on percentage of employed people (18-65 years old), who think it is very likely or quite likely that they will lose their jobs in the next six months, come from the same source (European Quality of Life Survey 2003-2007). As for

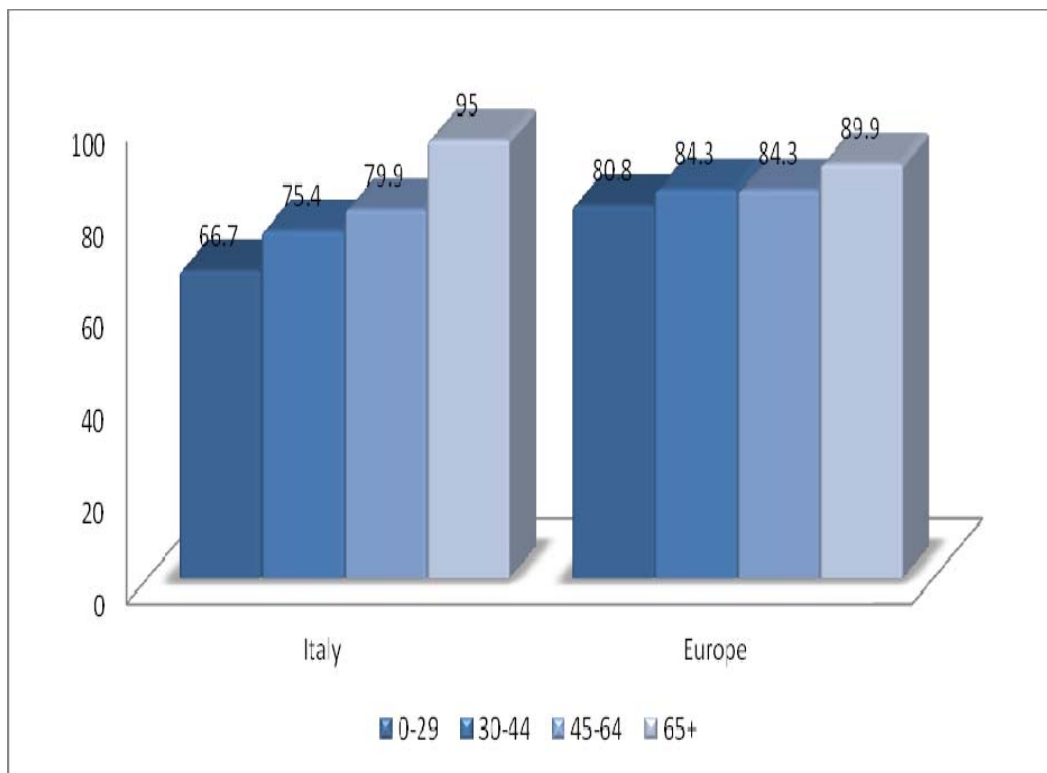
Europe, we are experiencing a general decline, data are approximately halved for all age groups: we notice an improvement in the perception of on-the-job safety between 2003 and 2007. In particular, the share has fallen from 19.0% to 11.7% for workers under 29 from 20.8% to 8.5% for age class 30-44 and 14.6% to 6.5% for the elders (45-64).

Figure 12: percentage of employed people (18-65 years old), who think it is very likely or quite likely that they will lose their jobs in the next six months. Source: European Quality of Life Survey 2007



The Italian situation in 2003 seemed to be considerably better: class 0-29 recorded the highest percentage of insecure workers (12.6%), however, as clearly shown by data, the share is one third lower than in Europe. As for the other two age classes (30-44 and 45-64) in Italy the share of those who think that they could lose their job in the next six months is quite low (5.4% and 4.5%, respectively). In 2007 Italian data were similar to European ones: pessimism for the future work situation raises for all the age classes. This is particularly true for the age 45-64, with a share of 7.6%, higher than Europe.

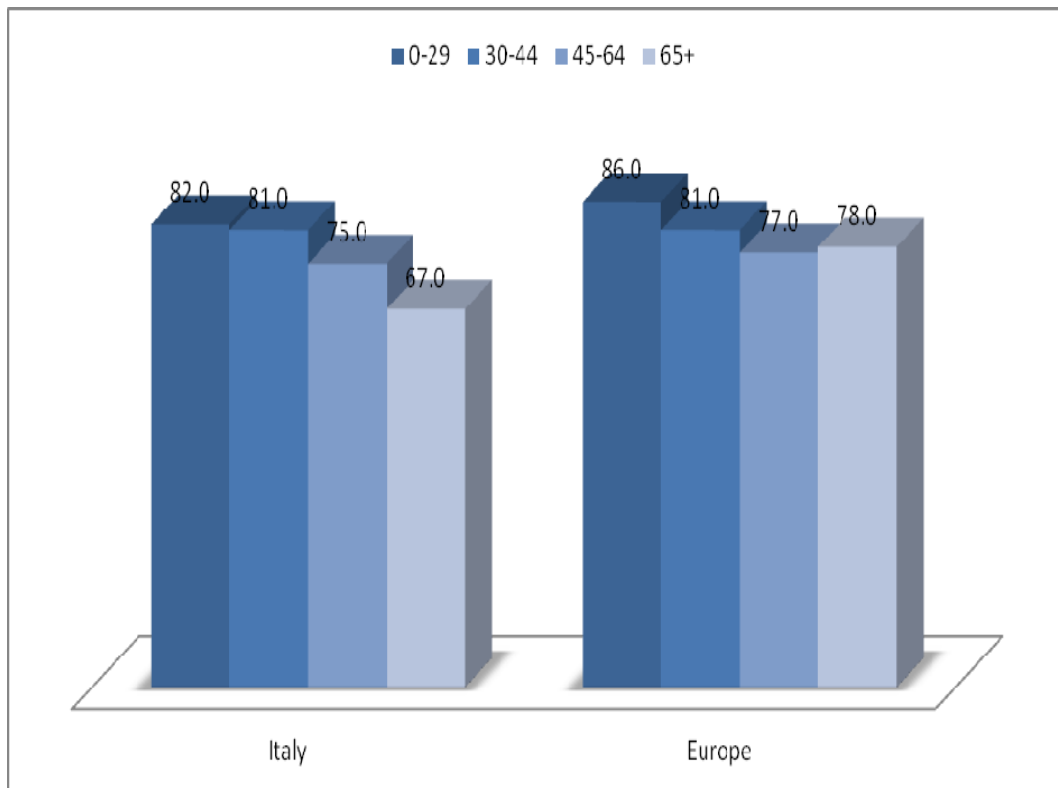
Figure 134: Percentage of employed people who are very or fairly satisfied with their job, measured on a four item scale. Source: European Quality of Life Survey 2007



The European Foundations Working Conditions Survey collects information about the quality of work in Italy and Europe. In Europe, the satisfaction level is very high for all age groups and slightly increases with age. It goes from 80.8% satisfied workers under 29 years to 84.3% for people aged 30-64. 89.9% of workers over 65 said they were satisfied of their work. That is probably due to the fact that those who continue to work beyond 65, given the alternative of retiring, is usually motivated by a high level of job satisfaction.

In Italy the levels of job satisfaction are more age-related and in general, except the 65 + class (95.0%) are lower than those in Europe: the percentage of workers satisfied in the range of 0-29 is 66.7%, the satisfaction rate is 75.4% in class 30-44, while in class 45-64 is 79.9%.

Figure 14: Share of individuals aged 15 and over who are very satisfied or fairly satisfied with the life they lead. Source: European Quality of Life Survey 2007



Finally, we analyse the level of life satisfaction. Comparing Figure 24 and Figure 25 we see that job satisfaction does not seem to affect the levels of overall satisfaction. Unlike job satisfaction, life satisfaction decreases with increasing age. Italian and European levels are similar, although the former are generally slightly lower than the second. The highest rate of life satisfaction in Europe concerns the under 29 category (86%), while the lowest interests the 45-64 category with a share of 77%. Even in Italy the satisfaction of young people is the highest (82%), but the lowest level of satisfaction typifies elders (67%).

2. Social security system and older workers prevention clusters

Legal framework

The Italian social security and insurance system is the result of several legislative interventions over time, which show how the evolution of our welfare is heavily influenced by contingent factors and needs.

In the late 70s, the Italian economy experienced a sharp drop in growth rates, together with that of wages and tax revenues, and by contrast unemployment was growing significantly.

The falling birthrate is emphasized as well, and it was becoming structural, as the population begins to age more and more.

The impact of these factors threatened the financial stability of the system, creating some concerns for the sustainability of social security costs.

This has encouraged a range of pension reforms that saw the Parliament committed for the last decade of last century, in order to make the pension system compatible with the national budget.

In addition to structural changes in the public pensions system, some reforms of the 90s introduced, for the first time, forms of complementary and supplementary pensions.

Decree no. 503/92 (known as Amato's Reform) incorporates the principles and criteria governing the former Legge Delega no. 421/92, marking the first re-arrangement of the pension system in force.

The key points of the reform include: gradually raising of the retirement age from 55 to 60 years for women and from 60 to 65 years for men; the minimum years of contributions needed to pay for retirement, in the period 1993-2000, go from 15 to 20 years; an amendment to the basic pension (average pensionable salary) taken as a reference for the calculation of the pension, rising from the average of the last 5 years to that of the last 10 years or of the entire working life for those who, on 1st January 1996, have not yet begun to contribute.

Another important aspect of the reform is the change in the indexation of pensions, which is no more related to the *sliding scale*, but it is calculated taking into account the index of consumer prices (inflation) provided by ISTAT.

In the context of the Amato reform an organic complementary pension legislation (legislative decree no. 124/1993) is launched, based on the criteria of capitalization; on voluntary membership; on the flexibility of contracts; on the application of a variety of possible forms (closed or open funds) and on a system of safeguards and checks.

With the next law no. 335/95 (so-called Dini's Reform) the mechanisms of public security and complementary pension system are completed and the entire pension system underwent a radical change.

The main innovations introduced by the Reform Act are:

- the method for calculating pensions: from a *pay system* (based on average salary over the last 10 working years) to a *contributory system* (based on the amount of contributions paid throughout the working life) after a period of coexistence of both systems;
- retirement age: age becomes a flexible requirement equal for men and women: from 57 to 65 years it is then possible to choose the time of retirement, according to the years of contributions held (number of contributions credited);
- old-age pension: this pension will be gradually abolished and, after a transitional period, there will be a unique *old-age benefit* introduced by the same law.

From 1st January 1996, when the Reform becomes operational, coordinated and continuous collaborators and freelancers, who until then had never had social security coverage, began to pay contributions as well.

It also provides the expansion of additional social security in order to allow additional levels of insurance coverage and the development of the pension system itself.

Law no. 449/97 (so-called Prodi's Reform) made further adjustments to the pension system as a result of the government – trade unions agreement of 1st July

1997, in line with the revision of the welfare state and essential to the containment of the deficit imposed by the European Union (so-called Maastricht's parameters). Article 59 provides for stricter age requirements to achieve the retirement pension during the transitional period until 2008; an increase in contributions for self-employed workers; the immediate assimilation (with effect from 1st January 1998) of the contribution rates of some special pension funds managed by INPS to the pension fund for employees (FPLD), eliminating the gradual and diluted alignment up to 2002 through various harmonization decrees.

A true 'Copernican revolution' in the field is pursued by law no. 243/04 (so-called Maroni's Reform) introducing, within the Italian social security system, a radical and permanent redesign of the system.

The main action points relate to:

- the certification, by the pertinent social security agency (INPS, INPDAP, etc.) of the right to retirement and old-age pension, when the minimum requested number of contributions is achieved by 31st December 2007, according to the earlier legislation;
- the elimination of differences among the various pension calculation systems, in order to obtain equal pensions, if the number of contributions and the pensionable salary are equal;
- introducing an economic incentive to delay retirement in the period 2004 - 2007;
- more possibility to add periods of insurance from different agencies;
- an additional reform to promote the launch of the private pension funds.

The latter action is implemented with legislative decree no. 252/2005, closely connected with the reform of severance indemnity from January 1, 2007 (and not January 1, 2008 as originally planned, due to the Budget Law for 2007 L. 296/2006), which marks, in a definitive manner, the destination of this fee to the financing of the supplementary pension, according to the rule of *silence gives consent*.

More important changes are:

- requirements for the attainment of the old-age pension in the contributory scheme;

- higher age requirements for retirement pension, from 1st January 2008, to replace those provided by l. 449/97.

In order to implement the *Protocol of Agreement on security, employment and competitiveness for equity and sustainable growth* of July 23rd 2007, law no. 247/07 is approved which is the final reform of the pension system, as outlined in law no. 243/04.

The law in question involved, namely:

- the requirements for the entitlement to retirement and old-age pension in the contributory pension system, already changed on January 1st 2008, and introduction from July 1st 2009, the so called quota system. The requirements of law no. 247/07 are differentiated between employees and self-employed, and are substantially homogeneous with respect to the type of benefit, old age (contributory) or pension. In both cases, the quotas are active in the tables provided by the law itself (see tab. A and B, attached to law no. 243/04);

- the occurrences (so-called exit windows) for retirement and old age pension;

- the notional contribution as a social security measure for young people, in order to increase their pension;

- the solidarity contribution paid by retirees with higher pensions;

- the system that allows you to reassess the period of work involving exposure to asbestos (if more than 10 years) for retirement;

- the aggregation and overlapping of periods of insurance for promoting the possibility of asserting contributions paid to several agencies in order to obtain a pension;

- the contribution and computation rates by determining a general increase in contributions for all workers;

- exhausting jobs, by providing measures for workers employed in such activities.

More news on this matter are introduced by economic measure (known as *manovra d'estate*) launched with the decree-law no. 112/2008 converted into law no. 133/08 entitled *Urgent provisions for economic development, simplification, competitiveness, the stabilization of public finance and fiscal equalization*, which aims at achieving a simplification of labour relations, such as to cause positive effects in terms of economic and social growth (Art. 1, Lett. b) law no. 133/08).

Among the main new points, the ban is lifted to combine pension and income from work, from 1 January 2009, in order to achieve higher levels of income (article 19).

The *White Paper on the Future of the Social Model* of 9th May 2009, entitled *The good life in society active*, is prepared by the Government following the consultation starting with the previous publication of the *Green Paper* of 25th July 2008. Such white paper draws the lines for the development of our model of welfare.

For what concerns our subject of research, *the improvement in quality of employment and job opportunities* for a longer life span is extremely relevant which translates into *greater prosperity, health and welfare for all*.

Notwithstanding the wide vocation of our social model, inspired by the purpose of protecting the person for life, the targeted approach is more towards *the centrality of the individual, family and community*, through personalized and differentiated interventions that support their continuous *self-sufficiency*.

The White Paper highlights the inadequacy of the social model and proposes adjustment in transit to a new model, which has a certain financial sustainability, and which *may follow people throughout their entire life cycle through the combination of opportunities - responsibility*.

The regulatory framework of this system is characterized by the centrality of the State to perform the tasks directly, while the delivery of the service lies with institutions and intermediate entities with the guarantee of quality standards and basic level of benefits.

Notwithstanding, the requirements of universality and equality of treatment of the social model, require, in particular, a different role of the public body that,

‘instead of monopolizing the delivery of such service is now called to make policy interventions and ensure quality control services’.

Our social system will therefore become more universal, selective and personal.

The health and safety of over 40-50 in Italy

The increase in life expectancy in all industrialized countries, accompanied by a sharp decline in the birth rate, is leading to a demographic situation of an aging population. Population pressure in the elderly age group is even more significant when looking at the decades to come.

This trend, which can be observed in many European countries, including Italy, is called ‘time bomb’ of social protection, because of its worrying effects, both on the social security system and on the organization of the labour market.

It is crucial to increase the availability for work and employment in the range 55-64 years both in terms of economic growth potential, and for the sustainability of the European social model, in the medium-long term, and, in particular, of the systems in the different Member States.

The centre of gravity of the working population should, therefore, move more and more towards adult and mature classes that will have the burden, not only to remain active longer, but also to be able to become leaders of change and innovation, a task traditionally entrusted to the generational change, with mechanisms that are no more readily replicable when the number of children becomes half of that of their parents.

At first, after the employment crisis of the eighties, which has invested in particular young people and older workers, governments of various nations have addressed the problem of aging, moving adult workers out of the labour market, through the widespread use of the instrument of *early retirement*, in an attempt to balance the relationship between demand and supply of labour.

However, everywhere in Europe, this measure has produced inadequate results; it only had the effect of masking, just sometimes, unemployment, but at exorbitant cost and it proved to be an ineffective tool of employment exchange between elderly and young groups.

Also, early withdrawal from work generated a set of disorders and losses for companies in terms of experience and technical knowledge (know-how) arising from the departure of older workers.

The socially peaceful and seemingly painless character of such measures has also moved companies far from any perspectival view of the inevitable aging of their staff, preventing them from seizing the opportunities coming from that change in the composition of the population and from preparing for a reality that, however, they will have to face tomorrow.

The search for flexibility in business organizations, the frequent growth of technological change, restructuring and reorganization within the companies recorded in the last decades, then, of course, led to an early exit of many workers close to retirement.

The false representations, which still persist in the production world, tend to stress more the reduced adaptability of older workers, regarded as one of the weakest groups leading to their progressive dismissal.

The participation of older workers in the workforce of the company should therefore be supported through appropriate training interventions, information and by creating alternative employment options, and, through collaboration and direct involvement of all social actors.

Not only a change is needed in the rules of the pension system, but it is necessary also to implement a staff policy, aware of the implications of age that mainly will prevent discrimination against workers over 50, recruitment and training, combat prejudice about what the characteristics and consequences of an aging workforce are.

Therefore, it is important to address the problem with a holistic approach through the integration of social security policies and instruments of social policy and labour, giving great importance to the changing ways of conceiving the relationship between age and work.

Indeed, initiatives to prevent age discrimination through research and information campaigns do not appear by themselves to have significant effects on individual behaviours; at the same time, reforms of the retirement system not covered by a

proper work culture and relationship between ageing and work, run the risk of not achieving the goals.

It is essential, therefore to implement legislative initiatives in the direction of restricting the eligibility criteria and amount of retirement benefits; there is, in addition, a need for policies aimed at training, health, work organization, to change attitudes in order to encourage people to stay in work and maintaining the productive capacity of the ageing population.

Despite the European Directive no. 2000/78 has predicted that by 2006 all member countries should consider age discrimination unlawful, there are yet few companies that include the employment of workers over 50 in their strategies of staff.

In Europe, the issue of raising the employment rate of these workers has been discussed in the Council held in Lisbon in March 2000; under this strategy, the EU has, then, developed in subsequent Councils, Stockholm (March 2001) and Barcelona (March 2002), some specific objectives in relation to policies for workers in the higher age group.

Along with structural reforms entrusted to governments, the European Union give a key role to trade unions, companies and the workers themselves who are advanced in years.

The theme of active aging, in the European mindset, is addressed from two main perspectives of intervention:

- the retention by this segment of the population, of an adequate level of employability and productivity, resulting in maintenance and upgrading professional skills;
- development of innovative practices in work organization to facilitate the continued work and delay retirement, as much as possible.

In the first case, it is crucial to increase both public and private investments in training and to support access to empowerment opportunities, and develop specific and appropriate training methods to prevent neglect.

Training is therefore a fundamental pillar which all the main strategies for the development of labour market strategies for over 50s rely on.

The concept of *lifelong learning* (training throughout life) is part of a wider plan according to which learning is a continuous process of acquisition of knowledge and information that is not exhausted either with age or the achievement of a degree.

It is advisable, therefore, that workers over 50 are included in corporate training projects and recognize that training should be part of the work at all ages.

Training must be appropriate to the setting and cultural characteristics of mature workers who are in some aspects different from younger ones; this is the only way to make the best possible use of the work of adult workers.

To date, however, most companies show little interest, if not hostility, to invest in strategies to promote health and education for all ages, and in particular for workers over 50. In some cases, adult workers are the ones to escape training and retraining, showing open hostility towards new learning and change of habits from the experience.

It must therefore be a real cultural change by all actors in the labour market.

In Italy, the situation is much worse than that of many European countries because of the delay and distortion with which the problem of maintaining 50+ workers was addressed in the labour market; as already mentioned, for many years replacement policies were widely used, focusing on the premature exit from the labour market of mature individuals, through early retirement and seeing such expulsion as a benefit compared to maintaining themselves in an active role.

In addition, a further impediment to educational upgrading comes even from the low levels of retraining and upgrading interventions implemented in the lowest end of schooling of the Italian population.

Some major initiatives cannot be omitted; we can refer to law no. 236/93, which gives the Ministry of Labour, Regions and Autonomous Provinces the possibility to finance training activities for employees, enabling to gradually achieve the consolidation of a number of conditions for the development and financing of ongoing training plans.

Business counselling is part of the policies to promote learning throughout the working life (*lifelong learning*).

This is a communication tool aimed at promoting health in the workplace, increasing productivity, enhancing individual skills and directing the energies and motivations of individuals. In this respect, many projects and training courses were presented in our country, which were designed to train experts that can provide counseling for workers who fall within the aforesaid age, in order to bridge the generational gap between younger workers and older people.

Through this support action, advice and ‘empathic’ listening of problems, welfare in the workplace can be increased and the quality of work in terms of effectiveness and efficiency be improved; it is possible also to facilitate participation, work motivation and sense of belonging to the company by older workers, reducing the opportunities for social conflict and friction between different generational groups and promoting, in contrast, the availability in over 50s to learn the use of new technologies.

Several projects have been recently presented aimed at providing businesses with a new type of training based on a highly innovative approach: the *BBS, Behaviour Based Safety*, or behaviour-based security, based on scientific laws relating to learning and motivation.

BBS is a process that is continuously implemented within the company and is based on techniques to motivate employees to a periodic self-observation, to report behaviours or *near misses*, and on the provision of feedback and positive rewards for correct behaviours. BBS radically eliminates the need for punitive sanctions and develop in all employees a shared ‘culture’ of security.

In addition to the drastic reduction of accidents and all legal and economic consequences, BBS would have the indirect effect of improving the business climate and relationship between leaders and employees, and of increasing productivity, helping to create a greater social cohesion and keeping open the way for a dialogue among younger workers and older workers.

New practices in work organization and safety protection in the new so called 'Consolidated Act on Health and Safety at work'

As regards the second intervention plan aimed at the promotion and development of innovative practices in work organization to facilitate the extension of the working life, action must be focused mainly on the adaptation of work processes (health and safety, quality of work, etc.) and on more flexible employment contracts and agreements (satisfactory remuneration, flexible working hours, part-time, self-employment, teleworking, home working, etc.).

The process underlying the health and safety of all workers, especially workers over 50, is that we need to adapt the work to the worker and not viceversa. Aging is indeed a natural process, but it can be accelerated by difficult working conditions, such as handling of heavy loads, excessive exposure to noise, excessive working hours or too frequent organizational changes.

Law no. 81/08, which collects in a single regulation the rules on health and safety of workers, often refers to this concept: soon, in the goals of the decree (Art. 1), the law highlights the importance to keep in mind gender differences, age and geographical origin, when protecting health and safety of workers.

Art. 28, par. 1 also shows that the risk assessment must be made with regard to these differences; the same way, article 190 requires the employer to assess risks from exposure to noise must consider *all the effects on health and safety of workers particularly sensitive to noise*, such as workers over 50.

Similarly, Annex XXXIII of the legislative decree no. 81/08 refers to *differences of gender and age* when mentioning the individual factors to consider in the prevention of the risk of biomechanical overload pathologies, particularly those of the lumbar spine, related to work activities of manual handling of loads. However, since Title VI of the same decree - *Manual Handling of Loads* - does not state specific weight values, there is a need to identify new reference values for the correct application of the same Title.

The problem with the employability of workers must also be addressed not only considering the physical health, but with a flexible approach based on the latest evidence of body-mind interaction, on psychological risks, stress and *burn out*.

Properly addressed and integrated measures help optimize the working capacity of over 50 and lead to an improved quality of work, increased productivity and improved quality of life and welfare of the person for a sustainable stay in employment of seniors workers.

The importance of taking account of risk factors of a psychosocial nature was also mentioned, including work-related stress, the subject of a specific obligation assessment charged to the employer. It is necessary, therefore, to take into account potential stress factors that the Agreement of 8th October 2004 has identified in organization and processes in working conditions in the workplace, in a poor community and subjective effects to emotional and social pressures. Stressors also include the monotony and repetitiveness in the design of tasks, short work cycles, the expectation of fragmented work or unnecessary, the underutilization of capacity, lack of feedback on performance, lack of learning opportunities, or the low value of work. Still, among the stress factors considered by the doctrine there are shift work, hours of work, lack of control over work schedules and timetables unpredictable. The prevention, elimination or reduction of work stress problems may include several measures. These measures can be collective or individual, or both. They can be introduced through specific measures aimed at identifying factors of stress or as part of a concrete policy on stress providing preventive measures to respond. If within the company there aren't experts on the subject, external consultants may be appointed according to the European and national legislation and in respect of collective agreements and practices. Once in place, measures should be regularly reviewed to assess their effectiveness, to see if they are used at their best and if resources are appropriate and adequate. Communication and management measures may also be adopted, to clarify the objectives of the enterprise and the role of each employee, to ensure the proper management support to individuals and groups, to combine responsibility and control over work, to improve the organization and processes, conditions and work organization. Another very important measure is training leaders and workers to increase awareness and understanding of stress, its possible causes and how to deal with and prepare change, provide information and consulting

employees in accordance with the EU and national legislation, practices and collective agreements. To evaluate the presence of potential work-related stress it is necessary to use psychological methods of investigation and psychosocial focus on the subjective assessment of the whole person – of the environment and emotional experience.

In the document of the European Agency for Research on Work Stress, incidents causing job-related stress risk are defined as ‘those relating to design, organization and management of work, as well as their respective contexts environmental and social problems have the potential to give rise to physical, social or psychological damages’. The same document said that stress occurs when there is a mismatch between the perception that a person has of the needs of the work environment and the perception of the same person of the capacity to address them. It should be borne in mind that work-related stress is a symptom of an organizational problem and not an individual weakness. To recognize and identify the existence of a possible problem of stress, it is essential to adopt an approach to evaluate and detect an objective plan on the subjective reactions produced by stressors in relation to the context in which they were located. The measurement of stress should be based primarily on measures that focus on the subjective evaluation process, emotional experience and person-environment interaction.

Even in Italy steps forward have been made in relation to recognition of stress-related work. Indeed, the national health plan for 2003-2005 was approved, along with diseases from known risks, even diseases from emerging risks, including risk of diseases due to psychosocial stress associated with work-related stress. Already the agreement reached in Brussels on 8th October 2004 had emphasised the need to assess this risk and the importance to spread, in a work context, knowledge and awareness of work-related stress and the efficiency of administrative and health people connected to it.

It also emphasised the importance of prevention and monitoring of hazardous conditions at work and organization in order to detect the presence of early work-related stress risk. Already the legislative decree no. 81 of 2008, which include the

obligation to evaluate all risks, states that we should take into account, in the assessment process, gender differences and risks due to the age of the worker.

With regard to risk assessment in relation to gender differences, especially those risks where gender differences can be significant must be evaluated.

For example, the risks from manual handling of loads must be evaluated separately by gender. This type of risk is normative in the Title VI of the legislative decree no. 81 of 2008. In this case, Title VI of the legislative decree no. 81 of 2008 set standard techniques (ISO ISO 11228 series), which refer to different parameters depending on whether the worker is a man or a woman. For example, in Part I of ISO 11228 dedicated to activities linked to lifting loads and transport plan, the evaluation process is detected in 25 kg for men and 20 kg for women, to ensure the presence of at least 90% of working population.

The evaluation process should also take into account age differences. Regarding this process, there is already a order to protect minors. Legislative decree no. 345 of 1999 identified the work that is prohibited to teenagers. Article 8 of law no. 345 of 1999 established that the employer must carry out risk assessment with special attention to specific elements, such as the nature and grade the duration of exposure to physical, chemical and biological agents, the manual handling and planning processes work. Within the age differences of major importance for our discussion, in addition to young people, it is necessary to consider the mature workforce. The report by the European health and safety at work for the year 2007, although it does not establish an age limit beyond which a worker is mature, said that mature workers are more susceptible to certain types of risks, particularly processes that require high capacity and reaction force muscle.

3. Good practices in social security reform

Before the description of best practices and recommendations for the future development of the subject in question it is necessary to explain briefly the

amendments made to financial economic manoeuvre, as for the Italian pension system, both in the public sector and the private sector.

Since 2011, the system of output from the world of work, involving a single sliding window for retirement will be characterized by four windows in a year for retirement and two for those of seniority from the date of entitlement.

With the introduction of 'single window' mobile employees may retire after reaching 12 months of minimum requirements, while the self-employed after 18 months.

Same rules as the latter are provided for members to manage separate INPS.

The new rules will not affect workers entitled to a pension before December 31 this year. In addition, the school staff, will continue to retire with the single window in September, having completed the requirements of age and contribution by December 31 of that year.

The financial manoeuvre will not affect workers included in the notice of 30th June 2010 complying with the requirements of mature age and contribution by the date of termination of employment, and it will also not affect 10 thousand mobile workers working under the union agreements doors of 30th April 2010 reaching the mature age before the end of mobility, and after 31st May 2010 it will not affect benefits holders at the expense of solidarity funds industry.

From 1st January 2012, the retirement of women working in the public sector will be increased from 61 to 65 years as required by the European Commission.

Retirement remains at 61 years for public employees that vest requirements by 31st December 2011.

The severance pay of public employees will be paid in one installment for amounts up to € 90,000 and in two annual amounts if more than 90,000, but by 150 thousand, whereas for higher amounts will be the payment in three annual installments.

Finally, since 1st January 2015 is expected to adapt to the requirements of retirement to increasing life expectancy, calculated by ISTAT.

The decree provides for a faster rate than required by the July 2009 reform, adjustment will not be made every five years, but every three years, except for the

first time that it is made after four years, and higher requirements do not exceed three months.

Basically, from 1st January 2015 there will be an initial increase in the retirement age of three months.

The second step will be from 2019 and, by this time, will correspond to what is actually measured by ISTAT, the third since 2022 and then again once every three years. With this basis, in 2050 people are expected to retire 3.5 years later than now: the old-age to 68 1/2 years.

The system also applies to retirement pensions and social ones, except for those who reach 40 years of contributions.

As far as our research topic is concerned, particularly important is the provision of the Finance Act of June linking the retirement age to life expectancy average.

To ensure the provision of appropriate amounts to an increasing number of pensioners, a significant increase in the average effective retirement age is required.

Youth alone can not cope with the growing burden of an aging population. Neither there will be sufficient intake of foreign workers.

In the face of increased life expectancy to sixty years old, Italy takes actions to longer working lives, also to ensure a standard of living for the elderly of tomorrow.

The basic problem, however, is different: the Italian labour market is able to respond to the demands of work and of sixty year-olds?

In Italy, the only normative reference for those who suffer this type of discrimination is virtually ignored and is the legislative decree July 9, 2003 No 216 (published in the so called *Gazzetta Ufficiale*, no. 216 of July 9, 2003, implementing Directive 2000/78/EC for *Equality treatment of employment and working conditions*).

Article 3 states that ‘the principle of equal treatment irrespective of religion or belief, disability, age, sexual orientation, applies to all individuals in both the public and private spheres [...] in the following areas: a) access to employment and self-employment, including selection criteria and recruitment conditions [...]’.

There is, however, to signal the third article, which introduces an exception to the prohibition of discrimination which is not reflected in the text of Directive 2000/78/EC: «Within the principles of proportionality and reasonableness in employment or the practice of business activities do not constitute acts of discrimination under Article 2 those differences in treatment due to features on religion, belief, disability, age or sexual orientation of a person, if, for the nature of the work or the context in which they are carried, whether the characteristics that constitute an essential and crucial to the progress of it. Similarly, not an act of discrimination with the evaluation of these features when they become significant for suitability to carry out the functions that the armed forces and police, prison or emergency services may be called upon to perform».

The wording of the rule appears well separated from the corresponding text of article 4, 1st par. of Directive 2000/78/EC: «Without prejudice to Article 2, paragraphs 1 and 2, Member States may provide that a difference of treatment based on a characteristic related to any of the grounds referred Article 1 shall not constitute discrimination where, by the nature of employment or the context in which they are carried, such a characteristic constitutes a genuine and determining occupational requirement, provided that the objective is legitimate and the requirement is proportionate».

The doubts about the correctness of regulatory intervention transposing the European Directive grow if you analyse, then, the article 23 of the same 'In very limited circumstances, unequal treatment may be justified where a characteristic related to religion or belief, a disability, age or sexual orientation constitutes a genuine and determining occupational requirement, provided that the objective is legitimate and the requirement is proportionate. These circumstances should be included in the information provided by Member States to the Commission'.

Of the two European standards mentioned above, one draws on the one hand the existence of a principle of typicality, it is the law and not the employer (as suggested by the interpretation of article. 3, decree no. 216/2003) that should indicate in which cases we can make an exception to the non-discrimination principle, the other connotation of the case is strongly objective and leaves no

discretion to the employer about the suitability of the worker to be employed or continue to perform their duties.

It also points out that article 4, par. 1, and new article 15, (final part) of the Workers' Statute have already sanctioned any form of direct discrimination for political, religious, racial, language, sex, adding to these assumptions discrimination based on being handicapped, on age, sexual orientation or belief.

However, this rule did not provide any exception to the non-discrimination principle, which means that the protection of the worker prior to the introduction of legislative decree no. 216/2003 was broader, in clear violation of article 8, par. 2 of the Directive providing that 'The implementation of this Directive may under no circumstances constitute grounds for reducing the degree of protection against discrimination already afforded by Member States in the areas covered by this Directive'.

It should be noted, then, the rules of evidence provided for this action: 'In order to demonstrate the existence of discriminatory behaviour against them, claimants can deduce in court serious, precise and consistent evidence also on the basis of statistics, that the judge assesses under the clause 2729, first paragraph of the Civil Code (art. 4, par. 4)'.

Therefore, workers will still have to prove their claim, because it is not expected to reverse the burden of proof.

Objectively serious, precise and consistent allegations of facts can only convince the judge of the goodness of the arguments used by the worker, but he transmits at his discretion the assessment of the suitability of the evidence to base a test for presumptions.

This legislation has allowed companies to continue to implement discriminatory practices against senior workers, and they still continue to seek staff within certain age limits, as well as sex, because of the high possibility of circumvention of the law itself and the non-serious and rigid control over law enforcement.

The law is not even enforced in the case of competitions, which often raise the age limit to 45 years, taking refuge behind a legislation that has not been updated.

Given the sensitivity of the matter that involve the protection of the dignity of the individual there should be a greater commitment by the Italian Parliament.

In several European countries including the UK (England, Wales and Scotland) on 1st October 2006 a law was introduced (Employment Equality 'Age' Regulations) prohibiting discrimination based simply on age.

This is a profound revolution, even a cultural fact, every person, young or old, is first given the right, legally sanctioned, not to be discriminated against based on age registry.

And the task of a welfare state is to take action to enable people (regardless of gender, race, language, religion, political opinion, from personal and social conditions) to exercise the right to work, considered one of major forms of manifestation of human personality at the same time, ensuring survival and prosperity.

Company policies for active management of the age factor and the creation of an enabling environment to prolong working life should understand, first, the commitment of senior management and supervisors to: awareness, enterprise-wide, on the theme of 'age, with the involvement of representatives, developing plans for information and training aimed at the rehabilitation of the elderly, with particular attention to technological and work organization that might foster social exclusion and create the psychological conditions for the exclusion from the labour market.

The focus on new technologies and production methods must be high to impact directly on the chances of employability and adaptability of the over 50, to guarantee an upgrading of skills and reorientation of the worker to the new contexts and production trends, marked by the rapid development of information society and a changing labour market.

In order to strengthen the senior worker's capabilities and skills, it is useful to implement and/or increase the use of the development plan and transfer skills and knowledge, as Counseling and cognitive training and social.

For the same purpose, it is necessary to ensure the horizontal exchange of labour through the assignment of tutoring activities, aimed at enhancing the

professionalism of the elderly, acquired in formal, but above all not the same as formal workplace, triggering two positive processes: the strengthening of self-awareness and understanding of the potential professional in their possession, a prerequisite to adaptability and occupational mobility, awareness of the company in considering seniors as active resources, ‘custodians’ of an important asset for the company in terms of know-how and hence productivity.

Promote “inheritance” of professional resources through the transfer of competencies from junior to senior, produces a virtuous circle which may benefit the company itself (avoiding the dispersion of skills and knowledge not completed internally), young workers, recipients transfer of know-how as well as senior workers themselves to reinforce the knowledge of individuals who are still active and important for the organization.

The commitment of senior management should also include an assessment and an effective and pragmatic risk management with the participation and effective involvement of workers and their representatives and cover the diversity of the workforce to ensure: stations ergonomic work and good safety conditions at work improving the environment, equipment and working methods.

The application of applied behaviour analysis studies on the risks as the protocol B-BS (Behaviour Based Safety) improves the ability to detect and assess risks, analyse the behaviour that does not comply and set the correct security measures in the workplace.

In particular, these techniques allow employees themselves to analyse the correct/incorrect behaviour and suggest the right procedures in quarrying.

For the same purpose, it is necessary to ensure the frequency of targeted health surveillance and assess the scope for changes and/or reduction of working time related to the provision made by the worker over 50.

4. Vulnerable workers, workforce diversity management and the OSH regulatory reform*

Vulnerable workers

The definition of vulnerable workers in the context of Occupational Safety and Health (OSH) refers to those workers who are more likely to suffer from industrial injuries as a result of environmental, physiological, and personal factors (e.g. young people, people over 50, women, and migrant workers), though this does not necessarily depend on the type of employment contract. It seems to be useful to provide an overview of relevant legislation in order to frame the issue. Pursuant to legislative decree no. 81/2008 (art. 28, par.1, as amended by legislative decree no. 106/2009), it falls to the employer to assess the employees' level of protection, especially for those who are more vulnerable:

- workers suffering from work-related stress;
- pregnant women;
- workers who are discriminated against because of their age, gender, nationality, and employment status.

An investigation of national health and safety legislation, including obligations on the part of the employer, will be provided in the following paragraphs, with Section B focusing on the risks linked to age.

Workers experiencing stress at work

Legislative decree no. 81/2008 (art. 28, par.1) sets forth that work-related stress is a factor to be considered in the evaluation of occupational risks. In doing so, reference is made to the Autonomous Framework Agreement of 8th October 2004, which was transposed on 9th June 2008 by way of an inter-business collective agreement between employers' associations and trade unions. The main goal of the Agreement is to provide employers and workers with an instrument to identify, prevent and manage issues associated with work-related stress, therefore contributing to the improvement of employees' efficiency and working conditions, with a considerable impact also in economic and social terms.

However, the Agreement does not envisage any measure to deal with workplace bullying, harassment, and post traumatic stress disorder, therefore disregarding phenomena such as *mobbing*³² and *straining*³³. As a result, the focus is on work-related stress, that is defined as a medical condition – accompanied by physical, psychological or social complaints or dysfunctions – resulting from individuals feeling unable to keep up with the requirements expected of them. Individuals may be well adapted to cope with short-term exposure to pressure, which can be considered as positive, but have greater difficulty in coping with prolonged exposure to intense pressure. Moreover, different individuals can react differently to similar situations and the same individual can react differently to similar situations at different times of their life. It should be pointed out, however, that work-related stress does not include all manifestations of stress at work, although stress originating outside the working environment can lead to changes in behaviour and reduced effectiveness at work. In this connection, the employer is under the obligation to provide protective measures only with regard to work organization, working conditions and environment. This entails the identification of those factors that are stress-inducing and actions to be taken to reduce them, with the duty to report and evaluate the results on a regular basis. Relevant studies on those risks that are more likely to cause stress include the following:

Environmental risks	<ul style="list-style-type: none"> - noise - vibration - temperature variations, humidity, ventilation, - health issues
Psycho-social risks	<ul style="list-style-type: none"> Working environment - organizational culture - role within the company - career advancement

³² Mobbing here is defined as discriminatory behaviour directed in a systematic manner by the employer or an employee toward another employee in both the public and private sector, resulting in psychological abuse.

³³ Straining here is defined as a work-related disorder taking place over a long period of time, resulting from stress and negatively affecting someone's work tasks.

	<ul style="list-style-type: none"> - management and decision-making - interpersonal relationships - job mobility - imbalance between private and working life <p>Work content</p> <ul style="list-style-type: none"> - task to be carried out - workload and working time
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In addition to the risks mentioned above, reference should be made also to those associated with precarious employment, as workers engaged in precarious jobs – characterized by low income, inadequate opportunities in terms of training and career advancement – usually operate in more dangerous working conditions, without necessarily receiving training in occupational safety and health, and with higher levels of stress due to uncertainty over the continuity of employment.

In this connection, it is up to the employers to prevent, reduce or eliminate issues arising from work-related stress. They should work to determine appropriate measures to be implemented together with workers and their representatives. Such measures might also include an overall process of risk assessment, or *ad-hoc* initiatives aimed at identifying stress factors. Furthermore, measures in terms of management and communication such as those clarifying the company's objectives and the role of workers should be adopted, ensuring suitable management support for individuals and team, matching responsibility and control over work, and improving work organisation and processes, working conditions and environment. This should also be followed by adequate training for both managers and workers, awareness-raising campaigns aimed at increasing understanding of the issue and how to deal with it, and the adoption of an 'award system' for those complying with health and safety regulations. In addition, a number of actions should be taken to address questions dealing with:

- working hours;
- participation and management;
- workload;
- work content;

- role within the organization;
- working environment;
- career prospects.

Once implemented, anti-stress measures should be reviewed on a regular basis to assess their effectiveness, in order to verify their appropriateness.

With reference to the employer's obligation to evaluate risks associated with work-related stress, legislative decree no. 207/2008, converted into law no. 14/2009, deferred the date of the enforcement of this obligation to 16th May 2009. Subsequently, legislative decree no. 81/2008 (in particular article 28, par.1) was amended by legislative decree no. 106/2009, which specifies in this regard that, from 1st August 2010, the assessment of the risks linked to work-related stress should be carried out in compliance with the conditions laid down by the Advisory Panel on Health and Safety at Work. This obligation, applying to both the public and the private sector, was further deferred to 31st December 2010.

Workers exposed to risks arising from gender inequalities and pregnant workers

As mentioned earlier, legislative decree no. 81/2008 (art. 28, par.1, as amended by legislative decree no. 106/2009), sets forth that the process of risk assessment should *inter alia* consider gender inequalities and hazards that are specific to some categories – e.g. pregnant women – as laid down also by legislative decree no. 151 of 26th March 2000. The aim is to provide women with employment protection considering also their commitment to family and children, taking into account differences with male workers. In this sense, it is worth pointing out that, for instance, exposure to chemicals, vibrations, and radiations has a different impact on women and men's health. Therefore, while identifying preventive measures and good practices to be adopted to safeguard working women, the employer should take such 'diversity' into account. Among the aspects to consider for a *women-friendly* approach in terms of health and safety, mention should be made of the following:

- certain hazards are specific to certain occupations;
- women and men are clearly different, especially in terms of reproduction;

– they take responsibility for different household chores, with women regarding them as an extra working activity.

Women should be granted safeguards in terms of work-life balance, and protected as *human beings* in all different stages of life (pregnancy, maternity and so on). In this connection, a number of actions should be taken especially concerning work organization, in order to provide women with flexible working time and better career prospects. In addition, equal opportunities should be granted to women in terms of adequate training, career advancement, fair remuneration, also preventing them from direct and indirect discrimination. Special attention should also be paid to measures adopted to tackle discrimination on the grounds of sex, together with offensive and persistent behaviour leading to sexual harassment. With reference to pregnant workers and their legal protection, article 11 of legislative decree no. 151/2001 sets forth that it is up to the employer to assess risks for women employees during pregnancy, considering their exposure to chemicals and biological agents, and other factors – as specified in Annex C of the decree – with the results of such evaluation to be communicated to workers and their representatives. Measures of this kind might include the assignment of the worker to another task, if necessary at a lower level in terms of employment grade, especially if an adjustment to working hours is not possible, with the employer being under the obligation to provide notice of the new assignment to the inspectorate of the Ministry of Labour in writing. Otherwise, the Provincial Labour Office (*Direzione Provinciale del Lavoro*) might provide for parental leave lasting three months prior to and seven months following the expected date of childbirth.

Annex C – Legislative decree no. 151/2001

Physical agents causing fetal damages and/or *abruptio placentae*:

- shocks, mechanical vibrations and sudden movement;
- manual handling of loads causing back pain;
- noise;
- exposure to non-ionizing radiations;
- thermal stress;
- awkward movement and posture, travelling – either inside or outside the premises – mental and

physical fatigue and other physical burdens associated with the activity of the worker as referred to in article 2 of the decree.
Biological agents of groups 2 - 3 - 4 under article 75 of legislative decree no. 626 of 19 September 1994 as amended and supplemented, in so far as such agents and necessary medical treatment jeopardize the health of pregnant woman and unborn child and in so far they are not listed in Annex B.
Chemical agents in so far as it is known that they jeopardize the health of the pregnant woman and the unborn child and in so far as they do not appear in Annex B: - substances classified as R40, R45, R46, R47 according to Directive no. 67/548/EEC, provided they are not listed in Annex B; - chemical agents appearing in Annex VII of legislative decree no. 626 of 19 September 1994 as amended and supplemented; - mercury and its compounds; - antifungal drugs; - carbon monoxide; - chemical agents proved to be dangerous due to percutaneous absorption.
Industrial processes listed in Annex VII of legislative decree no. 626 of 19 September 1994 as amended and supplemented.
Underground mining work.

Furthermore, working women, both during pregnancy and up to seven months following childbirth, cannot be employed in hazardous tasks that are physically demanding and that require the lifting of heavy loads according to article 7 of legislative decree no. 151/2001. Otherwise, they must be immediately re-assigned to a new task, regardless of the risk assessment. Jobs defined as dirty, demanding, and dangerous are listed in article 5 of Presidential decree no. 1026 of 25th November 1976, also appearing in Annex A of legislative decree 151/2001, while Annex B of the decree provides a list of those tasks deemed to be hazardous due to their exposure to chemicals and unsafe working conditions.

Annex A, legislative decree no. 151/2001

Prohibition on female workers engaging in dangerous activities applies to a wide range of manual and mechanical handling activities (e.g. lifting and lowering, carrying, operation of fork-lift trucks). Workers are not allowed to engage in work of this kind during pregnancy and up to seven months after childbirth.
According to article 7, the following jobs are classified as demanding, dangerous, and dirty: a) those listed in legislative decree no. 345 of 4 th August 1999 and legislative decree no. 262 of 18 th August

- 2000;
- b) those listed in the chart provided by Presidential decree no. 303 of 19th March 1956, according to which female workers should take part in medical examinations on a periodical basis;
 - c) those exposing workers to crystalline silica and asbestos, or causing the onset of occupational diseases referred to in Annex 4 and 5 of Presidential decree no. 1124 of 30 June 1965, as amended and supplemented;
 - d) those exposing workers to ionizing radiations;
 - e) those entailing ‘performing work on scaffolding and ladders’;
 - f) those involving physically demanding activities;
 - g) those involving a standing positions or uncomfortable working posture for most of the time;
 - h) those entailing the use of a foot pedal (foot-press machines), if the force required to press the pedal is too strong;
 - i) those involving machine with high-intensity vibrations;
 - l) caring professions (dealing with infectious and mental diseases);
 - m) those in the agriculture sector and entailing the handling of toxic chemicals, more generally (fertilization, care of farm animals);
 - n) those to be performed in paddy fields;
 - o) those to be performed on ships, aircraft, trains, buses and any other means of transportation.

Annex B, legislative decree no. 151/2001

- A. Pregnant workers
- 1. Agents
 - a) Physical agents: Work in hyperbaric atmosphere, e.g. pressurized enclosures and underwater diving.
 - b) Biological agents
 - toxoplasma,
 - rubella virus, unless pregnant workers are proved to be adequately protected against such agents by immunization.
 - c) Chemical agents
 - Lead and lead derivatives in so far as these agents are capable of being absorbed by the human body.
 - 2. Working conditions
 - Underground mining work.
- B. Female workers after childbirth
- a) Physical agents: Work in hyperbaric atmosphere, e.g. pressurized enclosures and underwater diving.
 - 2. Working conditions
 - Underground mining work.

Measures of this kind should be adopted also in the event of an inspection carried out by the Ministry of Labour – on his own initiative or upon the party’s request – certifying that working and environmental conditions pose serious health risks to working women. In addition, they should not be employed in the event of poor state of health, also in the event of complications in pregnancy, or when a new

assignment is not available. Hence, they are required to communicate their medical condition to the employer by providing a medical certificate. If the employee does not present the medical certificate within the required time period, the implementation of the measures mentioned above can be delayed until such certification is provided.

Art. 8 of legislative decree no. 151/2001 deals with exposure to ionizing radiations, setting forth that ‘pregnant workers cannot be engaged in activities involving a significant risk for the child to be born, with the provision also applying to breastfeeding mothers. In this case, women are under the obligation to submit a declaration of pregnancy to the employer, who has to promptly assign them a new task, more compatible with their health status. If this is not possible, the worker is prohibited from performing the current working activity.

Further measures have been introduced also to protect health and safety of pregnant workers, dealing with night work, that is from midnight to 6 am. In this connection, they cannot be assigned to night shifts during pregnancy, or for 12 months following childbirth. In addition, the following categories are exempt from performing night work:

- female and male workers with care-giving responsibilities with children younger than three years old;
- primary carers with children younger than 12 years old.

The provisions mentioned above dealing with night work are included in article 11 of legislative decree no. 66/2003, also specifying that failure to comply with such measures may result in two- to four-year prison sentence and a fine between 516 and 2,582 euros.

Risks associated with migrant workers

People working overseas face major challenges, particularly related to language barriers and a reduced perception of occupational risks. They are also more likely to take up hazardous and unskilled jobs, characterized by unfavorable working conditions, excessive working hours and unsocial shifts resulting in mental and physical fatigue that undermines alertness levels. It is also relevant that rotating

shift workers, as well as night workers, tend to underperform their dayshift counterparts because of an attenuated brain response, with lack of sleep resulting in a general fatigue and tiredness often leading to occupational injuries. Poor language skills are another major issue, representing an obstacle to adequate training opportunities in OSH. Migrant workers often come from countries with low levels of awareness of risks in the workplace, developing a different approach to occupational hazards.

Therefore, the focus should be on information and training as a way to improve migrants' capacity to assess risk. As mentioned earlier, legislative decree no. 81/2008 (art. 28, par.1) specifies that immigrant workers are classified as being more vulnerable: employers should take responsibility for their health and safety and adopt specific measures to safeguard them. Art. 36, par. 4 of the decree also makes provision for the workers' right to be informed properly about health and safety risks at work, setting forth that content must be easily accessible to workers - especially migrants - enabling them to gain necessary knowledge. Art. 37 also lays down that the onus is on the employer to provide occupational and language training, with par. 13 reasserting that the content should be understandable by all workers. In addition to assessing language skills, measures should be adopted to increase awareness of workers' rights and duties in terms of OSH, also by way of the implementation of good practices.

Finally, there is a need to take into great consideration occupational risks involving the followers of Islam, especially during *Ramadam*, the Islamic month of fasting according to which participants refrain from eating and drinking from 5 am to 5 pm. In this light, the employer should provide more flexible time arrangements in order to safeguard their health and safety, as well as their freedom of religion.

Occupational risks associated with contractual arrangements

Legislative decree no. 106/2009, which amended legislative decree no. 81/2008, makes provision for the risks associated with the nature of the employment relation, focusing particularly on atypical workers and fixed-term workers, who

are more exposed than others groups to hazards. This is due to a number of factors: the short duration of the assignment, job insecurity, inadequate training, the nature of the tasks to be carried out, low bargaining power, and low levels of union and legal protection. The new provision is in this regard an attempt to safeguard those workers who are more vulnerable in contractual and individual terms. The categories of workers who are more likely to suffer from occupational risks (e.g. young people, women, and migrant workers) are often employed under these forms of contracts, although the individual risk is not necessarily associated with the type of employment contract.

Workers aged over 40

Further studies on the demographic evolution in Europe lead to two important outcomes: a significant decrease in the birth rate and, on the other hand, a considerable increase in life expectancy, leading to profound transformations in the European working population. In the light of the above, it will be necessary to adopt innovative work organization models that take account of the ageing of the economically active population. This is a major issue, to the extent that the improvement of employment rates for those aged 55 to 64 years has been included also in the list of structural indicators in the Lisbon Strategy.

With regards to Italy, the statistics highlight new trends in demography and employment. In particular, the employment rate for those aged 55 to 64 was 34.4% in 2008³⁴, with a slight increase compared to 2007 (0.7%). The EU employment rate for those aged 55 to 64 years was 45.6% in the same year, that is 34 percentage points less than 25 to 54 age group, and 8 points more than young people aged 15 to 24. There are considerable differences in these figures among European countries, with Sweden employing more than 70% of the working age population, that is as twice the employment rate in Malta. Italian employment

³⁴ Source: Istat, Rilevazione sulle forze di lavoro. Media 2008, Statistiche in breve del 27 aprile 2009. Eurostat. European Union Labour Force Survey, *Annual Results 2008*, Issue no. 33/2009.

rates for this age group remain below the EU average (34.4%), thus confirming the marginalization of a part of the working population.

According to national figures, there is almost no difference between the South and the North of Italy in terms of employment rates among older workers (see Table 1 below).

Table 1. Employment rates for the 55- 64 age group by region, 1999-2008 (%)

Regions	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Piemonte	22.2	22.6	22.1	22.6	25.1	26.9	28.1	28.5	29.4	30.6
Valle d'Aosta	25.7	29.0	30.4	30.4	29.7	32.0	31.1	35.2	35.2	35.0
Lombardia	25.6	24.6	24.8	25.8	27.7	28.3	28.8	30.6	31.6	32.0
Liguria	23.4	22.6	24.0	24.3	26.5	28.3	29.9	32.4	35.3	35.6
Trentino-Alto Adige	35.4	34.4	34.6	34.5	33.4	32.2	32.0	34.0	35.4	35.8
Bolzano	32.1	32.1	32.0	31.4	35.1	37.5	36.9	38.1	39.5	39.8
Trento	38.9	37.0	37.2	37.6	31.8	27.3	27.6	30.3	31.8	32.3
Veneto	24.1	25.1	24.4	24.9	27.8	28.1	27.4	29.1	31.0	32.2
Friuli-Venezia Giulia	23.9	24.6	24.3	24.2	26.2	26.5	26.4	29.6	29.8	29.0
Emilia-Romagna	30.1	29.3	29.1	30.2	31.2	32.1	33.4	35.2	38.3	38.8
Toscana	28.1	28.4	29.4	30.2	31.5	32.2	35.5	35.2	35.5	37.1
Umbria	31.5	31.3	31.9	32.4	27.5	31.0	33.0	30.9	35.8	37.4
Marche	30.4	31.0	31.4	32.2	32.5	32.7	32.7	34.8	36.5	35.4
Lazio	30.3	30.4	29.2	30.2	31.6	35.1	35.8	35.8	37.9	40.9
Abruzzo	30.5	31.3	31.2	31.8	33.1	34.4	35.8	36.6	35.5	35.9
Molise	34.1	36.4	36.3	37.1	32.7	34.1	37.4	37.0	34.3	35.7
Campania	33.5	34.0	34.6	34.8	32.9	32.3	32.4	33.4	35.2	34.4
Puglia	22.2	22.9	22.8	22.8	25.9	28.5	27.7	29.1	31.5	31.6
Basilicata	37.6	38.1	37.1	37.8	34.1	34.8	36.5	39.7	39.2	39.2
Calabria	31.2	31.0	32.1	32.3	36.2	38.2	37.7	36.8	37.1	36.7
Sicilia	26.1	26.7	27.6	28.7	28.2	30.1	33.0	33.4	32.8	33.7
Sardegna	34.7	32.6	31.7	33.7	29.7	29.3	31.3	32.3	31.0	30.3

Source: Istat, *Rilevazione continua sulle forze di lavoro*. Eurostat, *Labour Force Survey*.

Reflecting their increasing participation rates in economic activity, older workers are expected to stay in employment longer and to lead the change towards

innovation, especially considering the challenges posed by ongoing transformations in the labour market. Initially, the government adopted a number of measures – such as early retirement – to force older workers out of the labour market and to deal with the ageing of the workforce. However, solutions of this kind are now regarded as misguided, marginalizing older workers instead of providing them with adequate retraining. Most developed countries have now redesigned their employment policies with a view to promoting employability for this age group, safeguarding their rights in terms of OSH, and increasing employment rates by postponing exit from employment for those aged over 50. The main goal for employers is to encourage older workers to stay on at work, and to adapt their skills to new conditions, while safeguarding their health and maintaining their motivation and ability. In this connection, actions should be taken to tackle discrimination, change the stereotypical view of older workers, and above all, promote more flexible working conditions and job opportunities for them.

Age-related risks

Pursuant to Art. 28, par. 1, of legislative decree no. 81/2008, the burden is on the employer to assess and adopt measures to prevent risks associated with age for both young and older workers. In this connection, law no. 977/1967 – as amended by legislative decree no. 345/1999, which was itself supplemented by legislative decree no. 262/2000 – lays down special provisions for minors. In particular, article 7 sets forth a number of factors to be considered while assigning them a new assignment, such as their physical development, lack of expertise, low risk perception, and the need for health and safety training and information. Young workers face additional challenges, as, unlike older workers, they are unfamiliar with the working environment, and unaware of risks and their rights and duties. Not to mention the working conditions and the employment status they operate in, often on a temporary basis with inadequate safety training (a case in point is young people working in call centres) In addition to being precarious, young workers – especially those aged 15 to 24 years – are more likely to undertake

physically demanding jobs and to work to tight deadlines and at very high speed and this may result in musculoskeletal disorders. In addition, young workers are also more likely to take on jobs characterized by repetitive motion, rapid movement, vibration, the handling of toxic chemicals, exposure to high temperature, and, as newly hired, to harassment and bullying. In order to cope with those questions, the employer needs to adopt a set of measures in terms of health and safety, training, information, also appointing mentors within the company to help newly hired workers in their routine activities.

In order to safeguard young people the company must provide relevant information on potential risks and preventive measures before they start to work, as statistics show that in the first month of work they are five times more likely to suffer from occupational injuries than their older counterparts.

Furthermore, supervisors should observe their work to evaluate the effectiveness of training programmes and make sure they carry out their tasks properly. Supervisors should also be provided with adequate training themselves, and be instructed on what actions need to be taken in the event of injuries suffered by young workers. More specifically, their task consists of:

- ensuring the implementation of good practices in terms of health and safety;
- making sure that safety measures have been designed also in practical terms;
- promoting a strong ‘culture of health and safety’;
- reporting any changes and problems;
- providing advice for younger workers.

In the same way, young workers must report to their supervisor any perceived risks, comply with OSH rules and regulations, be instructed and trained properly about their equipment, machinery, and personal safety devices.

A case can be made for the inclusion of risk education as part of educational programmes. In this respect, schools and colleges need to play a major role in increasing the awareness of hazards among young people, and in the planning of specific measures to be adopted in the years to come. Specific risk assessment should involve also older workers, due to their vulnerability arising from lower levels of adaptability and reduced physical strength. The issue of older workers

will be analyzed in the following paragraphs, with Section C investigating the duties on the part of the employer in terms of risk assessment and medical surveillance.

5. Age, risks and the loss of skills: how to tackle these issues

In considering the vulnerability of the working population, special attention should be given to psychological factors. Over the years, the world of work has experienced profound changes, with worker's state of health being affected *in toto*, and therefore having an impact also on nervous and immune systems, that tend to respond more slowly with age.

On the basis of these considerations, the University of Nottingham carried out an investigation on work-related stress entitled *Ageing, Work-Related Stress and Health. Reviewing the evidence*. The outcomes show that stress at work peaks between 50 and 55 years old, and decreases when approaching retirement age. Evidence also suggests a number of gender differences, with women in the 45-54 age group reporting higher levels of stress than men. This is probably due to the fact they occupy different roles (as workers, and at home, taking on greater shares of household responsibility) often characterized by low status and less control than men. Another relevant issue is the prejudicial attitude on the part of the employer and younger colleagues against ageing workers, who regard them as individuals with no career prospects. Hence, they are also less likely to be offered training and to be promoted, experiencing a lack of motivation and fewer opportunities in terms of career development. Ageing workers are also less willing to move to new jobs, fearful of their vulnerability and precariousness in the labour market, and may show uneasiness over the need for flexibility and technological innovation.

Discriminatory practices (mobbing, harassment) aimed at forcing out the worker are also problematic; employees are often pressured into resigning after undergoing marginalization and professional de-qualification.

As mentioned earlier, it is up to the employer to assess age-related risk and adopt specific measures to safeguard older workers in terms of work organization, stress prevention, and flexible working time. Among the good practices to protect older workers, who often have health problems and family responsibilities, mention should be made of the following:

- putting forward new organizational strategies promoting reduced working hours and part-time;
- setting up a work environment characterized by a positive attitude toward age differences;
- enhancing working relationships also on the part of the employee;
- taking older workers' expertise into greater consideration and making greater use of their occupational skills;
- providing them with more control over their working activities;
- increasing the support from colleagues and supervisors;
- providing health plans and programmes promoting exercise and fitness.

Skill loss and ergonomics

As we have seen, older workers seem to be more exposed to risks arising from unsafe working conditions than their younger counterparts. In addition, they experience a natural reduction in performance involving physically-demanding tasks, offset by an increase in soft skills which are given increasing importance. New trends in organizational strategies give priority to the ability to handle personal relationships and to promote a business, which, although reporting a slight decrease in the group aged 40 – 65 years, tends to improve over the years.

It is important to figure out whether and how specific working conditions – e.g. high speed work – affect older workers' ability to work, resulting in psychological strain, cardiovascular diseases, and occupational injuries. With reference to this issue, a number of studies have been carried out recently in Europe with the aim

to identify the link between ageing and skill loss, and between expertise and productivity. Table 2 summarizes the outcomes³⁵.

Table 2

References	Advantages in hiring older workers	Disadvantages in hiring older workers
Lieberum, Heppe, Schuler, (2005)	<ul style="list-style-type: none"> - High level of expertise - Good interpersonal skills 	<ul style="list-style-type: none"> - Reduced strength - Reduced learning capability
Basso, Busetta, Iacoucci, Vittori, (2005)	Significant factors: <ul style="list-style-type: none"> - loyalty to the company - leadership - work focused - company concerned - responsible attitude - reliability - willingness to help colleagues - prolonged attention span - willingness to work overtime - willingness to take on repetitive and physically-demanding tasks - respect for hierarchy 	Significant factors: <ul style="list-style-type: none"> - adaptability to innovation - computer literacy - creativity - flexibility - involvement
Ilmakunnas, Skirbekk, van Ours, Weiss (2007)	<ul style="list-style-type: none"> - The link between age and productivity is complex and presents different facets. Employing young workers when technological innovations result in a reduction of strength is not effective. 	<ul style="list-style-type: none"> - Ageing associated with increased absenteeism and a slight decrease in work capabilities and productivity
Ilmakunnas, Maliranta (2007)	Companies benefit from hiring young workers only in the manufacturing ICT sector.	Older workers have a negative impact on company profits and productivity because of their high wages resulting from deferred earnings, high levels of protection and bargaining power. This is particularly true when technological

³⁵ Italialavoro, *La valorizzazione dei lavoratori maturi (over 50): una sfida per le politiche pubbliche e per le strategie delle organizzazioni*, 2007.

		innovation makes their skills inadequate and slows down the learning of new ones
Ageing and employment, Warwick University- Economix Munich, 2006	Compared to their younger counterparts, older workers provide better performances in tasks with no tight deadlines, which require judgment, social skills, and the building of strong relationships with customers	Discrepancy between wages and productivity pushes the employer to terminate the employment relationship. Older workers find it difficult to handle physically demanding jobs and to keep up with technology.

What emerges from this overview is that learning capability is not affected by ageing, as further skills, e.g. expertise, are further developed with the passing of time. Where possible, older workers offset the natural decline in strength by means of new strategies in organizational terms, also based on their experience. In spite of the outcomes, older workers are still regarded as less productive than their younger colleagues, due to their age-related physical and mental decline. By neglecting the benefits of getting older, employers force them out of the labour market, and ignore proper measures to safeguard them.

The employer should consider that those aged over 50 are more vulnerable than their younger counterparts, mainly because of the natural process of aging – and not as a result of skill loss – which usually affects workers' hearing, eyesight, and muscular strength. Attention should be paid also to other factors, such as: mobility limitations, back pain, decreased muscle elasticity, partial loss of heat and cold tolerance, as well as work related upper-limb disorders, reduced reflexes and working capability.

Adapting working conditions to workers' needs – especially for those over the age of 50 – is of significant importance in dealing with ageing. The focus should be on issues related to ergonomics, also taking into account those occupations entailing repeated movements (e.g. nurses, cashiers, and production line operators). In this connection, musculoskeletal disorders have been reported in physically-demanding tasks well below the risk threshold, due to insufficient recovery time. The provision of increased rest breaks, more task variety, and job rotation are

useful to safeguard the health of older workers and reduce physical strain. Finally, increasing awareness of ergonomic factors should also help to bridge the gap between young and older workers in terms of production time and physical skills.

Risk assessment

The risk assessment process is of fundamental importance to identify occupational hazards at the workplace and adopt preventive measures to safeguard workers' health and safety, also in organizational terms. In particular, according to article 2, par. 1, subpar. Q of legislative decree no. 81/2008 such processes aimed at 'providing an overall and certified evaluation of work-related risks within the establishment they operate, in order to put in place appropriate preventive measures and draw up guidelines with the view to improving health and safety in the workplace'. This definition consists of three phases: assessing the risks, identifying effective safety policies, and improving workers' protection through legislation.

With reference to older workers, companies need to face the issue of ageing by implementing new policies in terms of work organization and the environment, also increasing public awareness of the issue, moving beyond stereotypical views and promote safety training in any stage of life.

It is also advisable to improve job satisfaction by means of specific training and retraining initiatives designed also to consider differences among workers – also making use of personalized programmes and small study groups – which will result in higher levels of productivity, innovation, occupational development and mobility between companies. Older workers may be more willing to change jobs and more motivated if they realize they make a valuable contribution to the employer.

However, Italian companies show little interest in the issue. They often expect regional bodies to take responsibility for retraining employees, especially those in their 40s. According to statistics provided by Eurostat, only 10% of workers receiving vocational retraining are over 50, due to the assumption that workers at that age are not willing to learn new skills and to break their old habits. In light of

the above, there is a need for innovation in cultural terms to be carried out by all actors involved in the labour market, and to reconsider links between environment, health and age in the workplace over the entire working life. In this light, lifelong learning process play a decisive role in supporting older workers, as representing an informal learning opportunity not confined to the early stage of life. The fact that workers have a diploma does not necessarily mean that they have gained all necessary skills, as the learning process encompasses a number of aspects such as experience and formal/informal education. It is also desirable to rethink working time, as well as the speed of work, so as to meet workers' needs. In order to strike a balance between working hours and free time, older workers should be assigned to tasks requiring flexibility, good judgment and experience rather than physical strength. Furthermore, actions should be taken to enhance integration between young and older workers, since older workers bring a wealth of expertise and knowledge and therefore embody the history of the company. For this reason, they can be given further responsibilities in terms of guidance and training, especially in the case of physically demanding jobs. Workers over the age of 50 serving as mentors should be able to back up younger workers in their professional career, and to make them aware of the job content, working environment, and team-working. Policies of this kind will be of benefit to newly hired workers as providing them with high levels of motivation, helping them to develop further skills if necessary and therefore making good use of the contribution of older workers.

Medical surveillance

Medical surveillance includes provisions aimed at safeguarding workers' health and safety at the workplace, also considering occupational hazards as defined by article 2, subpar. M, of legislative decree no. 81/2008. Medical surveillance contributes to protecting employees' health by means of safety programmes, also taking into account differences in terms of age, gender, and individual factors. In assessing the risks and vulnerability of older workers, companies, along with health authorities, should consider the following aspects:

Physical strength	Ageing results in a reduced physical ability, with significant individual variation. For this reason, attention should be paid to older workers employed in tasks requiring the handling of heavy loads.
Movement and posture	Older workers are at greater risk in those tasks requiring rapid movement and awkward posture, due to a reduction in the range of movement of their joints. It is therefore decisive to reconsider the workplace both in organizational and ergonomic terms, especially for workers aged over 50, also taking into account their reduced load-bearing capacity.
Eyesight	Failing eyesight is a natural progression increasing with age, therefore older workers need to be provided with suitable lighting. As laid down by OSH regulations, they also need eye tests, in order to safeguard their health, as well as other workers.
Hearing	Workers aged over 50 might suffer from age-related hearing problems also due to noise exposure, which makes it difficult for them to hear high frequencies. Loss of hearing might be hazardous in that they might not understand a verbal alarm signal. Companies might adopt measures aimed at reducing noise, also providing hearing protection measures to be set up together with the health authorities.

With reference to medical surveillance, the law sets forth a number of measures aimed at protecting mature workers. Art. 176 of legislative decree no. 81/2008 makes special provision for video terminal operators, e.g. biannual medical examination for the over 50 age group.

As for the handling of loads, Annex XXXIII of legislative decree no. 81/2008 deals with factors associated with overloading, specifying that ‘physical ability must also take into account age and gender differences’. Further on in the document it is stated that muscular strength reduces with age, often resulting in musculoskeletal disorders (e.g. spondylo-arthropathy). The handling of loads, and all physically-demanding tasks should therefore be assigned also considering age-related criteria – maximum load for those under the age of 45, medical surveillance for those aged over 50 and so on – listed in safety guidelines. Furthermore, article 190 specifies that in assessing the risks associated with noise,

the company should take into consideration hazards for special categories of workers, e.g. those aged over 50.

Finally, workers have the right to ask for further medical examinations, in addition to those provided on a regular basis, in the event of an alteration of their health status or a medical condition affecting their performance. Their working ability, whether partial or total, should be also verified, especially if affected by age-related diseases, such as heart and musculoskeletal disorder. The employer must assign the worker to another task that is more compatible with their health status, in the event of an inability to perform a specific task duly certified by the health authority.

6. The guidelines on work-related stress assessment: good practices and future development

The guidelines on risk assessment, which are normative in character, were issued by the Advisory Panel on Health and Safety at Work set up by the Italian Ministry of Labour and Social Affairs, on November 18th 2010, with the aim of transposing the 2004 European framework agreement on work-related stress, as also laid down by the Health and Safety Consolidating Act (*Testo Unico su salute e sicurezza*). In order to comply with European legislation, and to deal with questions arising from its interpretation, Art. 28, par. 8 of legislative decree no. 81/2008 specifies that the assessment of risk must be carried out also considering work-related stress. With the issuing of par. 1-*bis*, the Panel was also entrusted with the task of performing an advisory function, helping employers, advisers and supervisors to fulfill necessary requirements not later than 31st December 2010, also backed by a tripartite committee. Far from being taken for granted, the issuing of the guidelines, was a subject of a heated debate between the government, the social partners, experts in the field and inspection bodies at a local level. In this connection, strong reservations were expressed about the transposition into national law of the Framework Agreement via the inter-business

Agreement of 9th November 2008, to which legislative decree no. 81/2008 referred, as methodology to assess the risk is subject to a variety of interpretations. Furthermore, considerable doubts were raised about the adoption of mandatory minimum standards to be reliable, fair in evaluating the individual's state of health, and cost-effective for the companies, since they pay for the medical surveillance.

The long-awaited much-discussed provision was the result of months of talks among the actors involved, and it aims at meeting everyone's interest and providing employers with minimum requirements to be improved on a voluntary basis.

Risk assessment is usually carried out on those group of workers performing the same tasks or belonging to the same organizational unit (e.g. shift and sector workers), who are likely to be exposed to the same occupational hazards, also on the basis of evidence provided by the company.

This assessment is in its preliminary phase, and further research will be required if the measures adopted to reduce work-related stress prove to be ineffective.

The preliminary assessment of risk aims at detecting objective and ascertainable factors, to be classified as follows:

1. indicators serving as an 'hazard warnings'– occupational injuries, sick leave, turnover, proceedings and sanctions, complaints filed by the employees – to be assessed under criteria set up within the company (e.g. trends in industrial injuries);
2. job content: working environment and equipment, workloads and work speed, working hours, match or mismatch between worker's skills and job requirements;
3. factors associated with the workplace: role and function within the organization, organizational decision-making and control over work, interpersonal conflict, career advancement and development, communication issues (e.g. the task to be carried out);

A compliance checklist should be provided for company medical officers, to allow them to assess the risks in accordance with the points mentioned above.

Equally important is to involve workers and their health and safety representatives in the issue. In this connection, it falls to the employer to design measures to enhance their engagement (e.g. in large companies employee representatives can be appointed).

In the event that no risk associated with work-related stress has been reported in the preliminary stage, the employer is under the obligation to provide a written statement certifying the fact, also including risk monitoring. Otherwise, a risk management plan should be set up, along with corrective measures (in terms of procedures, organization, training and communication), and a further in-depth risk assessment (*valutazione approfondita*) in cases in which the measures mentioned above prove to be ineffective. A more comprehensive assessment of the risks might include a questionnaire for the workers, or a sample group, focus groups, and semi-structured interviews. In companies employing less than five workers, the employer can decide to meet them in order to increase their commitment and to assess the effectiveness of the solutions.

The time-limit of 31st December 2010 laid down by article 28, par. 1-*bis* of legislative decree no. 81/2008, refers to the beginning of the risk assessment process in accordance with the points mentioned above. In this connection, the deadline, as well as the forward plan to fulfill such requirements should also be included in the written statement, that will be taken into account also by inspection bodies. The Advisory Panel on Health and Safety at Work is required to submit a report within 24 months after the issuing of such guidelines, in order to evaluate the effectiveness of this approach and its further integration. Employers who already provided the risk assessment associated with work-related stress – in compliance with the European Framework Agreement of 8th October 2004, as implemented by national legislation by means of inter-business agreement of 9th June 2008 – only need to update the survey, as laid down by article 29, par. 3 of legislative decree no. 81/2008. Once implemented the guidelines will serve as an effective instrument in terms of work organization and risk assessment, to identify and overcome risk-related issues, particularly for older workers, who are more exposed to occupational hazards.

7. OSH participation model and collective agreements

RLS in article n. 9 of Workers' Statute and in decree n. 626/1994

The right to safety at work, while important from the standpoint of individual ownership, may find effective protection only through the instruments of collective autonomy. This is a right with two implementation instruments: an individual one and a collective one, mutually compatible. The key provision is article no. 9 of the Workers' Statute which requires that workers, through their representatives, are entitled to monitor the implementation of standards for accident prevention and diseases and promote all appropriate measures to protect their health and psycho-physical integrity.

Collective and individual action are perfectly compatible from any legal and logic standpoint, since the collective profile cannot weaken but certainly strengthen the position of the individual beneficiaries of protection. Collective protection is a completion of the individual profile of protection contained in article 2087 c.c.

The doctrine, then, did not hesitate to assert the primacy of the collective protection, thus paving the way for collective bargaining as a natural tool to protect the interest at stake.

Since legislative decree no. 626 of 1994, it has become clear that collective protection of safety at work should be done through the safety representatives of worker and the power assigned to them by the law.

Although the legislation seems to be designed to move from an harmful conflict security to a participation model, the space that legislation assigned to collective bargaining in this area is not easily defined; in particular the RLS has very heterogeneous characteristics, being the roles it can assume in the management of safety at work very different. One thing stays indisputable: trade unions seem to claim a greater involvement of collective subjects in the legislative phase, in the application phase, and in the control and penalties ones.

Article 9 of the Workers' Statute is a provision that permits the collective exercise of a right, according to which workers are a 'community of risk', with the subject

of the control in order to meet the obligations of prevention on the workers and the implementation of measures preventing accidents.

The Supreme Court ruled that the law, while protecting the health and safety of workers recognizes them, through their representatives, the power to control the application of prevention rules for occupational accidents and professional diseases, as well as to promote all appropriate measures to protect their physical or mental integrity.

This is a provision conferring a right to claim the submission of the employer to the control power of workers, with the only limitation of the rights guaranteed to the employer by the Constitution and by the law.

The power of control consists of the power of investigation, with the right to access all areas of the company, all that can be considered a source of harmfulness and in general any matters relating to the protection of the safety of workers. Also, the power to promote means researching and developing additional measures than those already required by law, if they appear to protect more the interest of workers. These powers can lead to a strong interference of workers in decisions relating to security management, with inevitable repercussions on the organization of work.

The protection of collective right to safety and security is conferred primarily, or exclusively, on the trade union. The collective interest on safety and security has evolved towards trade unions, often with contracts-based forms. It is not casual that collective agreements usually reference to article 9 of the Workers' Statute, either directly repeting the content of the provision. The practice of overlapping the RLS and enterprise unions is a long-standing one, although not legally required or necessary.

What matters is that RLS are a direct expression of the 'community of risk', since they must belong to it or originate from it. The case law provides some deviations, stipulating that the RLS can make use of external expertise, particularly in the phase of detection of risk and development of the necessary measures.

It is not to be omitted that the unions have demonstrated insensitivity towards a model of representation in a logic of functional specialization, often overlapping

and confused by collective bargaining with representations in general. Moreover, the national bargaining and, more generally, second-level bargaining is rather thin on the concrete initiatives taken by companies to protect the safety of workers; hence this gives the impression of a gap between intentions, all to be fulfilled, and the effective measures to protect the safety of workers.

Nevertheless, there are other reasons suggesting an enhancement of collective autonomy, in particular, it seems that collective bargaining is the appropriate place where to determine the most appropriate levels of protection for each specific production field. The intervention of the collective subject can contribute to a more correct identification of the interests of the employer to determine the content of the employer's safety duty.

In the same place of collective bargaining, it seems possible to implement a mediation between the interest of the employer to minimizing operating costs and the interest of the worker to healthiness of the workplace. This approach, which stands on the edge between bargaining and participation in safety management, is certainly compliant with that legislation.

Yet it is precisely the procedure under article 9 of the Workers' Statute that allow the limitation of employers' power through the intervention in business decisions of the representative of workers' safety, confirming that bargaining should be seen as a positive value.

The recent reforms of RLS

The criteria identified by decree no. 123/2007 establish in particular the strengthening of the role of the representative of workers' safety, and the revisiting and strengthening the role of joint bodies or so called 'organismi paritetici'.

This has been an important prerequisite to the generalization of the participatory model of workers' representation, which are rooted in the principle of tripartitism, stated by the International Labour Organisation, which implies an involvement of representative organizations (not only employers but also employees) on a representation joint.

Legislative decree no. 81 of 2008 is distinguished for a particular cultural openness towards the participatory model, knowing that participation, even more than consultation, is a relationship model, a style of confrontation and constant relation.

Recently there have been many signs of openness towards greater attention to collective protection, in particular through the consolidation of the thought that recognizes the unions' legitimacy to associate in action with the public prosecution in trials related to violations of accident prevention regulations, the liability for workplace accidents and occupational diseases, the liability for sexual offenses in the workplace.

In the same direction there is an innovative provision which recognizes to the trade unions the power to exercise rights in the hands of the person offended under articles 91 and 92 c. p.

The desirability of trade unions' involvement in the criminal trial is meaningful as long as they are able to make a contribution to what is being established by the court. As it has been recognized, the new role of the union should be that of pushing organizations towards a less conflictual behaviour and a greater focus to a new style of industrial relations, to affirm the viability of an increase in safeguards, including the increase in protection levels.

The participation of workers and their representatives is invoked in many regulations concerning the management of safety and security prevention; starting from: the general measures of protection; the obligations of the employer and the manager, with particular attention to the risk assessment and its implementation modes; the obligations of the competent physician, related to the innovative works contracts, up to the organization of prevention service, regular meeting, training of workers, of their representatives, and of the ones responsible for checking the implementation of effective models of organization and management of safety and security.

Participation takes the form of information, consultation, right of access and concerns mainly the representatives of workers' safety, the joint bodies and in

some cases bilateral bodies and trade unions, as well as more generally the trade unions.

As for workers' representatives, law no. 123 of 2007, from a participatory standpoint of prevention, enhances the role of workers and their representatives.

The criteria for delegation, in Art. 1 par. 2, provide for *the revision of requirements, safeguards and functions of subjects in the company prevention system, with particular reference to the strengthening of the role of representative of workers for territorial security and the introduction of the concept of safety representative for the production site.*

Decree no. 81 of 2008, surpassing the partial anticipations reflected in the provisions before law 123, develops this concept in two directions: on the one hand, guaranteeing a certain figure of reference for employees for each working reality (company representative / area / production site), on the other hand strengthening the powers of the workers' representative for safety and security.

It means, therefore, the relaunch of participatory philosophy, which is specified in the European law. The Italian law is an implementation of the European law, which deems essential that workers and their representatives are able to contribute with a balanced participation to the adoption of the necessary preventive measures.

The emphasis on the proactive role of safety representatives can be seen clearly from the Title of Section VII, *Consultation and participation of representatives of workers*, replacing the *Consultation and participation of workers*, as provided by Chapter V, Title I of the legislative decree no. 626 of 1994 - as well as in Chapter III, Management of prevention in the workplace, Title I of the legislative decree no. 81.

The three forms of workers' representation regarding safety have a common denominator in the general definition in article 2, par. 1, letter i) that, drawing from the legislative decree no. 626 of 1994, in line with the EU Directive, identifies the workers' representative for safety in the 'person elected or appointed to represent employees as regards health and safety at work'.

This is the figure of a specialized representative, an exponent of collective security as a common interest of a group of people operating in the same working environment, different from other figures in the prevention system of the company (the incompatibility with the manager or employee appointed to the prevention and protection system is now explicit) and from trade unions.

The notion of representation for security must be interpreted in the light of the new environment created by the reform, which goes well beyond employment, as it is clear from the very definition of worker, referred in article 2 par. 1 letter (a) and from the rules on the specific application field, stating that the beneficiaries of the law are employees and self-employed. This should also have implications for the collective regulations on active and passive voters for the RLS.

As for the causes of the failed application of the participatory model long after the enactment of legislative decree no. 626 of 1994, besides the resistance of employers, which focus mostly on bureaucracy and formal rules, some obstacles to the development of the participatory model on the part of the trade unions can be identified. They are not due to an ideological opposition, but rather to poor dissemination of experiences, skills and tools for its implementation.

The direct participation of workers is clear from the role of the agreement regulation about different forms of representation, starting from the choice of the constitutive rules (election / appointment).

The discipline about the representation of workers' safety is to impact on relevant theoretical nodes, as the necessary legal aspect or the private - voluntary aspect of such form of representation and the relationship between specific safety representations and union representatives.

The delicate compromise outlined by legislative decree no. 626 of 1994, was enriched with additional elements, such as the election of safety representatives by decree (known as *election day*), although subject to different determinations from the collective bargaining, which might suggest an institutional conception of the representation.

In a legislative framework aimed at highlighting the need for a representation of workers' safety, because of the public interests at stake, the voluntary aspect is

derived from many factors, which are confirmed by the reform, such as the delegation to collective bargaining for the regulation of significant aspects of representative of workers.

Arrangements, duration and specific content of the training of representatives of workers are delegated to collective bargaining, including arrangements for regular updating, to be established in the collective bargaining (subject to a minimum content), but above all the number, nomination or election mode of the safety representatives, as well as the paid working time and the tools to carry out the functions, and the unambiguous link between the representative office to the expressed will of workers, but with the notable exception of the area representative or so called 'rappresentante territoriale'.

As for the second issue – safety representatives and trade unions – the actual identification of safety representatives with union representatives is to be confirmed. In companies with more than 15 workers, the safety representative is chosen within the trade unions in the company.

The application agreements confirmed the single channel of representation, typical of our industrial relations system, compared to a dual channel system, required instead by the law. The work on health and safety is closely linked to the contractual activity, worth the risk of creating representative bodies in possible competition between them, with the consequence of weakening the protection.

The representative of workers' safety, far from staying separate from the business representatives, should actively participate in drafting contractual business platforms, identifying priorities to be achieved. Recognizing to the workers' representative for safety even powers of intervention does not seem to be in contrast with the regulatory provisions, which says nothing about it, nor with the european legislation which delegates broadly to the national systems. However, it could bring new life to the development of a promotional bargaining, mainly at a decentralized level.

Another key decision is about the relationship between bargaining and participation.

Actually, the contradiction between the two terms is more apparent than real. The Italian industrial relations system experienced the emergence of mechanisms that fostered the emergence of a participatory negotiation and it has transformed bargaining activities into a permanent dynamic process, mainly through management agreements.

The participatory approach involves the fact of considering the work as an indispensable resource for business strategies, knowing that the company is not static and immutable, but it offers free spaces where workers' representatives may intervene; it does not mean to snatch something but to express a viewpoint that is proactive, through the knowledge of the success and failure factors of the company.

Collective bargaining itself is set as complementary to the participatory model.

Participation may act on the choices of the organization by reaching management agreements, and the collective bargaining may be recognized an important space from a general regulatory perspective, increasing protection standards set by law and through the specification of contents and limits of the safety duty, especially against elastic provisions, filling the gaps covered nowadays by the judicial substitution.

Three levels of representation

The system of representation of workers' safety is articulated not only at company level but also at a local and production-site level.

Article 47, re-elaborating article 18 of legislative decree no. 626 of 1994 requires the election of employees' representatives for the territorial, business or industry security, unless otherwise foreseen by collective bargaining, in a single day, as identified in the European Week for Safety and Health at Work (so called 'election day').

Collective bargaining keeps the responsibility for determining the tools for appointing or electing the representative of workers' safety.

If the election of workers' representative is not carried out in the company, which is the basic preferred unit, functions are exercised by the local or production-site

representative. The territorial representative can act in those cases where it has not been elected or appointed a representative, not only for businesses with up to 15 employees, but also for those above this threshold. It should therefore no longer exist any gap in the system of representation. The provision is intended to provide some reference for each working reality.

However, the legislative decree no. 106 of 2009 correctly does not state that workers are responsible for the activation process of the procedure, as concerns the communication to the employer about the failed designation of an internal representative, since the representation model introduced by legislative decree no. 81 of 2008 can be void, precisely in those situations where workers are more vulnerable and less conscious of their rights.

Shifting to participation mechanisms under the law, the local representative is allowed to access to workplaces in the ways and notice periods identified by the national collective discipline and, in the event of failure, to have primary reference in the joint bodies, or so called ‘*organismi paritetici*’.

Regional representatives are called to play the role of register of territorial representatives, since they must communicate their names to workers and to the company and they play a role in protecting workers and do not depend from joint bodies neither from a hierarchic standpoint, nor from an operational standpoint; joint bodies are just the place where to carry out part of their duties.

Significant changes were made in the training of regional safety representatives, whose details can be found in collective bargaining, following a training course of at least 64 hours yearly, to be completed within three months from the date of election or appointment, and 8 hours of annual update. This provision, together with the established incompatibility of the role of union representative, shows the attention of the legislature for that figure, because of its more onerous tasks.

The safety representative is required to prepare an annual report on its activities, to be sent to the fund under article 52.

The collective discipline application states that regional representatives, based on priorities defined at the national bilateral level, must give a work programme, having to report regularly on its activities to highlight the issues raised at the

company level. The identification of national priorities at the bilateral level should not be deemed as limiting the prerogatives of local representatives on safety who, given their function, can play more protection activities, not yet considered.

A decisive role is attributed by legislative decree no. 106/2009 to interconfederal agreements, concluded between trade unions of employers and workers more comparatively representative for the identification of sectors and activities, other than the construction field, where representation or parity systems are already operating with the model outlined by the reform, legitimizing the exemption of member companies from the payment to the fund under article 52.

In accordance with the delegation criteria (Article 1, par. 2, letter g), last period of the decree no. 123 of 2007) the figure of the workers' representative for the safety of the production site is introduced.

The identification of a specific representation of the production site, hopefully also form unions, designed to protect all those involved in a specific environmental context, is of great interest and in line with site bargaining, midway between territorial and company level bargaining, developing in realities characterized by processes of business deconstruction / renovation, where it is difficult to see a unifying principle in terms of rules.

The fulcrum of the law is to be found in the general reference to production environments with complex issues relating to interference in working phases or by a number of working employees in the area greater than 500 on average.

Site representatives can set up even in contexts different from the classical decentralization of production, where each company is linked to another because they play one single complex production cycle, being sufficient that interaction between companies is made for purely logistical reasons.

That of the production site is a voluntary representation being identified among the representatives of workers 'safety in the operating site, and it has to perform coordination functions of the representatives of workers' safety, as well as additional functions similar to those of territorial representative for all companies that have no internal representation.

This form of representation was introduced by specific protocols, such as those for the harbours of Naples, Genoa, Ravenna, Trieste and Venice and from leading agreements relating to the testing of safety management systems of production site.

These experiences teach that the representative figure for security of the production site should be part of a logic of an integrated set for security, where the same functions of prevention and protection of the employer should coordinate internally, by identifying a reference Authority for security for the entire manufacturing site, which is responsible for planning and coordination of interventions.

The approach to participation characterizes the broader powers granted to the representative of workers' safety by article no. 50 of legislative decree no. 81 of 2008, essentially confirmed by legislative decree no. 106 of 2009.

This participation takes the weak form of a consultation with mandatory opinions that are not binding for the employer, which do not undermine the separation of roles and business responsibilities. Moreover, the representative of workers' safety may require the intervention of the competent authorities if it considers that the measures taken in the company are not sufficient to ensure the health and safety at work.

The powers and protections listed in article 50 apply to the safety representative in general and not only for the company, but also for territorial representative and for representative of production site, when operating as the alternative.

Specific provisions are provided for access rights of the sole local representative.

With regard to the functions of the representative of workers' safety, article 50 contains an explicit reference to article 19 of legislative decree no. 626 of 1994, as amended by article 3 par. 1 and the law no. 123 of 2007, including the right to request copies of the risk assessment and of the risk assessment in case of interference of work.

Among the innovations that help extend the powers of the representative of workers' safety, there is the consultation on the appointment of a qualified doctor, as well as on the organization of training for those subjects identified in article 37

(employed, appointed, managers, emergency workers) and not, as previously expected, only for emergency workers.

There is also the possibility of recourse to the competent authorities including on prevention and protection measures taken by management and not only by the employer, when the representative considers these measures unsuitable for the protection of health and safety.

Remember also the right to have not only the means but also the space needed for the exercise of its functions (including access to data on occupational accidents saved in computer software).

Furthermore, article 26 par. 5, as amended by the decree no. 106 of 2009 provides for the obligation to precisely indicate in the contracts the costs of the measures taken to eliminate or minimize the risk of interference in processes. Consistent with this prediction, the right for the representative of workers' safety and local organizations of more comparatively representative trade unions to access such data should be provided.

The representative of workers' safety must also respect privacy, under legislative decree no. 196 of 2003, and industrial secrets, as well as the processes in which he has been involved carrying out its functions.

As for the consultation and delivery of the risk assessment document, the model outlined by the so called 'Testo Unico della Salute e Sicurezza nei Luoghi di Lavoro', as by law no. 626 of 1994, provides for the involvement of the workers' representative from the moment of initiation of this procedure.

Indeed, under article 29, par. 2, *the employer carries out the risk assessment and processes the relevant documents, after consulting the representative of workers' safety*. The preventive and early consultation with regard to risk assessment is reaffirmed in article 50 par. 1 letter (b); instead it must be pointed out how the participation of the representative of workers, even in the weak form of consultation, mainly concerns the final act, the risk assessment document, rather than its development.

The most advanced negotiating experiences highlight instead the promotion of security which is achieved first and foremost by strengthening the functions of the

workers' representative, as a credible and qualified partner responsible for the service of prevention and protection, even more if there are service of integrated management and joint control of security.

An example might be the extension of the object of the periodic meetings during which codes of conduct and good practices can be identified.

The participatory profile of risk assessment by the active contribution of workers' safety representative is invoked by legislative decree no. 106 of 2009, also as an alternative to the usual procedures to give the risk assessment document a fixed date. It states that *the document drafted at the conclusion of the evaluation must be equipped with certain date or certified by the document signed by the employer or, for the purpose of the date proof, of signature of the head of prevention and protection's service, of the representative of workers 'safety, or workers' representative for the territorial security.*

Alongside the early consultation of the risk assessment document, there is an ex-post consultation which is expressed after the risk assessment document, in order to make changes and additions compared to not yet considered profiles of risk.

In this respect the most important innovation is the explicit affirmation of the right of workers' safety representative to receive copies of the risk assessment document to carry out its functions, to which the right of the workers' representative is added, namely of the client employer and of contractors, to receive, upon request, copies of the risk assessment document for interferences.

We have to note that this formulation helped solve the problem whether the documents related to risk assessment should be physically delivered, or were only accessible to workers' safety representative for consultation. It was however considered that, given the participatory role of the representative of workers' safety, he has the right to receive copy of the risk prevention document.

Another question was also whether it was possible to bring the risk assessment document outside the company, so that the worker's representative can have more time to read it and he can be assisted by external actors; it is still a business document, to be protected at the production unit to which the risk assessment relates.

On this point the legislative decree no. 106 of 2009 provides the ability to deliver to the workers' representative one copy of the risk assessment, including electronically, recalling the mandate of article 53, par. 5 of legislative decree no. 81/ 2008, document also available exclusively in the company. This regulation, which incorporates a reading given by the Ministry of Labour, raises some doubts. The interpretation to consider the computer-readable version additional rather than alternative to the first paper cannot be derived by the changes made by legislative decree no. 106 of 2009, article 28 par. 2. If the purpose is to allow a detailed analysis of the risk assessment document, the provision can be considered functional only if, without prejudice to the protection of trade secrets, on the one hand it guarantees the workers' representative time for consultation and, on the other hand, it is guaranteed that he can be assisted by specialized figures.

Decree no. 106 confirmed, and in some cases substantially increased, the penalties in this regard. Failure to deliver the risk assessment document is now punishable with imprisonment from 2 to 4 months or with a fine from 750 to 4.000 euro. The lack of consultation in general of the representative of workers' safety is punished with a fine of 2.000 to 4.000 euros like that with specific regard to risk assessment.

Under article 50 of legislative decree no. 81/2008, the representative of workers' safety has right of access to workplaces for the control of the security measures. Such right of access to monitor security measures is contained in the norms and in the case law in relation to the first part of article 9 of the Workers' Statute. This right is not subject to the prior consent of the employer and, in the absence of procedural constraints set by collective bargaining, meets only the limits set by law to prevent an improper forms of exercise.

Compliance with the production requirements covered by collective discipline cannot result in an abstract rule behind which we can entrench the employer to impede the activities of the representative of workers' safety, he having to prove the existence of these specific needs.

The regulation provides for prior notification of collective visits. The use of permits by the workers' representative shall be communicated to management

with a notice to be considered, if not determined by collective bargaining, established in 24 hours, by analogy with article 23 of the Workers' Statute for paid leave.

Access to the workplace safety representative must respect the territorial arrangements and notice periods, identified by the collective discipline, national, or interconfederal category. It is desirable that collective agreements do not make it particularly cumbersome to exercise that prerogative.

The period of notice doesn't operate in case of serious injury; in this case it is guaranteed the immediate access for the local representative to the workplace, only after reporting to the joint body, or in his absence, to the locally competent supervisory body.

If the company prevents the representative of workers' safety from having access to data, the latter communicates it to the joint body or, in its absence, to the surveillance authority with territorial jurisdiction, in order to remove the impediment. The role of guarantor of bilateral fora about the effective exercise of functions by the local representative is confirmed, for the fact of being also the first instance of reference on disputes on rights of representation.

And it is desirable that the rules on access to workplaces dictated exclusively for the representative area, are also extended to the safety representative of the production site, both when playing a coordinating role among representatives and when acting as a substitute in the absence of internal representations, in one or more companies in the manufacturing site.

In addition to the workplace, the representative of workers' safety has the right to access data on accidents at work, in article 18 par. 1 letter (r) contained in computer applications, as well as to business records relating to specific risk agents.

8. The tripartite cooperation and the “Organismi paritetici”

The involvement of social partners is a significant expression at the regional level in joint bodies whose powers are enhanced with a view to promotional and technical support to businesses.

They are defined as bodies formed on the initiative of one or more associations of employers and providers who work at national level as leading centres to plan training activities and to prepare and collect best practices, development of actions concerning security, assistance to companies that aim to put the burden on security and any other function or activity assigned to them by law or by collective agreements.

A first area of intervention in promoting or conducting training activities is characterized by a more operative approach than the function of guidance and promotion of educational initiatives as from article 20 of legislative decree no. 626 of 1994.

With regard to safety training, based on application experience, there is a need for its wider dissemination, and at the same time its better qualification.

It comes out in particular the need for a system of government training initiatives with the participation of social partners. One could think for example of specialized sessions at regional level on the training side organised by the regional coordinating committees that make the choices on priorities and delegate the management of individual initiatives, in conjunction with the joint bodies, to individuals with proven accredited professionalism.

Training certification is very important (skills acquired should be recorded on the national training booklet, the so called ‘Libretto Formativo del cittadino’ in article 2 par. 1 letter i of legislative decree no. 276 of 2003).

Legislative decree 106 brings the issue of significant innovations. It states that ‘the training of responsible and managers may be carried out by the joint bodies where existing, providing a concrete service to companies and with a participatory perspective that the joint bodies may also carry out training through the use of funds and inter-administration work’.

It also confirms ‘that the training of workers and their representatives must be carried out in cooperation with the joint bodies if they are set in the area where the employer’s business is located.’.

Another prerogative of joint bodies is that they are the first reference instance on disputes on rights of representation, information and training provided by law.

The purpose of joint bodies concerns both the disputes regarding the powers of workers’ representatives as for the implementation of the rights of representation, and the individual rights of workers in the field of information and training.

The joint bodies are called to decide on the enforcement of representation provided by law, in particular, the powers of workers’ safety representatives. For example, in respect of any impediments provided by the employer or other company figures to the right of access to workplaces, or RLS prerogatives concerning consultation, information and training.

As for the effectiveness of decisions, it does not seem that the joint ruling body may be considered binding if individual rights are at stake, in which case the function of dispute settlement by trade unions in the joint can be exercised only in the presence of a specific mandate from the worker.

Moreover, the functions of the joint bodies should also support businesses in finding technical and organizational solutions aimed at ensuring and improving the protection of safety in the workplace.

Particular emphasis will be put on the indication of technical standards to be followed and the development of good practice, for which there is a responsibility of their joint bodies.

To this purpose the joint body may carry out inspections in areas falling within the territories and in the productive sectors of expertise since the joint bodies are obliged to report to the Regional Committee for the coordination of the activity, an annual activity report.

Good practices and policy recommendations

Legislative decree no. 106 of 2009 further states that the conduct of activities and support services to the enterprise system, at the request of those bodies issue joint

statement specifies, including the legalization of the adoption of models of organization and management of security in article 30, which supervisors may take into account in planning their activities.

The expression of legalization the so called ‘asseverazione’, which seems to stand for the least evaluative connotation of public importance, however, involves the formulation of an opinion that must always be strong and determined and can be effective extenuating circumstance for the administrative liability of legal persons. To this end we require that the joint bodies are provided with accommodation with technical expertise.

In support to the activities of joint bodies, representatives of regional security as well as for financing the training of employers in small and medium enterprises and self employed workers, is expected to establish a special fund at the Inail. The fund , which is financed by contributions paid by companies without safety representatives to the extent of two hours per worker, works in those situations in which the law does not provide for collective representation systems or parity improve or at least equal level. On this point the legislative decree, which includes significant changes, relies on one or more interconfederal agreements, concluded at national level by unions of employers and workers representative comparatively identifying areas and activities which, because the presence of adequate systems of representation or parity, companies or branches, provided they adhere to these systems, are not required to participate in the fund under article 52.

It is thus resolving an ambiguity in terms of interpretation, whereby those systems of representation and bilaterality already work on a contractual basis, ensuring companies are not required to pay more for the same purpose.

The issue of cooperation of companies with joint institutions is a recurring problem that has prompted companies to look for a body with which to collaborate. The joint bodies, being made at local level are local and in many cases, as in southern regions are non-existent.

There are signs of important heterogeneity since many of these bodies pertain especially to the construction sector, where they have valuable experiences. Given

this situation, one wonders if such a fragmented collaboration established by law is rather an obstacle in current times, more than an opportunity.

On the one hand, the employer is liable if the training programme provided is inadequate and inappropriate; the employer shall not require direct intervention of joint body or that the body carries out joint training directly but must interact with it in order to weave a proactive and constructive relationship aimed at achieving adequate and sufficient training.

In the same collaborative line, joint bodies will propose company tools, content or whatever mode it is considered necessary for a successful outcome of the training, but without imposing their vision beyond the limits of normal and dialectical opposition, even by vetoing proposals for collaboration where their views are not accepted. The norm tends to create a flow of ideas in an equal exchange, each aware of the role that can be played on the other: on the one hand the company is the largest operator qualified to operate in a targeted manner and on the other hand it is a joint body that, depending on its role as third party and function of neutrality, is able to suggest to the company ways of training that lead to go beyond the usual mode of training, but suggesting the added value needed to act and achieve the result on the person.

Moreover if the collaboration with the joint body is not mandatory, an agreement between an employer and a joint body is desirable for the employer, but not binding.

Indeed, article 37, clause 12 while placing the requirement for training in collaboration with the joint body, is not backed by any sanction.

In addition if the obligation borne by the employer is to provide sufficient and adequate training, if he had fulfilled diligently suitable training programmes, no criminal penalties will be applied.

The main role of joint bodies is in fact the promotion and then, once the employer has given notice of the intention to make the training course, the explanation of how the programme, times and teachers, simply giving suggestions that the employer may or may not accept.

The rejection by employers of the suggestions given by the joint bodies will not affect in any way the collaboration, according to legislative decree no. 81 of 2008. Moreover, with response to rulings issued in April 2010 the Ministry has clarified that the employer is obliged to do communication of training activities to be undertaken, but at the same time is not required to comply with the opinion of the organization and, in case of silence by the joint body, training will be conducted properly.

9. Training policies and contractual tools

The issue of skill mutation or loss

Coherently with the European Employment Strategy, Italy recognizes lifelong learning as a strategic response to industrial restructuring challenges: by equipping workers with the right skills, it enhances employability chances, especially for older workers.

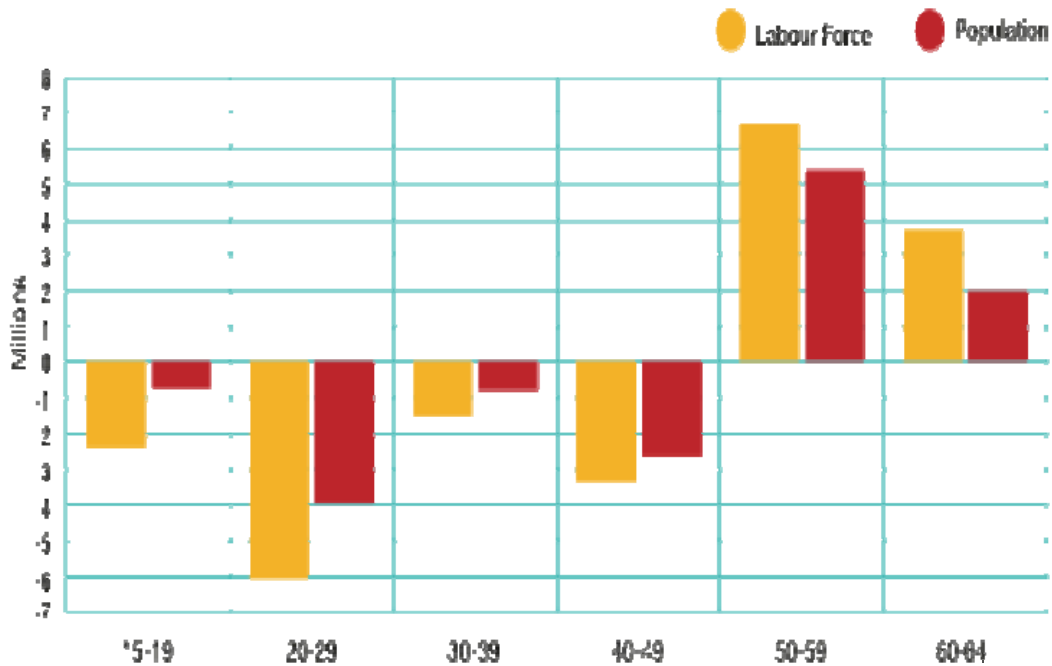
At the European level, Guideline no. 23 of the 2008 *Decision of the European Council on guidelines for the employment policies of the Member States* (Brussels, 7 July 2008, 10614/2/08) specifically recalls older workers among the privileged targets of efficient lifelong learning strategies.

At the national level, the White paper for future social model explicitly recalls lifelong learning as a key strategy for labour relations. Yet, the document claims that widespread lifelong learning opportunities are missing in Italy, due to the self-referential nature of training policies in Italy. The White Paper also denounces that training opportunities in Italy are still confined to traditional learning assets, that is to say formal learning in classes and lectures. Yet, more importance should be given to the company as a learning environment and as the best place where workers could develop their professional profiles.

Training, competences updating and upgrading as well as lifelong learning are a topic of major importance also in light of the changing occupational structure in Europe. Linked to demographic trends of ageing population (see Chart 1),

European countries are going to experience a decrease in qualification levels, being elder workers less qualified comparatively to younger ones.

Chart 1 changes in population and workforce size between 2010 and 2020, by age group (EU27 + Norway, Switzerland)



Source 1: Cedefop, 2010

By 2020 the population over 50 years old will overcome the population under 50 years old. Considering that on average older cohorts are less skilled and qualified and that labour markets are going to require increasingly competent and qualified workers, older ones will face the need to engage in training and retraining activities. Reports at the European level claim this is not going to be an easy task since only 25% of the people aged 25-64 in Europe (around 77 million people) record high level qualifications. Whilst nearly one out three people have no, or low, formal qualifications and those are much less likely to participate in upskilling and lifelong learning. Available data (European Commission, *Progress towards the Lisbon objectives. Indicators and benchmarks 2008*), show that lifelong learning is still far from being a reality in Europe. The Lisbon benchmark was reaching 12,5% of adult population in the EU participating to lifelong learning activities by 2010. Yet, progress is still slow in many countries, including

Italy, where less than 10% of adults are involved in such programmes (6,2% in 2007). The European Centre of vocational education and training recently published a briefing note on the importance of older workers competences, their training and retraining also for requalification following companies' restructuring process (Cedefop, 2009).

When it comes to Italy, though, empirical research showed that older workers hold medium-high level qualifications, being employed in knowledge based sectors such as business, marketing, research and development, business strategy (S. Giusti, 2008).

Being qualified though is not a sufficient prerequisite since workers need to be adequately trained and skilled with updated and upgraded knowledge and competences. This substantially prevents all workers from the threats of labour market changes, and protect them from social, economic and personal vulnerability. As remarked in literature regarding skills flight and obsolescence (see Simona Piazza in this Report), the latter can be better defined as technical obsolescence (people losing skills because of wear and tear or not using them), economic obsolescence (when skills loose their value on the labour market) but also perspectivistic obsolescence (when workers' beliefs and perceptions about work and the labour market are outdated). Therefore, education and training do also contribute to successful active ageing, integrating this process with lifelong learning and labour market changes.

From a sociological, but also organizational point of view, in general, available information and documentation concerning the Italian case, could be studied referring to what the skill levels of those workers affected by restructuring are and if older workers are willing to leave the organisation undergoing restructuring. Moreover, as for the cost implications for the company offering older workers early retirement, if these older workers accept early retirement, what impact there will be upon the organisation's skills mix, in consequence of other groups of workers replacing older ones.

Restructuring will even more urgently require workers to be adequately trained and skilled to cope with labour market quick and continuous transformations and

new economic and technical processes. Adaptation to change is a constant requirement for workers and companies and training, re-training can be a partial, though substantial solution to redeployment and skills obsolescence and the skills flight phenomenon.

From a different point of view, the importance of training is widely recognized for preventing stress, promoting well-being at the workplace and for health and safety at work purposes. In Italy available literature, collective agreements and several documents at the national and regional level recognize that information and training are two major levers both for employers and workers to prevent stress pathologies or to manage their consequences.

Italian literature on education, training and information for older workers in restructuring processes is lacking, although extensive references are available on single aspects of the aforementioned issues: education and training for workers, continuous training, restructuring processes, elder workers involvement in such processes. Italian literature analyzes training measures from two different points of view: *adult learning* and skills audit. The first topic is analyzed in literature regarding andragogy that is to say learning strategies focused on adults. Training for adults, especially when undergoing restructuring processes or facing changes, acquires a psychological value since it helps the worker reflect upon their knowledge, skills and competence. Training methodologies change when it comes to older workers and they should be as work based as possible. A very important issue that Italy recognizes in literature, although not really in policy measures, is trainers' training. Trainers should be equipped also with psychosocial skills when addressing skills needs of older workers in restructuring, given their weak social situation. A valuable tool for achieving this goal is *skills audit*, which in Italy is not as developed as it is in other countries like France. This is an important tool, which together with counselling and lifelong guidance, helps workers find coherence and consistency among the fragmented and plural learning experiences throughout their working life. The main drawback is that these techniques might be very costly, especially in times of restructuring and because they entail the worker not being on the workplace. Such tools though help older workers feel

their experience is valuable and their role in companies' restructuring can be a positive one.

From an institutional point of view, and as far as policy addresses are concerned, the Italian *White paper for the future social model* (Ministero del Lavoro, della Salute e delle Politiche Sociali, *Libro bianco per il futuro modello sociale. La vita buona nella società attiva*, 2009, in www.lavoro.gov.it) explicitly recalls lifelong learning as a key strategy for labour relations. The document also claims that in Italy widespread effective lifelong learning opportunities to enhance people employability are lacking, due to the self-referential nature of training policies in Italy. The White Paper finally denounces that training opportunities are still confined to the traditional learning assets, that is to say lectures and formal learning in classes. While greater importance should be devoted to the company as a learning environment and as the best place where workers update and develop their professional profiles.

Coming to older workers, the recent public debate underlined the importance of integrating *learning in the workplace* by encouraging more work-based training opportunities, rather than alienating training sessions in classrooms, that might result in uncomfortable learning environments for older workers. Moving older workers from their traditional working environments to take them back to a classroom can have negative effects both on productive sites that remain unused and quickly get obsolescent and on older workers, especially when undergoing restructuring processes. Showing personal abilities while also updating their skills in the workplace has a motivating effect on workers, who might otherwise risk feeling emarginated. By the way, well-managed in-company training has been recognized as a key step towards realizing the Commission's 'New Skills for New Jobs' plan, according to the EU Employment Commissioner László Andor. At the same time, European data alert about the effectiveness of in-company training in Europe. Data from the third survey on Continuous Vocational Training (3CVTS) report that continuous training supply in European companies is not improving its quality, in spite of the importance devoted to training as a major lever to allow the shift to a knowledge based economy and to skill-intensive jobs. The same

concerns are remarked by some Italian trade unions maintaining that companies do not properly train their workers and that more attention should be paid to the distinction between basic training and proper education and training sessions. For example, representatives from the major trade union in Italy (CGIL) do not recognize the company as a proper learning environment. Furthermore, older workers face serious risks in restructuring processes because companies do not invest in their training or retraining and tend to kick them off the company, even when it comes to manager or highly skilled workers.

Empirical research indeed shows that in Italy *older workers hold medium-high level qualifications*, being employed in knowledge based sectors, such as business, marketing, research and development, business strategy. Hence, when analyzing training for older workers in restructuring processes this aspect should be taken into consideration. Analysis should take into account also that a formal qualification does not always correspond to effective answers to the labour market needs, especially if titles are old as in the case of older workers. Anyway, as acknowledged by European institutions and as companies require, workers need to be adequately trained and skilled with updated and upgraded knowledge and competences in order to answer continuously changing labour market needs. This prevents all workers from the threats of labour market changes, and protects them from social, economic and personal vulnerability.

Continuous training for workers in time of crisis

Italy, as well as other European countries, developed a number of policies for active ageing, ranging from social security reforms to labour policies for older workers. The *National Action Plan for Employment* include occupational growth for older employees, targeting a mix of policies, including training, requalification, programmes for re-entering the labour market, etc.

Within labour policies, law no. 30 passed in 2003, regarding employment matters and the labour market (Law no. 30, 14 febbraio 2003, *Delega al Governo in materia di occupazione e mercato del lavoro*, published on the *Official Journal*, no. 47, 26 February 2003), regulated the so called ‘contratto di inserimento’

(access-to work-contract), that is to say a contract for permitting the access to the labour market of specific bands of the population. This contract is ruled by artt. 54-49 of the legislative decree no. 276 of 2003, under Heading II. According to article 54, the subjects entitled to sign a ‘contratto di inserimento’ are, according to letter c) unemployed workers, older than 50 years old. Art. 55 specifies that this contract requires an individual project for entering the labour market. This project aims at guaranteeing that the workers’ professional skills are adequate to the working environment he is supposed to enter. As a consequence, although the juridical cause of this contract is not linked to training itself, its implementation concretely consists in a learning activity, aiming at skills updating and upgrading for the labour market needs. The European Court of Justice though judged this contract as a measure equivalent to State aid and therefore nowadays it is still not fully working in Italy.

Up to date information highlights that education and training have been playing an important role in tackling the consequence of the economic and financial turmoil of the last few years. Continuous training has been identified as major lever, especially for older workers, to combat job losses, occupational transitions and inactivity periods. In this sense, the Italian Government, Italian Regions and all the social parts have signed an inter-institutional agreement on 17th February 2010 – the so called *Guidelines for continuous training in 2010* – recognizing that training represents a positive answer to the challenges entailed by labour market changes, including jobs’ crisis. The Guidelines aim at orientating how to manage the budget that Italy allocated for workers’ training in 2010, equal to 2.5 billion euro, with particular focus on unoccupied people and unemployed workers, as well as those who are granted unemployment benefits and those facing temporary layoffs (redundancy fund recipients, and those eligible for redundancy pay more generally according to ex. article no. 19 of Act no. 2/2009). Among these workers, many people might have been involved in restructuring processes in Italy, due to the economic and financial turmoil having affected the Italian economy in the last two years. The document, although it is focused on 2010, emphasises the

importance of continuous training as a social protection tool that enhances employability, guarantees more safety for workers.

The basic idea underpinning the guidelines is that training – in general but also for adult workers – should be based in the company. Curricula should give prominence to work based learning, on-the-job skills development, and they should be jointly drafted with social partners, bipartite bodies, in order to favour training investments that:

- a) be aimed to the weak bands of the labour market, therefore including older workers involved in restructuring processes;
- b) be organized in working environments or close to them;
- c) answer the real qualification and requalification needs of workers involved in occupational transitions, which will characterize the labour market in 2010;
- d) be drafted for *placement*, aiming at creating a dynamic and flexible matching of labour supply and demand and making the link – or integration – between the educational system and the labour market more effective, so that it is possible to meet territorial and sectoral skill needs.

The Italian Guidelines for adult workers' training in 2010 provide five indications for designing, managing and evaluating workers' training in times of crisis:

- 1) favouring measures to meet the professional and competences' needs of companies and workers. To this end, skill needs should be collected by a number of entities on local territories, including bipartite training funds, labour consultants, employment agencies, etc. The Minister of labour will collect and coordinate all information and make them available for workers and companies;
- 2) the promotion of a competence based pedagogical approach. Training provision should be conceived in terms of 'competence development' and no more in terms of courses or disciplines.
- 3) the widening and diversification of training actions for unemployed people through the promotion of internships, VET courses also at the EQF levels 6-8, apprenticeships contracts and in general by promoting work-based learning.
- 4) adults training, to be promoted through:

a) training-labour agreements, which allow workers who are granted unemployment benefits to go back to the company and be trained on the workplace, maintaining the benefit;

b) using bilateral training funds resources for financing continuous training for redundancy fund recipients hired in 2010, provided that the worker was contributing to that specific fund;

c) creating information points by bipartite bodies and employment services (public, private, authorized and accredited) for workers of all age. Such info points should take care of the workers, orientate and make them responsible in the light of their return to the labour market;

d) training programmes in working places, also when inactive, and at the VET centres that look like productive contexts and adequate stage periods by the company;

e) using inactive workers as tutors for training and vocational activities, including apprenticeship contracts, after they have properly trained for covering this role;

f) promotion of the ‘contratto di inserimento’ especially for over 50 workers, young people and women, by strongly working on the professional needs to be decided by companies and workers.

5) definition of a system for registering accredited ‘independent evaluators’ at the regional level. Independent evaluators should be set up with the contribution of social parts and bipartite parties, and their task would be the evaluation of competences to carry out a profession, for reinforcing labour market transparency and information, for improving labour supply and demand matching and help the search for more effective training activities. The proper instrument to be used for registering workers competences is the Citizen’s training booklet, issued with legislative decree no. 276/2003.

Information and basic training

Decree no. 81/2008 codified the notions of training and information by fully embracing the current case law and doctrinal standpoint; it also introduced the

fundamental principle that “every subject playing a role related to safety and security in a company needs a preconcerted training path, tailored to his/her responsibilities and tasks within that specific organization”. The latter statement clearly extends the duty of training and information on safety and security to managers and other roles in the company (not only for employees). As for training, the latter has been defined as the educational process through which employees (and other subjects of the safety and security system) acquire knowledge and procedures useful to perform their duties in security and to identify, reduce and manage risks.

So, a first aspect to stress is that the educational process mentioned in the law is not of a generic kind (i.e. general skills concerning safety and security), but it is otherwise specific in the sense that it comprises the risks, procedures, and actions relative to the office carried out by the employee in his company. This point is a fundamental condition to evaluate the adequacy of the training process.

Other rules from article 37 tend to further reinforce the concept of a specific training as a mandatory requisite. The result is that, for instance, the mere participation of employees and other roles to basic and generic courses on safety and security, without any reference to the real situation of the company and the specific tasks carried out, makes the training process extremely inadequate, because it doesn't provide the necessary skills to prevent accidents and professional illness.

It descends from this principle that the employer who does not fulfil this duty, as defined by law, is liable both from the penal standpoint (for inadequate training) and from the contractual standpoint, because it determines a violation of Article 2087 c.c.

An employee, who is not adequately trained (e.g. he only attended a course of a few hours and only about general topics), can refuse to carry out his job (art. 15, 18 and 44), in compliance with the principle of self-protection, and he keeps the right to remuneration and to preserve his place. He can also resign ‘for good reasons’, according to article 2119 c.c.

Among the inadequacy parameters of the training process, we can certainly include ‘undifferentiated training’, i.e. the fact that heterogeneous groups of workers, of different office, sex and (more importantly for the present study) age, attend the same lesson. Another inadequacy parameter is a planning of the training process not taking into account the behavioural aspects and the specific needs of the trainee.

An inadequate training process is moreover one that lacks proper interaction and collaboration with the local so called ‘Organismo Paritetico’ (i.e. an internal part of trade unions), and training courses to immigrant workers, performed without checking their understanding of the language.

Another relevant point is also teacher's qualification: article 106 of decree 2009 has appointed to the so called ‘Commissione Consultiva Permanente’ the task of identifying a list of criteria to assess teacher's qualification. Recently, it has happened that teachers were too young and/or lacked any experience on the specific topic. The result was that those lessons ended out as formal rather than substantial lessons.

It is surely relevant to our study that risks evaluation should include all risks for employees. In the risk evaluation process, the employer must consider all risks related to sex and the different age of employees. As concerns age, in the last years the attention was mostly focused on the need to evaluate risks for safety and security of younger employees. In 2007, the report of the European Agency for Safety and Security pointed out that, although there is no precise threshold to consider a worker as elder, those workers are particularly sensitive to certain type of risks, especially in tasks requiring quick reaction and muscular strength.

Besides, work-related stress must be taken into consideration for a correct evaluation of risks. In order to properly evaluate the risk from work-related stress, the agreement of October 8th, 2004 suggested some criteria, such as a higher rate of absenteeism and of employee's turnover, often with complaints and conflicts among workers. Evaluation of stress-related work strongly demands care by all the subjects involved, first of all the employer and then those other subjects taking part in the risk evaluation process.

The evaluation process has been explicitly strengthened by decree no. 81/2008 and afterwards by decree no. 106/2009.

Being sex difference a mandatory aspect to consider in risk evaluation, there is a call for further studies and research from the different disciplines, to integrate and update available data on the matter. It is actually clear the attitude of the legislator to go beyond the attention only for the peculiarities of the female world (e.g. pregnancy and motherhood whose discipline is widely confirmed): nonetheless, with a positive approach, the legislator tends to stress the peculiarities of the two genders in the context of the working place during the whole working life, taking care also of the male gender (after being almost forgotten in last years).

Then, correlating gender with age, and stressing the positive aspects of the matrix-style approach of the legislator to take care of every worker, we can't neglect a particular attention for elders employees of 40 or 50 years old.

On the one hand, there is need to take care of the male working population, especially those workers approaching the 50s, because of the higher probability of cardiac and metabolic diseases; on the other hand, such an age is critical for the female population, because it represents a period of big changes both at the physical and psychological level, thus implying a whole new situation of exposure to specific situations of risk. In the latter context, there are well-known hormonal diseases like osteoporosis, which can cause a higher risk of repeated small injuries, and inflammations due to rapid movements and excessive loads.

Another aspect, still concerning the training process, is that of the so called RLS (i.e. Representative for Security of Workers): such a figure needs a special ad-hoc training process, focused on the risks peculiar to his working places, in order to provide him with adequate competences on the most important techniques to prevent risks. As for the subjects of such a training process, it must draw a lot from the risks evaluation process, and this implies that RLS should be implicitly trained about risks specific to elders employees.

The relationship between the risk evaluation document and the training process is confirmed by the fact that such document is the tool through which training needs are identified, but it is also the first advice to teach safety and security to

employees. Another aspect strictly connected to the latter is that of the ‘organizational and management models’, which exempt company from liability in compliance with article 30 of decree no. 81/2008. The organizational model should provide an adequate control system of the very same model and of the persistence in time of valid measures.

In order to be considered efficient, this very control activity should lead to some conclusive documents either confirming the DVR's validity or calling for a further revision of the DVR.

It is strictly necessary that, in the risks evaluation process, the employer promotes the participation of employees in a dialogue concerning issues like the internal atmosphere, motivation, resources exploitation and the sense of being part of the company. The adopted procedures will be truly effective only if they are founded on shared procedures and on a shared perception of danger and the risks.

Actually, this is the key strategic aspect of good management of safety and security: the employer must catch and evaluate those correlations occurring between quality, production and safety from a systematic perspective and feel safety not only as compliance with the law, but also as result of a whole management system. This point is widely explained in article 28-30 of decree no. 81/2008, referencing the rules by UNI-INAIL for managing safety and the rules by British Standard 18001: 2007.

Interpreting safety as part of a management system poses the following prerequisites:

- a precise and continuous monitoring of the situation in the company;
- a detailed training and internal communications plan;
- the awareness that growth is always bound to the participation and collaboration of people in the company;
- communication tools must be used to notify flaws, dangers and troubles;

The final outcome is a collaborative mindset where safety and security are considered shared duties among people in the company; they also rely on the human relationships established in the company and, last but not least, the participation of elder employees in this scenario.

Another key point is how to precisely trace the training process carried out. A deep and complete knowledge of the learning past of employees is deemed essential to lay out an effective training process. The introduction of so called Training History Book of Citizen ('Libretto formativo del cittadino') can help keeping the training path constantly monitored and identifying workers in need of urgent a training session.

The real challenge nowadays is turning those innovations into real programmes carried out in every working context and for every employee. As for the practical identification of the employer's duties, these rules appear less innovative, since they do not help clearly classifying the duties of employers.

The information obligation of employees means making each worker aware of his specific risks and teach him a set of prevention rules, either by publishing them all around the working places or by other means.

Though such rules aren't exactly new, the effectiveness of the rights of information and training allows workers to willingly participate in the process, in total compliance with Directive no. 391/1989 from which a new role for employees clearly emerges: employees are not just subject to the rules, but they are active part of the whole system.

As recalled by article 36 of decree no. 81/2008, information must be easily understandable by employees and it must give them a practical and effective knowledge. The aim is to maximize the efficiency of the training process, which would be otherwise useless. To this purpose, pre-checking language comprehension is an essential step to take, mostly for immigrant workers.

Beside general information about the risks implied by his work, par. 2 points out that the worker must be informed about specific risks for his health, which can arise after carrying out his working activity. As mentioned above, training should be recorded on the Training History Book of Citizen (Libretto Formativo del cittadino), which is intended as a means to collect, summarize and record the different training experiences of the working population, and moreover the different skills acquired in the training process: at school, during training and in

the everyday work. The latter aims at optimizing the exploitation of workers skills and improve the occupation level of people.

Training, as addressed by EU, is certainly a complex process through which useful knowledge is transferred to workers, managers and other roles, so that they can safely act in working places. Another recently debated point concerns cooperation with the so called ‘Organismo Paritetico’. Collaboration with such an entity is increasingly being considered as binding, provided that it is active in that specific production unit and field.

The Italian Department for Work has stressed out that the ‘Organismo Paritetico’ has a mere orientation and promotional scope in the training process, and for this reason its opinion is not binding for the definition of the process itself. An opposite interpretation would interfere with what is prescribed by article 18 of decree no. 81/2008: collaboration with the ‘Organismo Paritetico’ is just of a consultive kind, but that does not preclude local agreements that imply a more intense participation of such entity in the training process. It must be pointed out that such a collaboration has a validation effect only in the planning phase of the training process, and it does not necessarily influence the operation phase of the same process. It is nonetheless in the prerogatives of the judge and of the supervision committee to dispute, e.g. against the lack of information about some peculiar risks.

A training course made in collaboration with the ‘organismo paritetico’ does not guarantee *as such* conformity to law for the employer, even though it is commonly agreed that the participation of this subject strongly contributes to higher quality training courses.

On the one hand, the new legislation is much more incisive from the stand point of prevention, but on the other hand it lacks the foundation stone of an agreement with the Conference of the Regions, concerning refresher training for both RSPP and employees.

We have to consider also the case law of Supreme Court on the topic of contractual training obligation. First of all, such case law establishes that training is a circular process, revolving around a continuous interaction between training,

supervision and risks evaluation. As for the effectiveness and adequacy of training, the Supreme Court states that training has to interact with an adequate evaluation of risks and it should not simply be limited to a formal compliance with the law: the case law explicitly mentions a proactive continuous action of the employer to assess the actual learning by the employees.

According to case law, there is the obligation of a stronger training in particular for recruits, for external employees (e.g. in the case of outsourcing), for flexible employees as from decree no. 276/2003, for employees working in dangerous and isolated activities, for young workers and for employees exposed to specific risks. The case law didn't seem to address so far the problem of a specific care and training for elder employees. It has nevertheless underlined that appointing even a simple task to a practiced employee doesn't exempt the employer from the obligation to give instructions about specific cautions to take and about the safe use of special equipment.

Still in the light of an effective training, the case law states that training should not only be theoretical, but also practical and a proof of the actual learning is needed, i.e. the worker must demonstrate that he is capable of safely operating with the needed equipment. According to the Supreme Court, simply providing the worker with a handbook for a quick reference is totally useless.

Employer can also fulfill the training obligation by means of third persons, such as collaborators, taking always care of updating the training process when risks conditions change.

The main problem, even when training is targeted to elder workers, is that of the effectiveness and adequacy of the process itself. As a consequence, it should be considered inadequate a training which contrasts with the risks contained in the risks evaluation document.

Training courses in e-learning mode cannot be considered compliant with the law, if they are disconnected from the specific reality of the company and from the learning needs of the workers;

The case law so far has been mostly focused on the safety of young workers, as demonstrated by the numerous notes to sentences concerning the responsibility of employers for accidents occurred to younger workers.

Another (still missing) key tool is a strong agreement between State, Regions and the independent Provinces of Trento and Bolzano, concerning training and professional update of employers directly playing prevention and safety protection roles (art. 34) and of workers (art. 37, par. 2). Such an agreement was to be issued by May 15 2009.

A draft is being prepared by the Department of Labour and the Regions and it should be approved soon.

As for workers, the law should point out the duration, the essential contents and the training modes; in particular, for that early training to be carried out when beginning a job, when changing working place or tasks, the duration ranges from a minimum of 8 hours, for low risks activities, 12 hours for medium risks ones, and 16 hours for high risks ones.

Professional update will become mandatory not only when introducing new machinery or tools, materials and dangerous substances, as stated by article 37 without posing any time limits for the so called ‘update recalls’ [6]; an update course of at least 8 hours is also required every five years. Employers personally playing prevention and safety roles, first aid, fire prevention and evacuation (art. 34), will have to attend a training course whose duration and contents are identified by the ATECO code for the specific field of activity of the company; courses will be organized in three parts according to the risk level:

- low (min. 16 hours);
- medium (32 hours);
- high (48 hours).

As concerns the update of par. 3, article 34, it will be carried out every five years and will range from 12 to 20 hours. The latter obligation will be applied also to those employers who already attended courses (as of article 3, ministerial decree of Jan 16th 1997); to the ones exempted from attending courses (according to article 95, legislative decree no. 626/1994); to employers who registered as RSPP

at the local ASL (according to article 10, legislative decree no. 626/1994), before december 31st 1996, declaring to be exempted from attending training courses; nonetheless, this obligation is still not effective, until some regulations will implement them.

The agreement between State and Regions will likely give a precise definition of e-learning, following state of the art research on this topic (refer to the latest report by Isfol at www.isfol.it).

Summing up, we can state that the adoption of an organizational and safety management model puts safety and security in tight relationship with a general improvement of the overall company organization.

10. Field research: outcomes from questionnaires and interviews

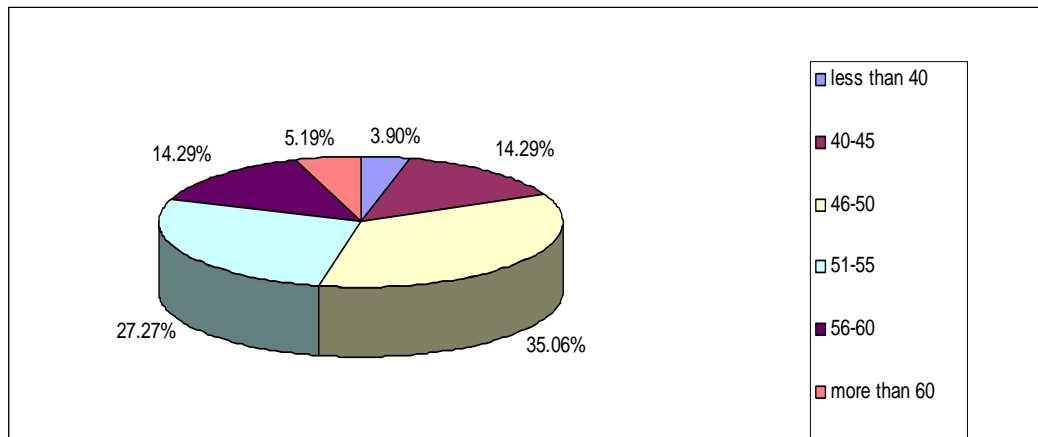
Focus group description

In the ELDERS field research we have constructed a focus group with the aim of analysing the relationship between stress and climate of corporate restructuring for workers over 45 on the Italian territory. In particular, a detailed questionnaire was submitted anonymously via the Moodle platform to different workers associated to the Italian ‘Associazione over 40’ and ‘ATDAL’, which covered people coming from all over Italy.

Individual characteristics

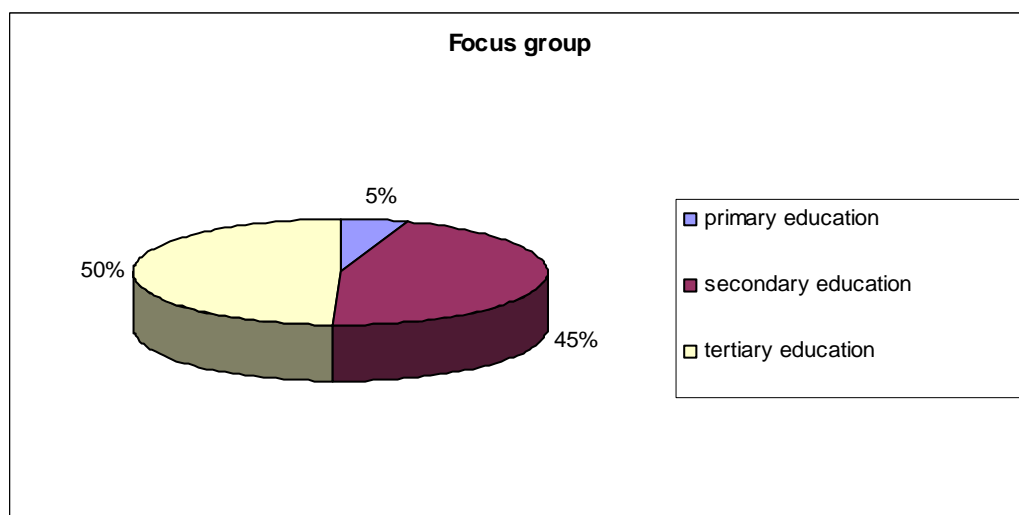
The resulting focus group is composed of 77 individuals who are mostly male and Italian. In fact, the 70% is represented by male probably because of the relatively new phenomenon of female entrance in the labour force; the 90.91% is Italian, the 5.19% come from foreign countries, while the remaining 3.90% did not answer the question.

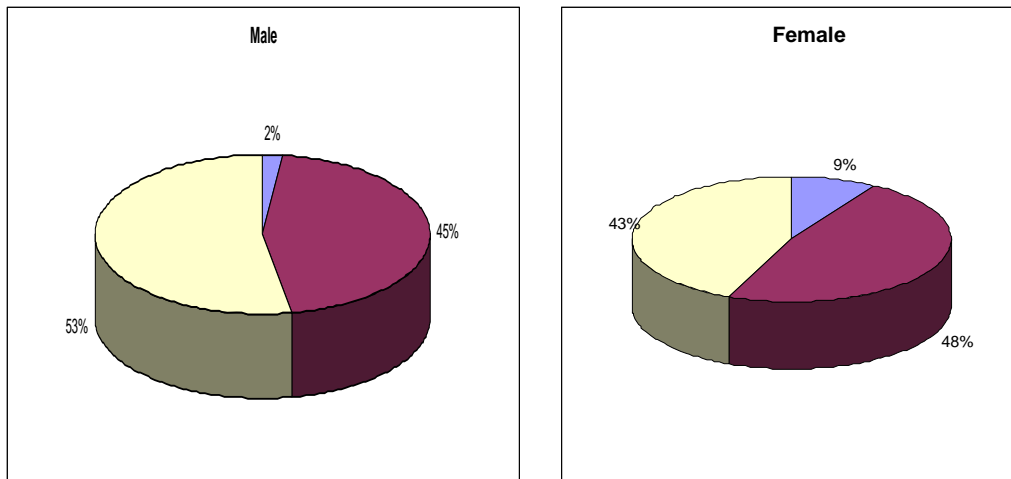
Figure 1. Age class



Since our analysis focuses primarily on workers over 45, the focus group was constructed in order to analyse especially older workers. As shown in Figure 1, the majority is represented by individuals older than 40 years (96,10%) and the 62.33% is aged between 46 and 55 (the most important class of age for our investigation).

Figure 2. Educational level





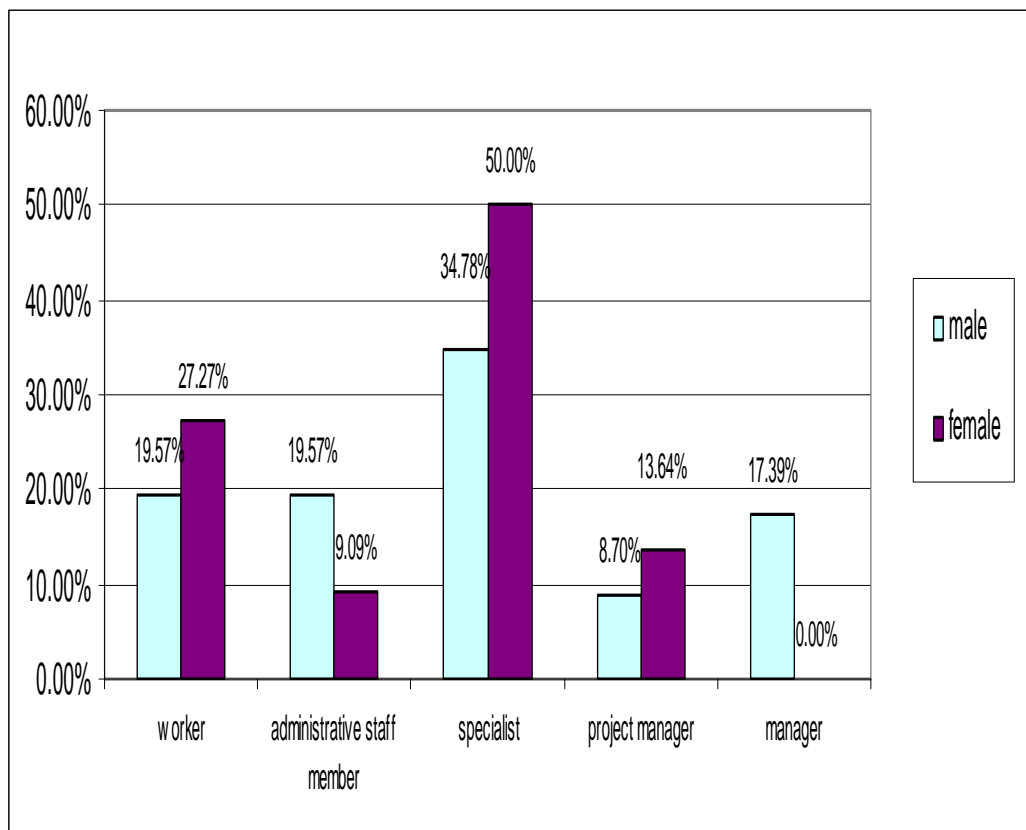
Looking at the level of education we can say that the 5.19% have completed only primary education, the 45.45% have completed secondary education while the remaining 49.35% said they had graduated (Figure 2). We can also observe that the female proportion of the sample is generally less educated than the male one. In particular, the 8.7% of women just completed primary education, compared to 1.89% of males and the 43.48% of the women claims to have graduated, compared with 52.83% of men.

In the focus group considered more than 75% of males said to live with a partner while the proportion is halved when considering women; similar situation occurs if one looks at the percentage of those who have dependent children, a situation that affects the 52.83% of men and the 30.43% of women.

The focus group and the world of work

In the focus group considered the 16.88% of individuals work in secondary sector, the 68.83% in tertiary sector, while the remaining 14.29% not answer the question. There is no relevant gender difference in belonging to the productive sector. Among those responding to questions regarding their employment status (53 people) about 23% occupy a relevant positions (as product manager or manager).

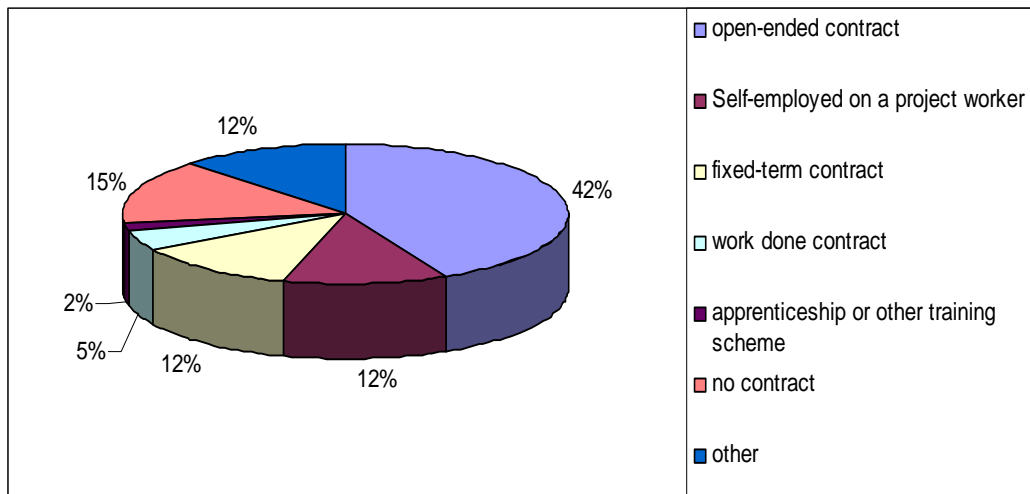
Figure 3. Productive sector by gender



Note: 29.87% of missing answers

Figure 3 shows the differences that exist in the distribution by gender: of particular interest is the fact that, among people who answer the question, the distribution is significantly different between the two genders and that women managers do not appear, while men who claim to occupy that position in their company are the 17.39% and women are more numerous than men among unskilled workers (27.27% and 19.57%, respectively).

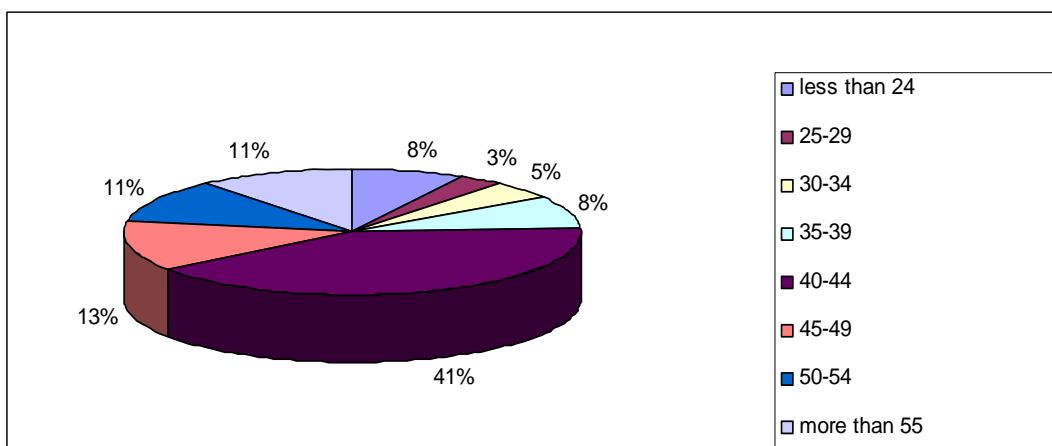
Figure 4. Type of contract



Note: 14.29% of missing answers.

With reference to the type of contract (Figure 4) we see that among those who answer the question (85.71%), 42% of individuals in our sample has an open-ended contract: this is because, as noted above, most part of the workers concerned is over 40 and therefore presumably well integrated into the world of work. Similarly, types of contracts such as fixed term contract and apprenticeship involving smaller percentage of the focus group (12% and 2%, respectively), while if we would considered younger workers we would find an increasingly concentration in the latter ones.

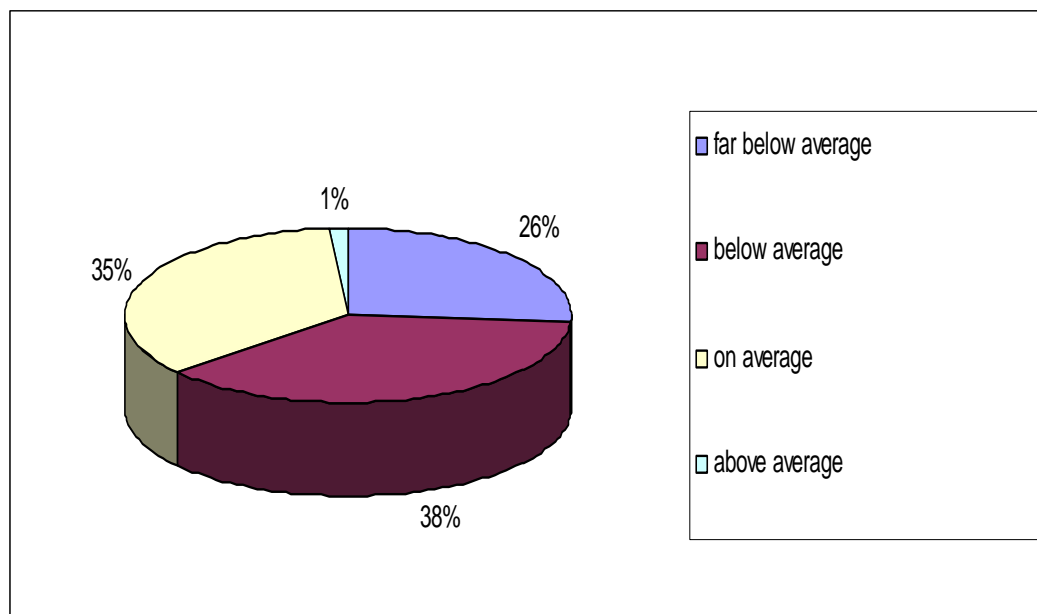
Figure 5. Number of hours usually worked per week



Note: 18.18% of missing answers

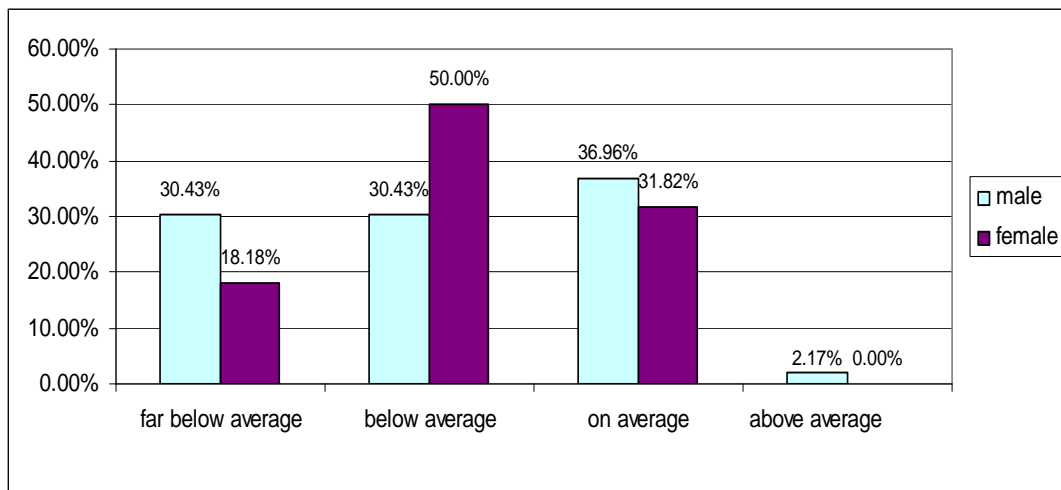
Among those who responded to the question, 41% of respondents say they work an average of 8 hours per day with a few extra hours per week (Figure 5), while 35% work on average more than 45 hours per week: in particular, 13% from 45 to 49 hours, 11% from 50 to 54 and the remaining 11% even more than 55 hours. Less common seem to be jobs that require less than 8 hours a day: in particular, 8% work between 35 and 39 hours, 5% between 30 and 34 hours, 3% between 25 and 29 and the remaining 8% less 25 hours per week. 21.74% of women stated they work less than 30 hours per week against only 5.66% of men.

Figure 6. Perceived level of income adequacy.



Considering the profession, status, and the country in which they work, only 1% of workers between those who respond (89.61% of the focus group analyzed by us) believes that his salary is above average, 35% that it is on average 38% that it is below average and the remaining 26% that it is far below the average (Figure 6). This highlights a situation of general discontent and frustration due to the perceived imbalance in the relationship work-pay.

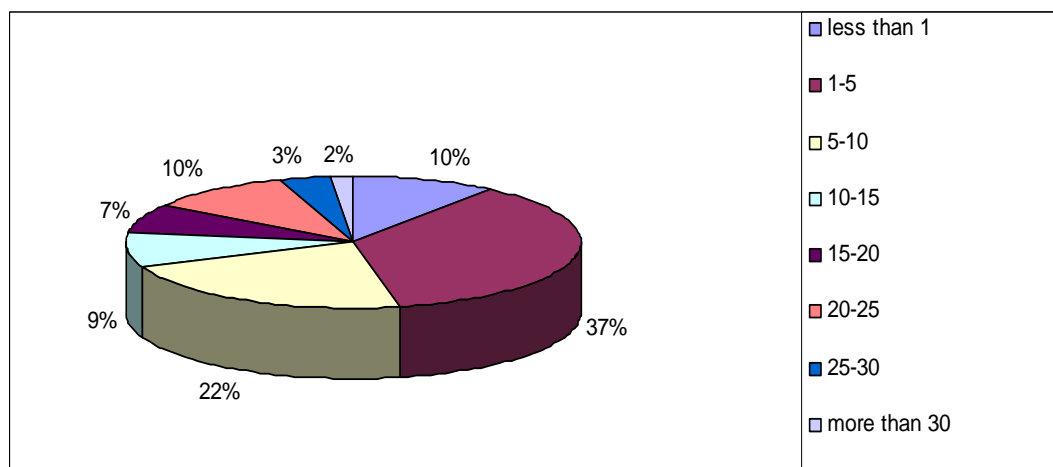
Figure 7. Perceived level of income adequacy by gender.



Note: 10.39% of missing answers

The perception and discontent seem to affect men and women differently (Figure 7). In particular, we note that among those who are in demand, as much as 68.18% of women feel the unfair level of wages received against 60.86% for men, but among the dissatisfied ones men seem to consider their situation is particularly unfavorable: as much as 30.43% considered their wages well below the average against 18.18% of women. It is also interesting to note that no woman in the focus group considered to receive a salary higher than average.

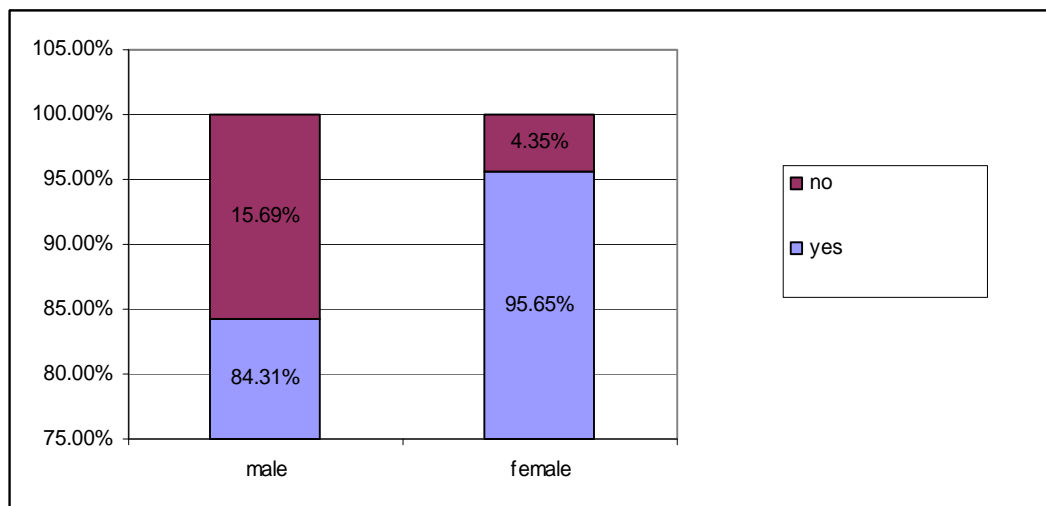
Figure 8. Years spent in the same company



Note: 24.68% of missing answers

Although most of the individuals who make up our focus group has more than 40 years and has been therefore in the labour market for at least 20 years, only 22% of those responding to the question on the time spent in the same company say they have been working in the same place at least since 15 years (Figure 8). In particular, the 7% since 15-20 years, since 20-25 years 10%, 3% since 25-30 years and the remaining 2% since over 30 years. The majority of respondents worked in the same place more than 5 years (10% from less than 1 year and 37% by 1-5 years) and 22% from 5-10 years. This underscores that the majority of workers have changed the place and the employer at least once during their careers. In fact, this applies to almost 90% of respondents.

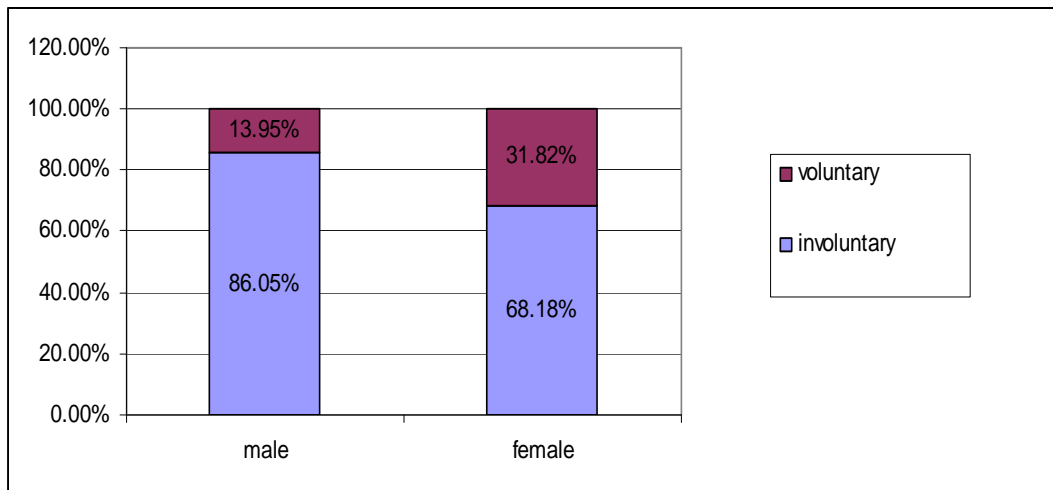
Figure 9. Loosing job by gender



Note: 3.90% of missing answers.

Looking at Figure 9 we observe that a greater proportion of women than of men have lost their jobs, voluntarily or involuntarily, at least once during his career (95.65% and 84.31%, respectively between people who answer the question).

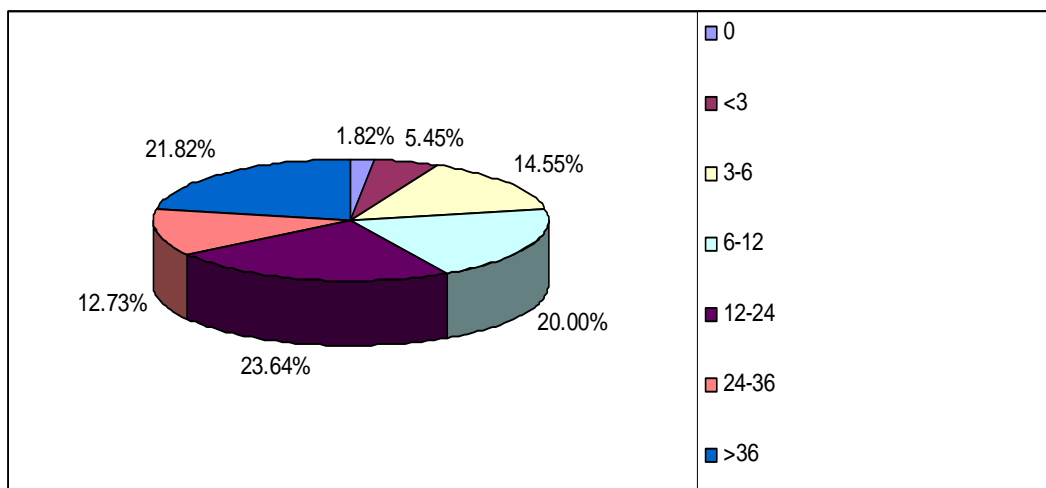
Figure 10. Involuntary or voluntary job loss by gender



Note: 1.52% of missing answers

Among those who say if their job loss was voluntary or involuntary, the percentage of women declaring that the loss of employment was voluntary is 31.82% against 13.95% of men, this can be connected with the decision of some women to abandon careers in favor of more time for family, especially in the presence of young children (Figure 10).

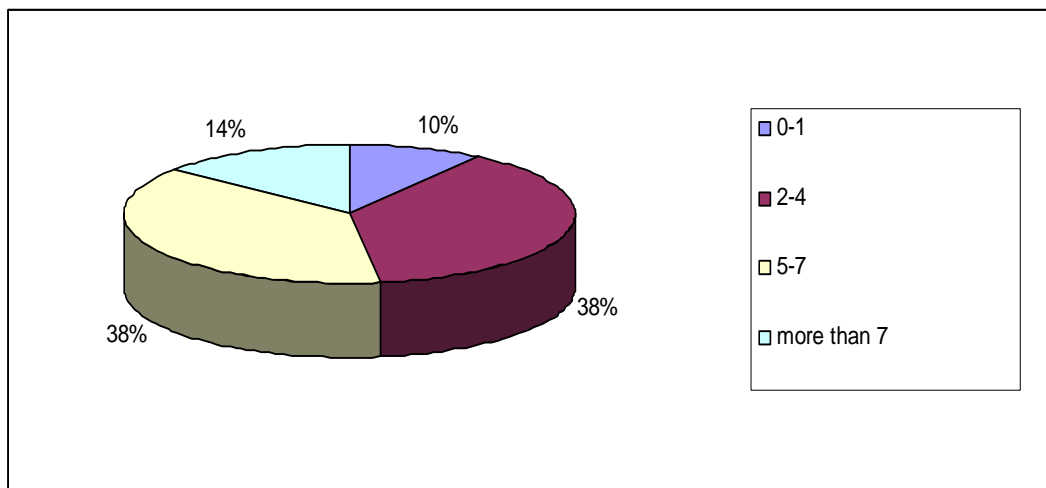
Figure 11. Longest unemployment period (months)



Note: 16.67% of missing answers

Among those who answered the question about the longest period of unemployment experienced, the 58.14% of respondents claimed to have been unemployed for a period exceeding one year. In particular, 23.64% from 12 to 24 months, the 12.73% for 2 to 3 years and the remaining 21.82% even for more than 3 years (Figure 11). A substantial portion of the sample (20%) said that instead of being unemployed for a maximum period of 6-12 months, while the remaining for less than 6 months (14.55% for 3-6 months, 5-45% for less 3 months, the remaining 1.82% had left their jobs only after you have already found another job). It seems not to depend on other factors, like gender, educational level or production sector.

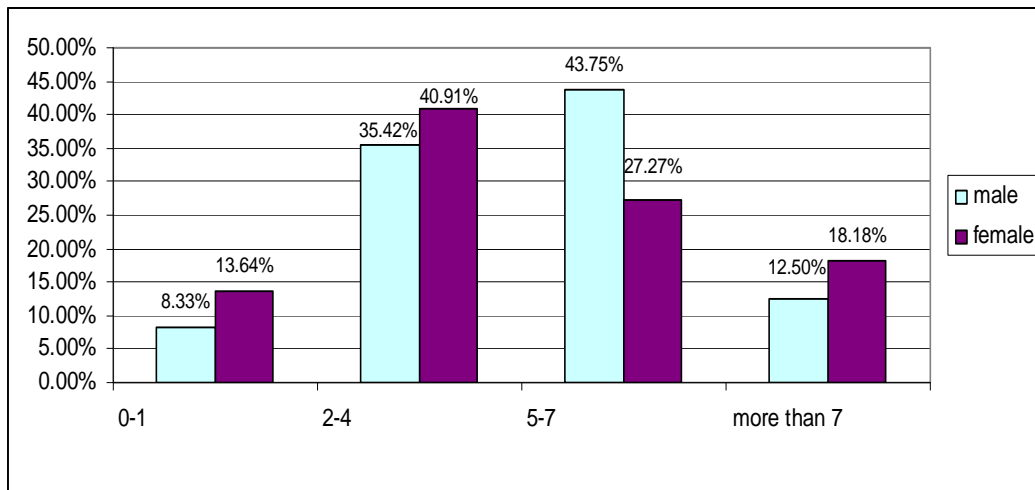
Figure 12. Number of changed employing organization



Note: 7.79% of missing answers.

Among those who respond to the question (92.21% of respondents), most states have to be changed organization from 2 to 7 times: in particular, 38% say they have changed from 2 to 4 times and another 38% have done so between 5 and 7 times. Only 10% said it had changed its organization only once and 14% having done more than 7 times (Figure 12).

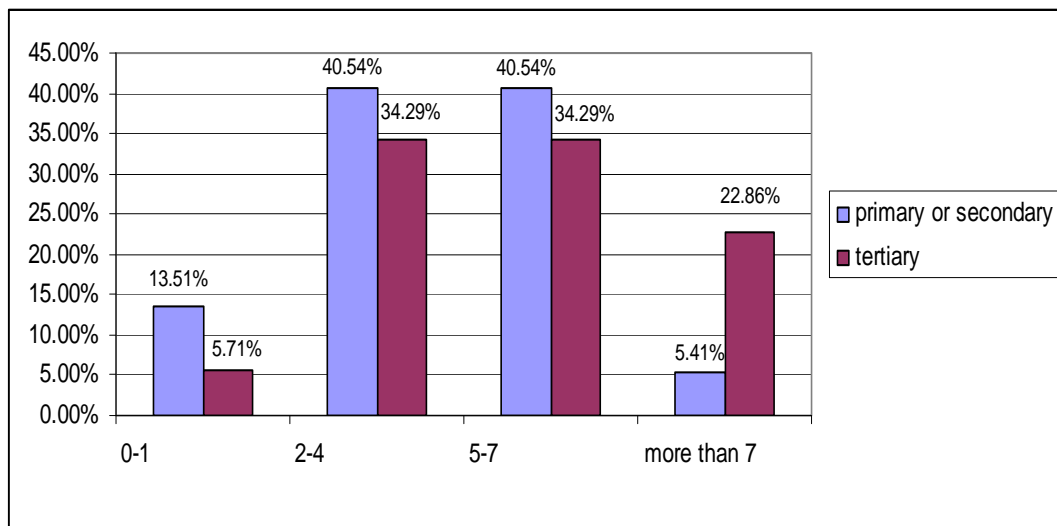
Figure 13. Number of changed employing organization by gender



Note: 9.09 % of missing answers

This phenomenon seems to have a similar pattern for males and females (Figure 13) although it may be noted that among those who answer the majority of men (43.75%) changed its organization from 5 to 7 times, while the majority of women (40.91%) changed it from 2 to 4 times, underlining a lower propensity of the latter to the risks related to changes in working life in favor of a more stable and secure path.

Figure 14. Number of changed employing organization by educational level



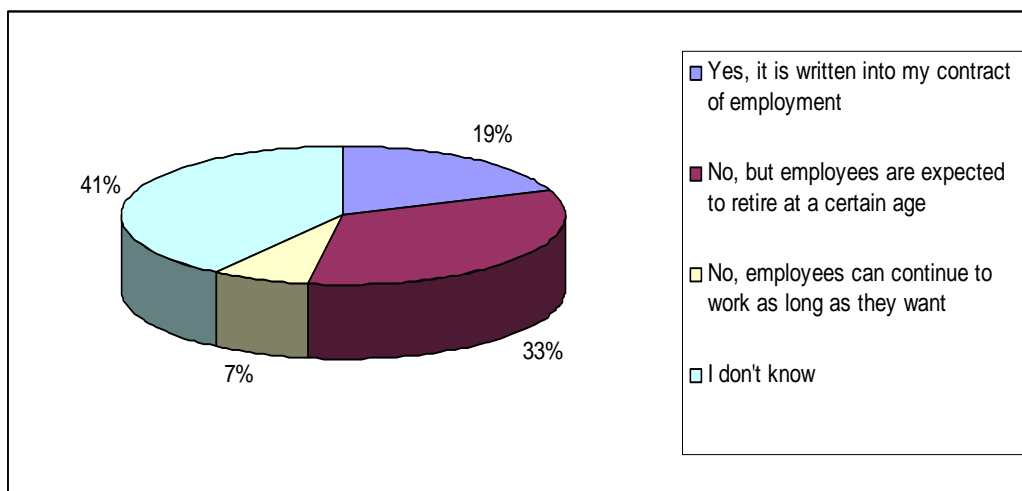
Note: 7.79% of missing answers

Looking at Figure 14 it is clear that among the respondents, those with a higher level of education change jobs more frequently: this may be because better educated people are those who have invested heavily both in terms of time and money in their training and are more inclined to make the most of the proposals of the market. Besides, who is more trained is likely to have more opportunity to change job. In particular, 22.86% of those who have completed tertiary education have changed jobs at least seven times against the 5.41% of those who have finished high school at most.

Older workers and retirement

Being the over 45 age group of particular importance for the purposes of our analysis, we made a number of questions relating to age of retirement and what employees expect from the period following the mandatory retirement.

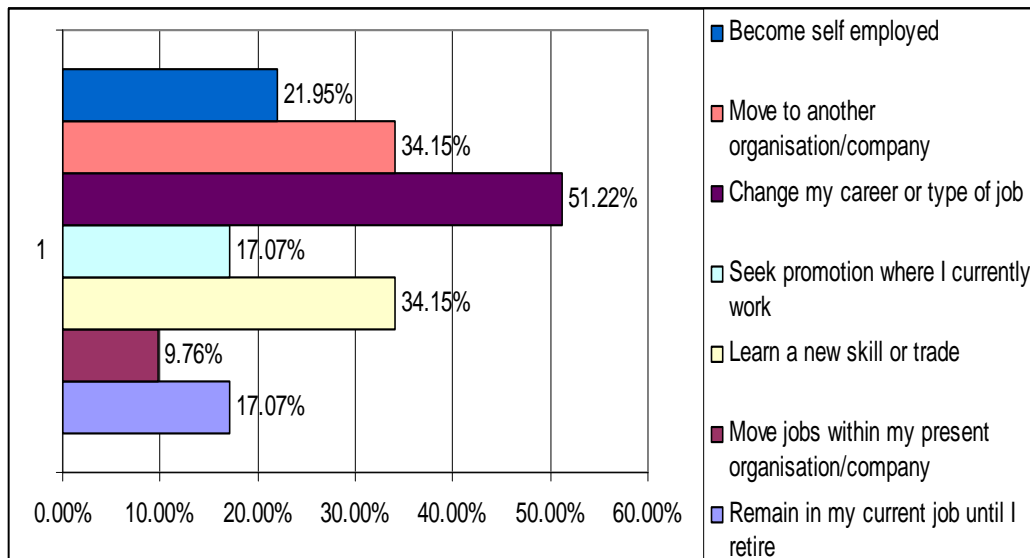
Figure 15. Employer mandatory retirement age



Note: 25.97% of missing answers

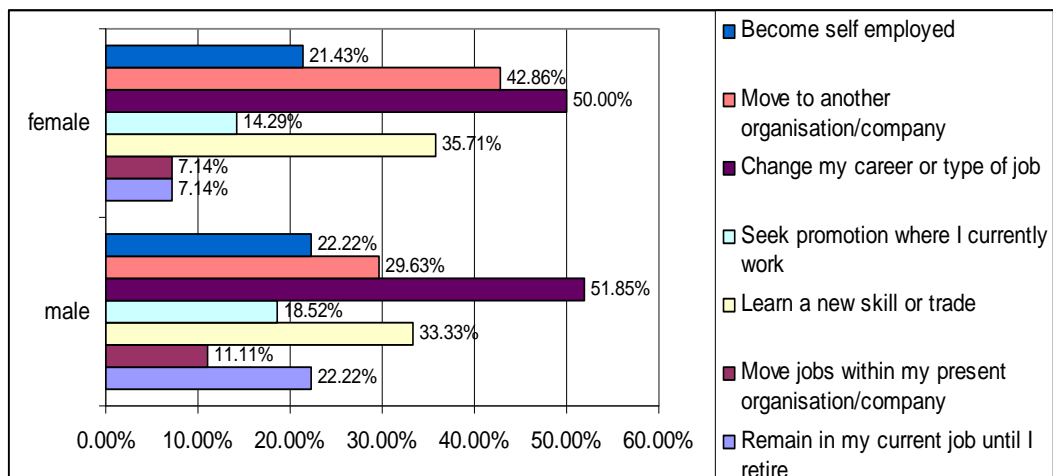
Among those who respond to the question (74.3%) the majority of respondents did not know whether or not the contract provided for retirement age (41%), 7% said that there is, the 33% that it is not provided but it is thought that at a certain age workers retire and the remaining 19% said that the retirement age is explicitly specified by their contract (Figure 15).

Figure 16. Things people like to do before fully retire. (multiple choice)



The members of the focus group were asked what they would like to do before they retire (Figure 16). More than half expressed a desire to change their career or type of job (51.22%), the 34.15% expressed a desire to move to another organization or company and learn a new skill or trade, the 17.07% to seek a promotion where they currently work or remain currently in her job until retirement, only the 9.76% to move jobs within her present company and the 21.95% of the focus group would like to become self employed.

Figure 17. Things people like to do before fully retire by gender. (multiple choice)



If we observe the same question by dividing the responses by gender (Figure 17) we note that there are some significant differences. In particular, the percentage of men who wish to remain in their current location is almost three times as much as that of women (22.22% and 7.14%, respectively) and the percentage of women who would like to change organization or company is much higher than that of men (42.86 % and 29.63%, respectively). Instead, other items affect men and women equally.

Changes within the organization and consequences

Changes within the organization

The purpose of our analysis is to investigate the relationship between stress and climate of corporate restructuring for workers over 45.

Table 1. Changes occurred at workplace during the last two years

	yes	no	no answer
enterprise sold	14.29%	62.34%	23.38%
department/unit sold	23.38%	50.65%	25.97%
closing down of production department or work unit	36.36%	38.96%	24.68%
combining or separating units or divisions	23.38%	48.05%	28.57%
restructuring of core production or service systems	24.68%	45.45%	29.87%
production cut-offs	38.96%	35.06%	25.97%
significant change in product or service focus	20.78%	51.95%	27.27%
outsourcing of work	32.47%	38.96%	28.57%
changes in management system	40.26%	28.57%	31.17%
changes in the hierarchical structure of the organization	37.66%	35.06%	27.27%
one-time layoffs	42.86%	25.97%	31.17%
systematic layoffs	22.08%	46.75%	31.17%
staff employed on a fix-term basis	48.05%	22.08%	29.87%
initiatives related to the companies' mission or values	40.26%	25.97%	33.77%

In the sample considered the 85.71% say that during the last two years at least one of the changes listed in Table 1 occurred within the organization he works for, indicating that these people were in the last 24 months in a state of corporate

restructuring. Table 1 also shows in more detail the specific situations: for those who respond (on average 72% of interviewed) the most frequent situations are changes in management system (40.26%), one-time layoffs (42.86%), staff employed on a fix-term basis (48.05%) and ‘initiatives related to the companies’ mission or values (40.26%).

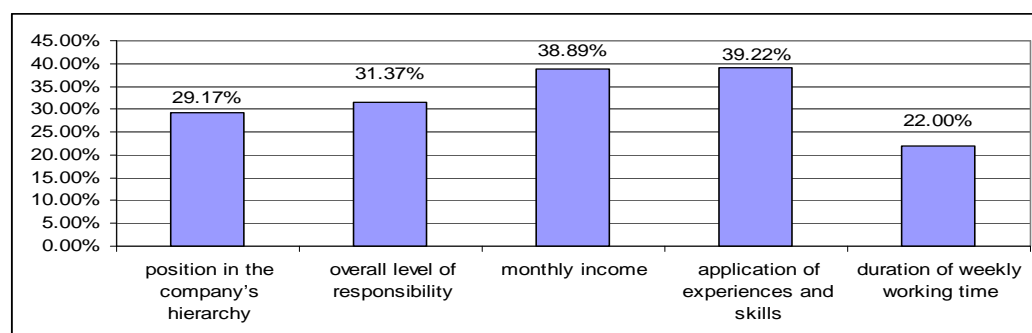
Consequences of changes over working life

Table 2. Consequence of changes mentioned above

	<i>yes</i>	<i>no</i>	<i>no answer</i>
has your employment contract changed?	29.87%	0.00%	70.13%
has the number of working hours changed?	23.38%	46.75%	29.87%
were you forced to go on paid temporal leave?	14.29%	50.65%	35.06%
were you forced to go on unpaid temporal leave?	6.49%	61.04%	32.47%
have your work tasks changed?	27.27%	41.56%	31.17%
has your superior changed?	25.97%	42.86%	31.17%
have you moved into new working team?	16.88%	48.05%	35.06%
have you received additional people reporting to you?	12.99%	53.25%	33.77%

The changes that we just talked about have an impact on the working life of some of the individuals in the focus groups. In particular, among those responding, for the 29.87% employment contract is changed, for the 23.38% the number of hours worked is changed, for the 27.27% work tasks is changed and for the 25.97% the superior is changed (Table 2).

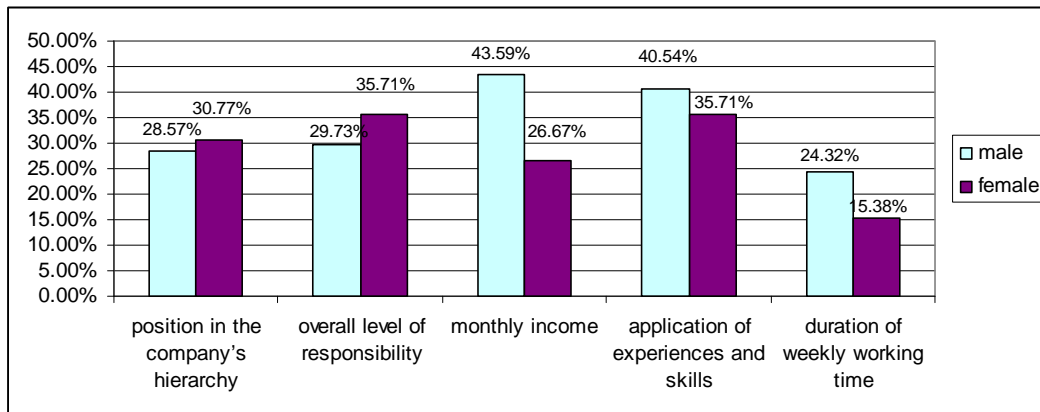
Figure 18. Working stuff decreased by the changes mentioned above



Note: On average 35% of missing answers

Looking at Figure 18, we see that among those who respond, the 39.22% use less their skills and experiences, for the 38.89% monthly income decreases, 31.37% have fewer responsibilities, the importance of 29.17% falls in company's hierarchy and 22.00% worked fewer hours per week (probably as a result of lower production volumes required by the market due to the crisis).

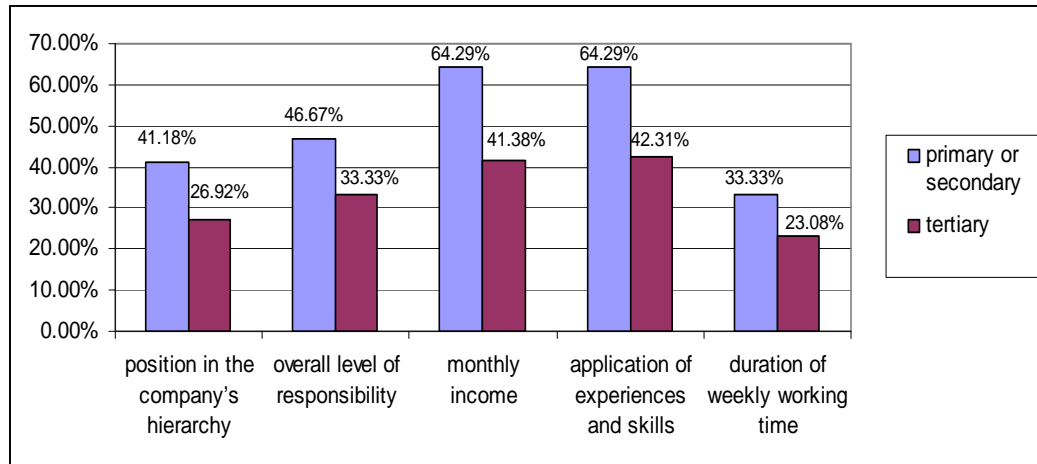
Figure 19. Working stuff decreased by the changes mentioned above by gender



Note: On average 35% of missing answers

The individual aspects of working life, however, are affecting differently the two genders (Figure 19). In particular, men who see decrease in their wages, the use of experiences and skills and the duration of working time weekly are more than females (43.59%, 40.54% and 24.32% Against 26.67%, 35.71% and 15.38%, respectively). Women are most affected by the decline in the position of the company's hierarchy and overall responsibility compared to their male counterparts (30.77% and 35.71% Against 28.57% and 29.73%, respectively).

Figure 20. Working stuff decreased by the changes mentioned above by educational level



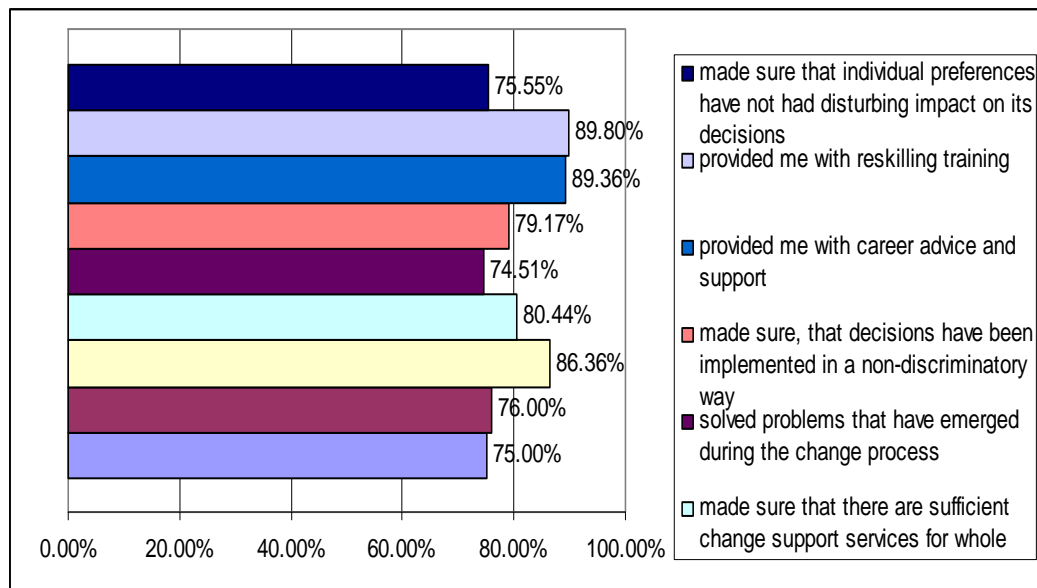
Note: On average 35% of missing answers

If we consider instead the level of education (Figure 20), we note that the deterioration of each of the aspects of working life considered earlier hits a higher percentage of people who have finished high school (blue columns) compared to those who have graduated (purple columns). This suggests a greater negative impact of corporate restructuring situations on the working life of less educated workers.

Conduct of the parties during the changes within the organization

Within the questionnaire there are some questions about the degree of satisfaction of respondents with regard to the conduct of the various parties during the period of corporate restructuring.

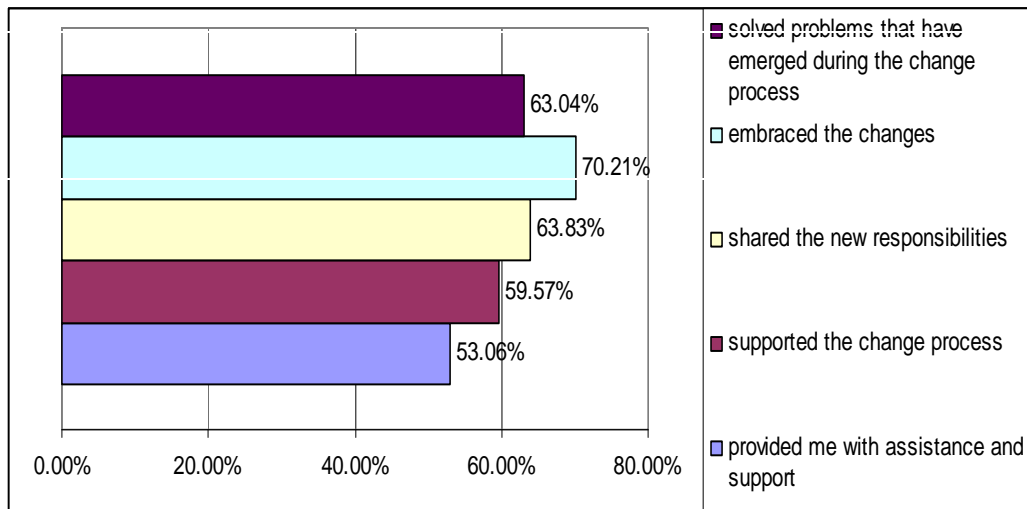
Figure 21. Rather poorly or poorly planning and implementation of changes by management (including supervisor).



Note: On average 39% of missing answers

Among those who respond to the questions in Figure 21 we observe a general dissatisfaction on the work of management staff: more than 75% believe that little effort has been made on information about the goals of change and the current state of the change progress, on taking into account personnel status and views while making decisions, on making sure that there are sufficient change support services for whole personnel and that decisions have been implemented in a non-discriminatory way and that individual preferences have not had disturbing impact on their decisions, on solving problems that have emerged during the change process, on providing with career advice and support and with reskilling training.

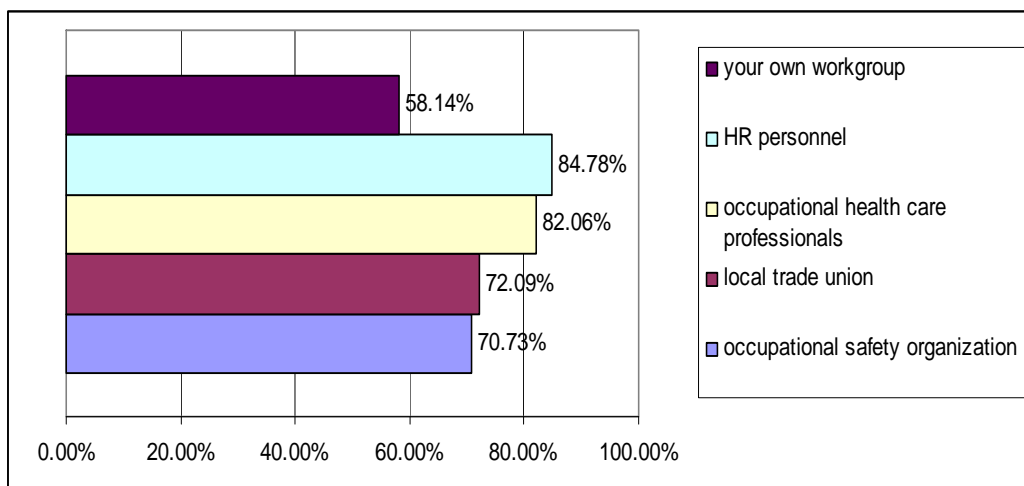
Figure 22: Rather poorly or poorly planning and implementation of changes by co-workers (including supervisor)



Note: On average 37% of missing answers

They seem to be less critical of the conduct of colleagues, although more than half of respondents answering the questions complained a poor collaboration from colleagues (Figure 21).

Figure 23. Parties which have rather poorly or rather poorly acted while implementing above mentioned changes



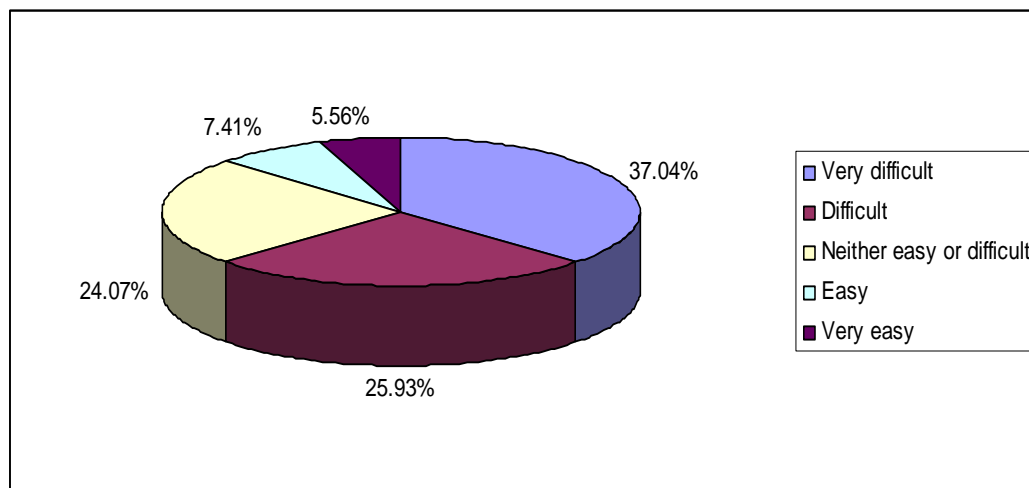
Note: On average 47% of missing answers

There is also a general discontent with regard to the work of the parties: among the respondents, 58.14% reported not being satisfied with what took place within their workgroup, while more than 70% said they were not happy with the other parties seen in Figure 23.

Perception of changes within the organization and emotional consequences

In order to relate the changes analysed above and the emotional consequences of the same, several questions were posed to respondents. We see below the main results.

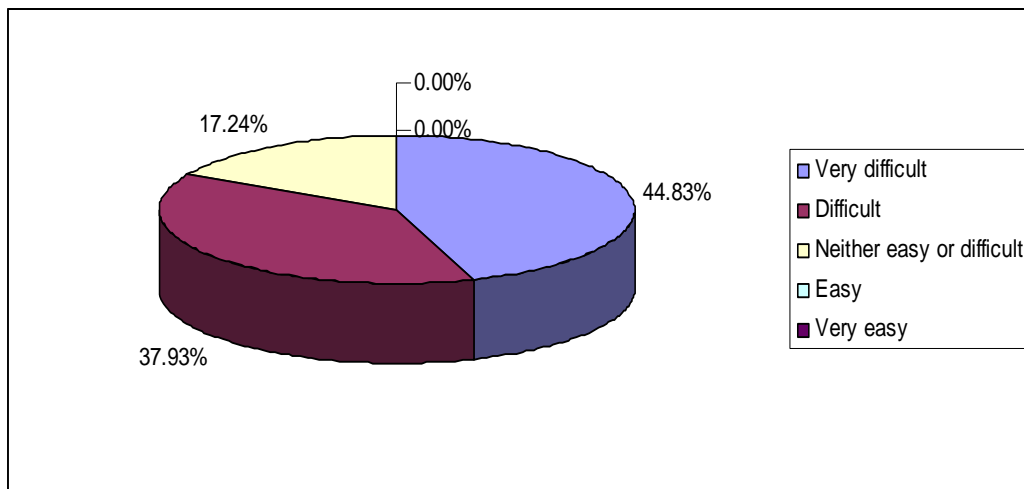
Figure 24. Perceived probability to stay in the current job until retirement



Note: 29.87% of missing answers

Among those who respond, the perceived probability to stay in the current job until retirement (Figure 24) is perceived as difficult or very difficult by the 62.97% (25.93% and 37.04%, respectively), while only 12.97% think it is easy or very easy (7.41% and 5.56%, respectively). Within our sample, the perception seems to be linked with the kind or level of education.

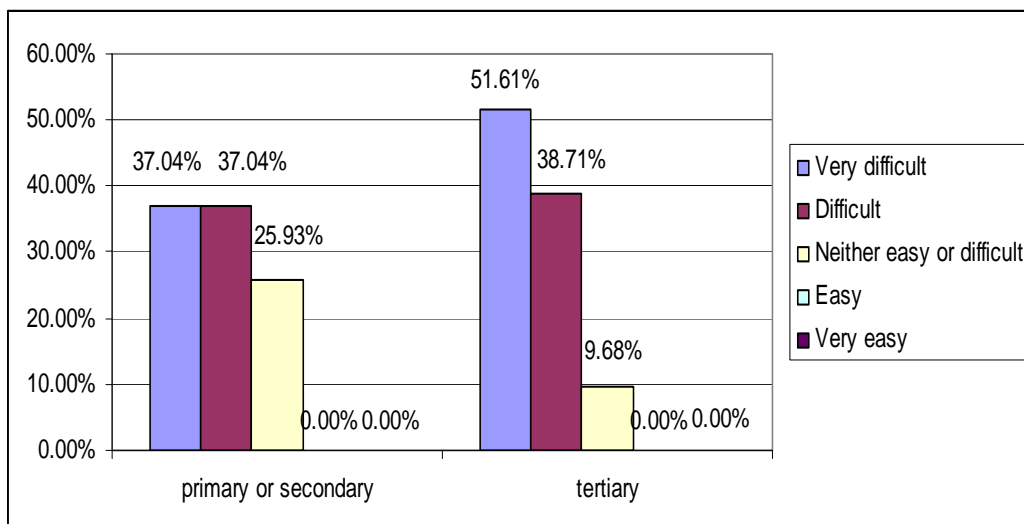
Figure 25. Perceived probability to find a job as good as the current one



Note: 24.68% of missing answers

Among those responding, no one believes that the probability to find a job as good as the current one is easy or very easy (Figure 25). The 44.83% think it is very difficult, the 37.93% that it is difficult, and the remaining 17.24% that it is neither Difficult or easy. Again there are no differences in the distribution in the perception of men and women.

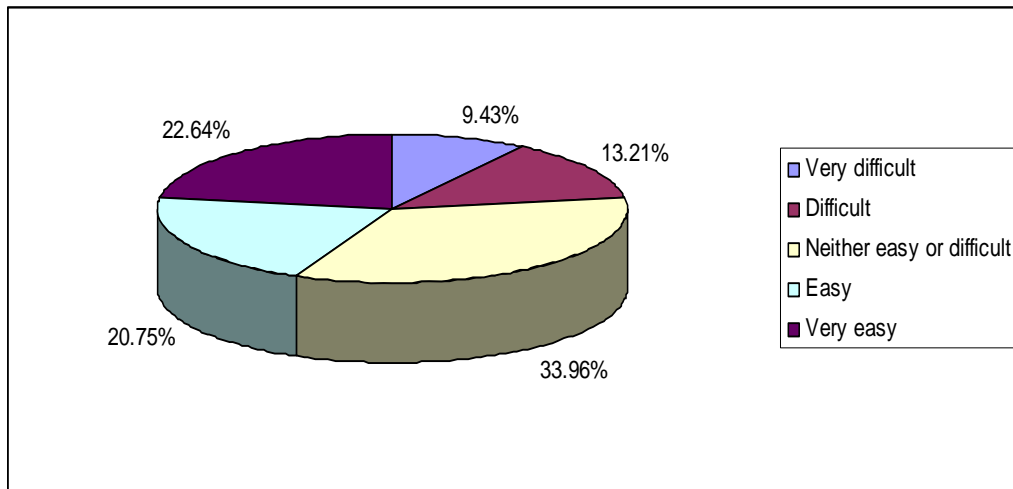
Figure 26. Perceived probability to find a job as good as the current one by educational level



Note: 24.68% of missing answers

There are, however, differences in the perceived probability to find a job as good as the current one between people characterized by different level of education (Figure 26): in particular, a higher percentage of those who have a degree than those who did not, thinks it is difficult or very difficult to find a job at the same level (38.71% and 51.61% Against 37.04% and 37.04%, respectively).

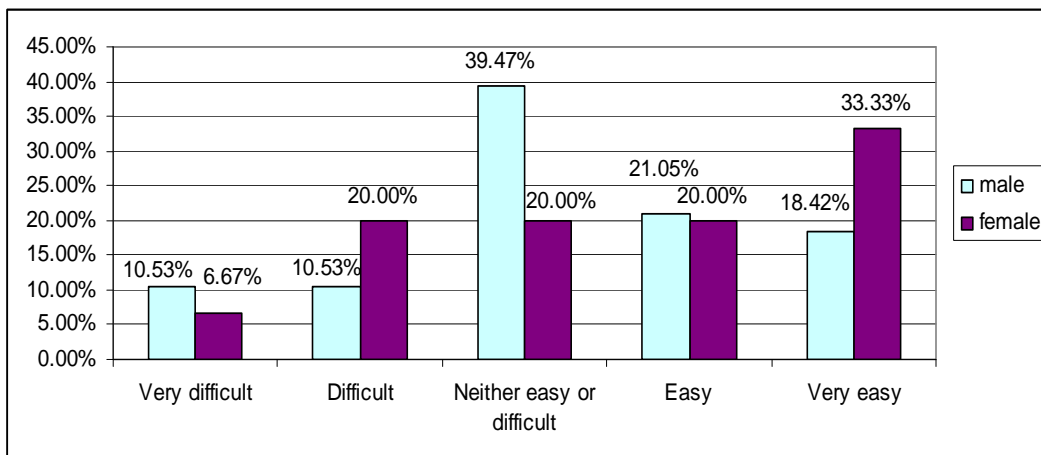
Figure 27. Perceived probability for the employer to replace the subject if she left.



Note: 31.17% of missing answers

Among those responding, 43.39% think they are easily replaceable, while only 22.64% believed to be difficult or very difficult to replace.

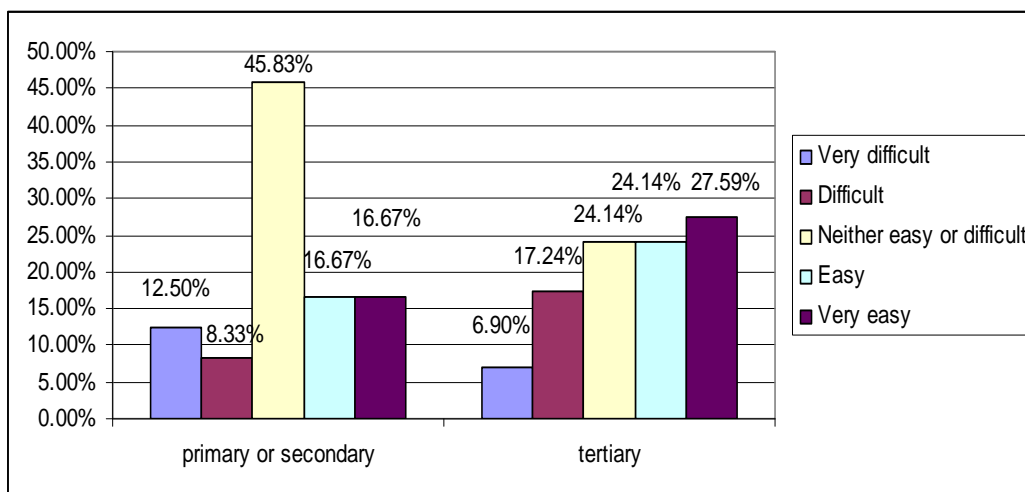
Figure 27. Perceived probability for the employer to replace the subject if she left by gender



Note: 31.17% of missing answers

Unlike earlier, this perception is influenced by belonging to one gender than to another (Figure 28): a percentage of males almost as twice as much that of females believes that it is neither easy nor difficult to be replaced in their duties Work (39.47% and 20.00% respectively). While the opposite is true for those who think it is very easy or difficult: women are present in higher percentage (33.33% Against 18:42% and 20.00% Against 10.53%, respectively).

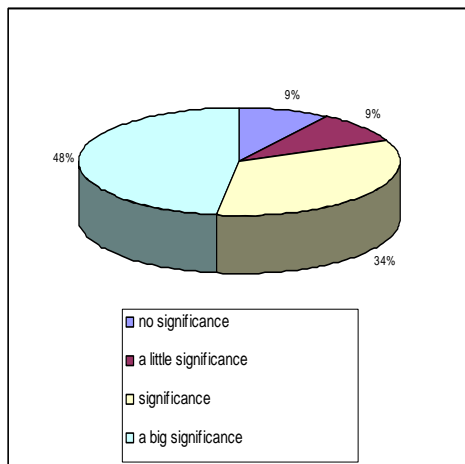
Figure 29. Perceived probability for the employer to replace the subject if she left by educational level



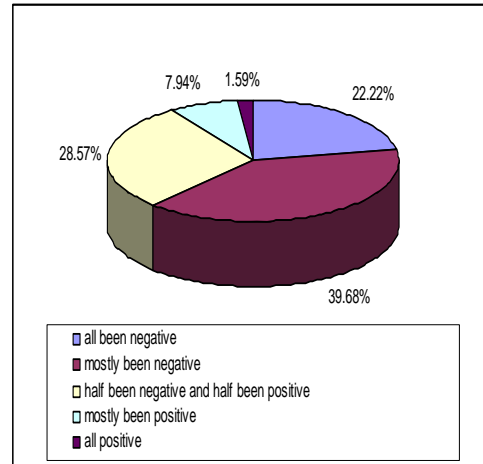
Note: 31.17% of missing answers

In our analysis the perceived probability for the employer to replace the subject if they left seems to be affected also by educational level (Figura 29). In particular, those with a higher level of education tend to fear more the degree of substitutability of their job performance.

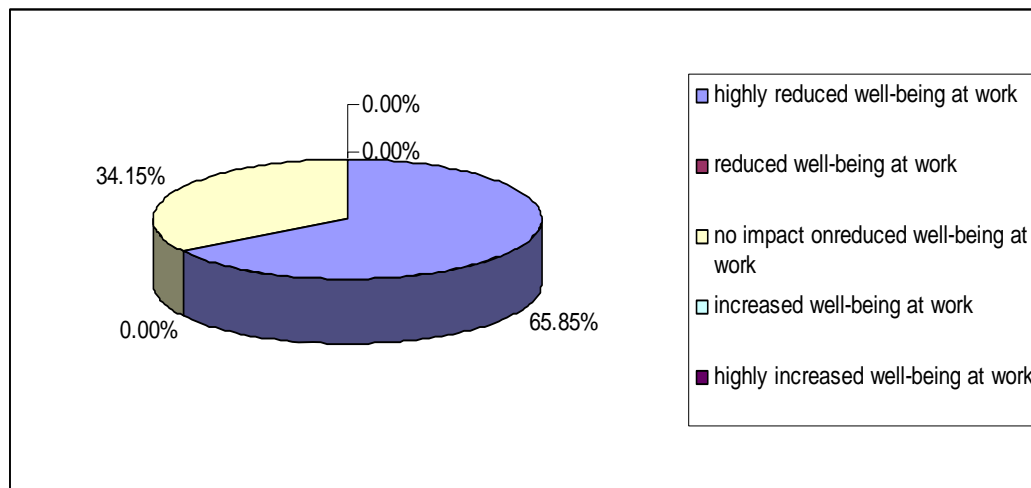
Figure 30. Opinion over changes occurred



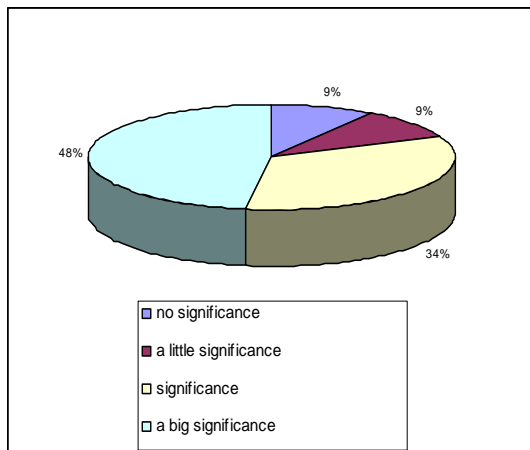
Note: 7.79% of missing answers



Note: 7.79% of missing answers

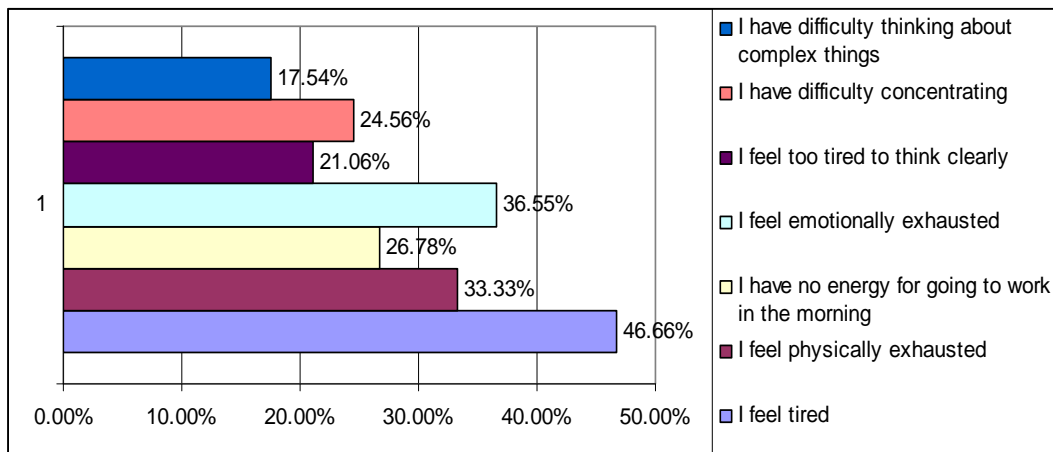


Note: 7.79% of missing answers



Looking at Figure 30 we note that the majority of those responding to questions about changes that have occurred, consider that they have been large-scale (48%), they have been for most or all negative (39.68% and 22.22%, respectively) and had a high negative impact on the well-being at work (65.85%). It is interesting to note that no one considers that the impact of changes on the well-being at work is to be welcomed.

Figure 31. Conditions often or always felt in the past 30 workdays.

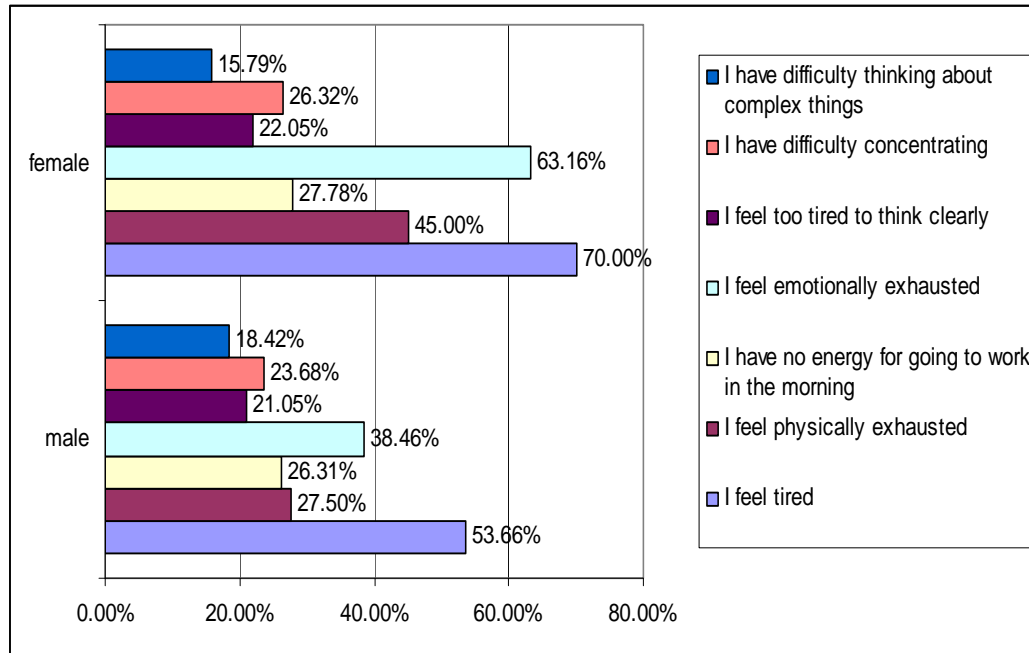


Note: On average 24% of missing answers

Among those responding, over 25% say they have felt over the last 30 workdays lacking energy for going to work in the morning (26.78%), physically exhausted (33.33%), emotionally exhausted (36.55%) and/or tired (46.66%). Moreover

21.06% feel too tired to think clearly, 17.54% to have difficulty thinking about complex things and 17.54% have difficulties in concentrating (Figura 31).

Figure 32. Conditions often or always felt in the past 30 workdays by gender



Note: On average 24% of missing answers

These physical and psychological conditions affect men and women differently (Figure 32). The main differences occur in feeling to be emotionally exhausted, feeling tired and feeling physically exhausted that affect women more than men (63.16%, 70.00% and 45.00% Against 38.46%, 53.66% and 27.50%, respectively). These are also the physical and psychological consequences that generally affect the majority of respondents.

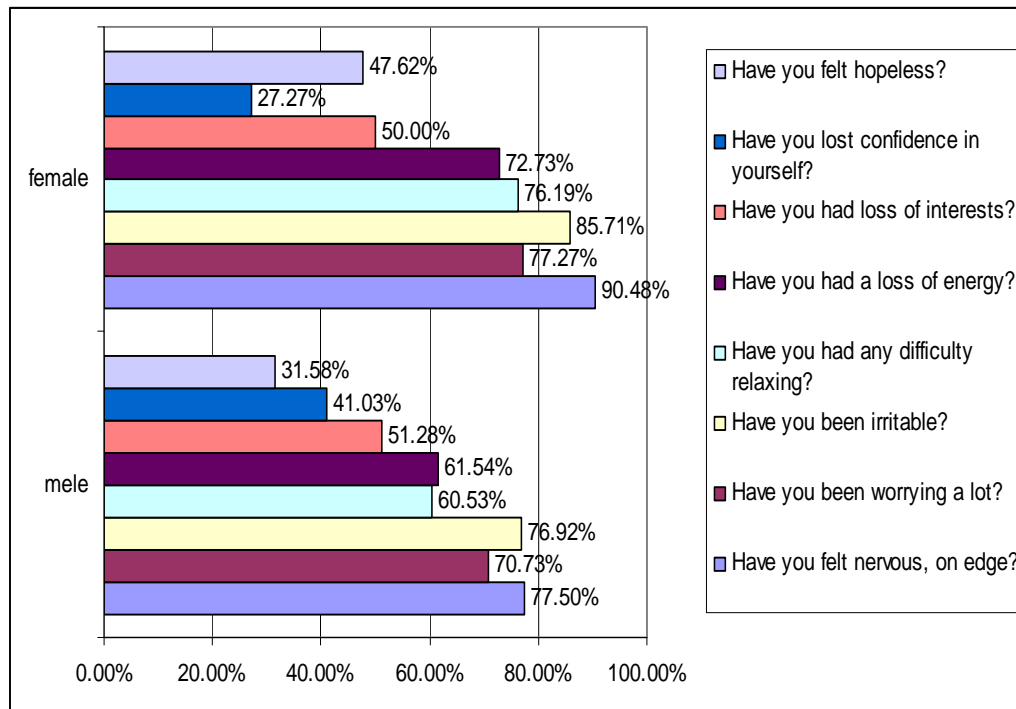
Table 3. Problems experienced during the last 3 months

	yes	no	no answer
Have you felt nervous, on edge?	64.94%	14.29%	20.78%
Have you been worrying a lot?	59.74%	22.08%	18.18%
Have you been irritable?	62.34%	15.58%	22.08%
Have you had any difficulty relaxing?	50.65%	25.97%	23.38%

Have you had a loss of energy?	51.95%	27.27%	20.78%
Have you had loss of interests?	40.26%	38.96%	20.78%
Have you lost confidence in yourself?	28.57%	50.65%	20.78%
Have you felt hopeless?	28.57%	48.05%	23.38%

As we can see looking at Table 3, among those responding, more than 50% say they have felt nervous in the last three months (64.94%) and / or worrying a lot (59.74%) and / or irritable (62.34%) and / or to have difficult to relax (50.65%) and/or ta loss of energy (51.95%).

Figure 33. Problems experienced during the last 3 months by gender



Note: On average 22% of missing answers

The problems experienced during the last three month seem to be connected with the gender (Figure 33). In particular, we note that a higher percentage among women than men are affected by difficulties to relax (76.19% Against 60.53%), irritability (85.71% Against 76.92%), nervous (90.48% Against 77.50%) and feeling hopeless (47.62 %% Against 31.58%). Opposite situation occurs for the

loss of confidence in themselves that concerning a higher percentage of men than women (41.03% Against 27.27%).

Interviews

Apart from the submission of questionnaires aiming at measuring mature workers' psychosocial conditions during restructuring and change (whose outcome are analyzed in the previous paragraphs) of this report, the field research was also based on interviews conducted among a big panel of stakeholders: social partners representatives, public institutions having relevant functions in the research field and over 40 NGOs.

More specifically, on the side of trade unions, representatives from three of the four most important national confederations (CGIL, CISL and UIL) were interviewed; on the companies side the respondent was the Italian Confindustria. As for the public Institutions the head of OHS department of the Italian Ministry of Labour was interviewed and also the head of research of ISPESL (National Institute for Occupational safety and Prevention) which in 2009 carried out an EC research project on the impact of restructuring on occupational health and safety.

On the side of NGOs, Associazione Lavoro Over 40 and ATDAL over 40, national NGOs, were the main respondents. All the previous stakeholders enriched the Italian national seminar, held in Rome on 30th September 2010.

The outcomes reflect the climate of conflictual debate still in course in Italy on the relation between the factors of vulnerability this research is based on: stress, age and companies restructuring. Actually these factors are crossing some important regulatory changes in the Italian system according to OHS rules, retirement and pension system and the implementation of atypical forms of contractual relationships to tackle the crisis: access-to work-contracts for older workers and apprenticeship schemes for the younger ones.

In this paragraph we just try to summarize the content of the various interviews in order to give a general framework.

As part of the interviews were considered different factors applied for the respondents.

Firstly, the level of attention to the problem of protecting the health and safety of elder employees from the point of view of employer and employees. Then also the awareness of the problem by employees. Again, the impacts of restructuring and business reorganization on the group of workers over 40, the attention to the issue of assessment of work-related stress, the approach to keep in assessment of work-related stress in relation to elder employees. And what the role of RLS in the presence of elder employees is in terms of ergonomic and of organizational risk assessment.

How deep, then, the comparison between the various actors involved in managing health and safety is and how companies provide to elders employees basic information on safety and health protection, psychosocial hazards and risks from age difference. And consequently, if the employee is trained on the use of work equipment and on the use of specific instruments.

From the perspective of trade unions the lack of a serious capacity of being able to intervene appropriately on work knowing how to implement measures reconciling and bringing value to positive market demands with the needs of workers to improve the knowledge of productivity, besides production. Any intervention of health promotion is critical to increase the knowledge and awareness of the problems at institutional level should be a clear commitment on the part of the institutional bodies (also involving Regions) to provide business support and strengthen controls, demanding attention to the issue through the evaluation of integrated risk. Employees, moreover, only rarely are trained on the use of work equipment or on the use of specific work tools.

The competent physician should play a very important role but is distant from the evaluation risk leading to widespread shortages of prevention in regard to all workers and those who need more coaching. The importance of the recent guidelines between the Government, Regions, Autonomous Provinces and the social partners is recalled by the unions, which provide, among other things, that training is organized according to employability and social inclusion of persons, with particular attention to vulnerable market of work, the identification in the context of bilateral meeting of services responsible for the work, of points of

information and guidance for workers of all ages, directed and empowered with a view to reintegration into the labour market. Among other measures, a relaunch of the integration contract or (access – to work contract) for those over 50 with a strong enhancement of re-calibration decided together with professional actors in the contract was planned. Anyway some critical elements were pointed out in terms of acquiring new skills by workers over 50, loss of motivation and difficulties in finding a possible professional relocation. As regards the assessment of work-related stress, it should be noted that there is the need for social partners and institutions to monitor the ongoing initiatives, to have a framework of good practice at the moment of the formulation of guidelines for the compulsory performance evaluation. He also noted that the comparison between the social partners and institutions with expertise in the field was part of occasional events such as conferences or seminars. However, in some contexts, such as Lombardy, Veneto, the comparison was more thorough and directed to joint social partners – the institutions. Initiatives, such as the English HSE, who created a model proposes the testing companies are fundamental. The work-related stress evaluation, if done correctly, also taking account of the perception of workers, should highlight factors related to age, but also other factors that impact particularly critical subjects of advanced age. So a correct management of the issue of work-related stress and monitoring both institutional and social partners could be the basis to facilitate the collection of experiences and good practices to be included as part of surveillance systems that make up the SINP.

From the perspective of employers, as Confindustria, the incidence of the phenomena of restructuring on over 50 requires a better understanding of the new production processes and an adjustment of occupational exposure to new technologies. This course draws from companies a new effort in terms of training and information. It seems in any case an essential approach of objective nature leaving aside for the moment the survey and secondary psychological perceptions. As to the specific risk to which the flexible employee may be exposed, this risk is not taken in specific consideration in any legislation and must be reconnected to

the main lack of knowledge about the working environment of the worker, which may lead to higher risk accident than normal.

The evaluation will outline in particular the need for better training and information, not more risk than those normally present in the workplace.

The Ministry of Labour believes that the issue of protection of workers over 50 has paradoxically been receiving increased attention by the institutions and that there is very little awareness of the importance of this issue among workers. Among the areas on which these phenomena have a greater impact on restructuring sectors include manufacturing, with special reference to small businesses, with a dimension that is less than 50 workers. It also raises the problem of risk assessment document, rarely explicable by taking account of risks for older workers and it is rare also the exchange of views between those members of the management system of health and safety, particularly among RLS, RSPP and competent doctor about the risks faced by particularly elder employees. With regard to institutional initiatives there is the need to complete the process of methodological guidelines laid down in article 28 and to finance training initiatives specifically targeted to older workers. From the companies' perspective there is the need to generalize the awareness of the specificity of the problem, which needs a unique and undifferentiated approach.

ISPESL believes that the areas on which the phenomenon of restructuring have a greater impact are the banking sector and telecommunications. The vulnerable groups are precarious, cadres and workers in the age group 40 to 50 years who have more difficulty adaptation. There are several research projects conducted by Ispesl including those aimed at adapting and contextualizing the Italian approach to the management of the HSE Management Standard work-related stress, including adaptation and validation of the Italian questionnaire for assessing subjective perception of work-related stress. He then points out that, pending methodological guidance of the Standing Consultative Commission health and safety at the Lombardy Region, the Technical Coordination Interregional for the prevention of safety in the workplace, the consultation for the prevention and Interassociation Ispesl have the documents prepared for the assessment and stress

management in workplaces. It also raises the issue that, in practice, very often there is the comparison between the employer, RSPP and medical authority and the comparison with the RLS. Not all companies take into consideration the needs of mature workers, especially with regard to the obligations of training and information, ergonomic and psychosocial risks. It considers essential to properly train RSPP and RLS and identify good practices through which encourage the training and growth awareness of employers and management personnel. Thus it appears that the integrated approach is the instrument developed by HSE, which is very successful to assess psychosocial risks also considering the large number of companies that use it.

It appears that there is a need not to suppress the only institution that provides businesses and professionals with an important advice: ISPESL. And let companies understand that the primary benefit of a proper human resource management is for the companies themselves, due to fewer errors, less absenteeism, fewer delays, better ability to attract qualified professionals. It suggests the introduction of tax relief for all companies giving more mature workers the role of tutor, so that young people are adequately trained to perform business activities.

11. Good practices

Italian Interregional committee on health and safety in workplace: operational guide for the evaluation of stress at work

Background

In connection with the provisions specified in article. 28 of the Italian decree no. 81/2008 concerning assessment of work-related stress, an Italian Interregional committee on health and safety in workplace has been set up, with the coordination of a Lazio region representative with the purpose to formulate an

operational guide for the evaluation of stress at work (Coordinamento Tecnico Interregionale della prevenzione nei luoghi di lavoro, 2010).

Several representatives of Italian Regions and Provinces have given their support (in addition to Lazio), namely Abruzzo, Emilia-Romagna, Liguria, Lombardy, Marche, Tuscany and Veneto.

The group has been officially established in December 16, 2009 in Rome.

The relevant documentation has been identified, including proposals and initiatives already undertaken by individual regions, which served as a basis for the preparation of the operational guide. The drafting of the guide has been discussed in meetings of the entire group on a monthly basis.

The work took a total of four meetings, the last of which, 15 March 2010, in Florence, has reached the final draft of the document. The Lombardy region has approved the document and is going to use it as a basis for the implementation of the article. 28 of the Italian decree no. 81/2008 concerning assessment of work-related stress. The operational guide has been presented at the 9th Conference of the European Academy of Occupational Health Psychology.

The initiative

Highlights of this operational guide are:

1) Path

The assessment is included in a path that includes the involvement of company management, appropriate actions of communication and information, the acquisition of specific skills from Workers, Managers, responsible of health and safety and Supervisors. It is fundamental to consult employees in order to jointly define risk assessment and adopt collective measures. Over time there should be the verification of the achieved changes.

2) All organisations

This assessment extends to all forms of organization. Albeit at different levels and depth. This stems from the fact that every company is potentially the subject of organizational stress, regardless of size, sector, type of contract, the employment relationship, etc..

3) Objective and subjective elements

all methods should include both objective and ascertainable elements as well as subjective elements, related to perceptions of the workers' group of the organization.

Objective indicators should allow the definition of risks (consistent with the guidelines of the Framework Agreement on work related stress) such as: injury rates, sick leave, staff turnover, procedures and sanctions... Subjective elements, connected to e.g. interpersonal relationships at work, should be assessed through questionnaires, focus groups or semi-structured interviews.

3) Conclusions

In light of the above it is important to mention that the risk assessment of work-related stress is not an assessment of the individuals' level of stress based on personality traits but it focuses on work organisation.

The risk assessment of work-related stress does not end with a questionnaire filled in by employees, but foresees a path to be undertaken taking into account objective and subjective elements to be contextualized in each organization.

How work related stress for older employees has been tackled

In the light of the purpose of the ELDERS project, it should be mentioned that the guide states that the age of workers should be taken into consideration as stress predictor and also in the judgement of the capability of workers to cope with stress into organisations.

Outcomes

It is too early to assess the impact of the guide, since there are not yet data, figures or details publicly available on its implementation and concrete usage. Nevertheless, it can be argued that it represents a positive example of inter-institutional collaboration.

Participative restructuring in the Florence leather district

Background

Until some decades ago, the area of Florence was characterized by many artisan workshops where leather goods, such as handbags, wallets, gloves, belts, and straps, were produced (Bagnara, Sebastiano, Carnevale Franco, Capacci Fabio, 2009). The workshops belonged to families that passed skills and businesses from generation to generation. However, over the last 50 years, leather goods started being produced industrially and workshops were replaced by factories. By the end of the last century, leather factories went through a crisis. Industrial products turned out not to be good enough to justify high prizes, and the Florentine leather factories could not compete with the prices of products manufactured in other countries. A restructuring process involving the whole leather industrial district has been carried out recently in order to regain the evocative strength of the brand and the extraordinary quality of goods and to be again at the top of the luxury segment.

The initiative

Employment started to increase after a period of temporary layoffs. Nowadays, in the Florence area, there are not just a few leather factories, but 2.600 enterprises, employing more than 10.000 people. It is the *Florence leather district*.

Factory closures did not lead to a collapse of working conditions or of the health and safety system. The restructuring process had indeed strong positive effects. The inspections of the local Occupational Health and Safety Services identified unexpected improvements. Working conditions are up to the highest standard and are still improving. Such outcomes are very likely to be due to a side effect of branding policy. For a brand, the level of reputation is very valuable but it is also very fragile. The reputation of a brand may be questioned by lower quality products, or even destroyed if it enters into conflicts with widely recognized values. This is also the case when people become informed through the media that a brand product has been manufactured in unhealthy and unsafe conditions.

The stakeholders of a brand are well aware that the value of the products is highly dependent on reputation, and, for this reason, invest resources and make any effort to improve working conditions and the well-being of their workers. The prioritisation of improving health and safety at work within a comprehensive industrial and marketing strategy of the brand can be understood in the context of pursuing the aim to regain the top segment in the luxury market. For this reason companies applied to the ethical and environmental principles of Corporate Social Responsibility (SA 8000), and are certified for their compliance to them. Those principles include the issues of health and safety at work and their application was not a mere formality, but rather an operating culture, based on continuous inspections and controls of all types of organisations, down to very small enterprises. The very same system used for quality control is also used for health and safety monitoring and improvement. Cascade restructuring allows the principles of CSR to come into operation at a level where they are very seldom applied. The proactive defence of a valuable brand, monitored throughout the world, led to safer and healthier working conditions. The initiative for the application to SA 8000 has been strongly promoted and supported by local authorities and social partners. Trade unions, while losing direct control at grass root level – because of the pulverisation of the workforce in hundreds of enterprises – entered into the process of policy building and of good practice implementation, playing an institutional role at the level of policy setting and decision making.

All together, the various stakeholders (brand owners, SMEs, SME associations, local authorities, and trade unions) set up a participative model, or, better, a good practice for restructuring that has shown very positive effects both on employment and on health and safety.

How work-related stress for older employees has been tackled

A comprehensive evaluation of such a complex large-scale restructuring process in terms of impact on elderly employees well being has not yet been undertaken yet. It would certainly be a rather complex, although worthwhile research, since it

does not involve a single company but an entire industrial district. However, it should be pinpointed that the actors involved (employers in the first place, but also social partners and local authorities) acknowledged the assumption that people in transition through restructuring (mainly elderly employees, as discussed in the previous chapters of this report) deserve psychological, social and economic support. The participative systemic approach guided by a Corporate Social Responsibility framework presented in this practice allowed for improving working conditions and controlling them at an unusual level for very small enterprises.

Outcomes

This initiative is rather peculiar for a number of reasons. Firstly, it indicates that restructuring is to be conceived as a prolonged process that may involve a large network or a cluster of SMEs. Secondly, it shows that restructuring can have positive outcomes for both employment, and health and safety. Thirdly, it stresses the critical value of ethics and social responsibility, which can be instrumental in establishing and keeping healthy and safe working conditions. Fourthly, it points out the role of the local administrations and SME associations in setting policies and supporting good practices in restructuring. Altogether, it suggests a participative practice to restructuring.

Electrolux plant

Context

Electrolux is a Swedish multinational company, and a world leader in the manufacture of household appliances and professional kitchen equipment. In February 2008, the company announced restructuring plans involving the closure of an Electrolux plant in Scandicci near Florence in northern Italy, which specialised in the production of refrigerators, and which employed 430 workers.

The role of social dialogue

At that time, refrigerator production was split between two plants. To increase the sector's profitability, competitiveness and economic sustainability, the company considered that it was necessary to concentrate production in one factory, in Susegana in the Veneto region of northeast Italy, which was its largest Italian plant with about 1,500 employees.

- Advance warning and consultation

A well-developed industrial relations system has been developed over the years within the Electrolux Group, based on a number of specific information and consultation procedures. These include a series of annual meetings where the group presents its financial and productive situation, its investment intentions and its employment prospects. In the case of any proposed company restructuring, specific discussions are added to the annual meetings, which involve representatives of the trade unions at both company and national level.

If the group has difficulties in one or more of its production sectors, the information and consultation procedure is preceded by an 'investigation phase'. During this phase, the group's representatives inform trade unions about the economic and productive situations of the plants subject to 'investigation', the problems highlighted by the analysis and the interventions envisaged to deal with them.

The strategy

In February 2008, the Electrolux Group announced the start of an 'investigation phase' with regard to the company's refrigeration division in Italy. This phase lasted around four months and involved more than 20 meetings, during which the possibility of concentrating refrigerator production at the Susegana plant, with the consequent closure of the Scandicci plant, was analysed in depth. The number of meetings held between the parties, and the quality of the information and dialogue are believed to have favoured the subsequent agreement on management of the restructuring process.

The most ‘atypical’ feature of the information and consultation process concerned the ‘investigative procedure’ phase, during which the company showed its willingness to consider alternative uses for the Scandicci plant. Moreover, when the closure of the plant was announced, the maximum information and consultation period required by law – namely 75 days – was extended to around four months.

- Support to workers

Electrolux announced that it would try to attract new activities to the site, and thus commissioned a specialised company to identify potential industrial uses so as to ensure the largest possible re-employment of redundant workers. Electrolux set out certain criteria against which it would consider alternative possibilities, including the financial and technological assets of the company interested in the investment, its orders portfolio, its guarantees regarding the maintenance of employment levels for at least three years, and its commitment regarding the rehiring of workers as well as the continuation of the collective agreement for the metalworking sector, and prevailing wage levels.

The company also planned to sell the plant on advantageous economic terms, and eventually agreed a sale with Energia Futura, a company operating in the alternative energies sector. In the run-up to this agreement, Electrolux kept the trade unions and local authorities informed on progress in the selection of alternative industrial projects for the site. The trade unions also facilitated the agreement with Energia Futura concerning the harmonisation of different contractual provisions in the previous company-level contract for the rehiring of workers.

According to the agreement reached between Electrolux and Energia Futura, 370 of the 430 workers previously employed by Electrolux at Scandicci would be rehired by Energia Futura. Moreover, the latter company guaranteed their employment for at least three years, as well as the maintenance of the conditions stipulated by the collective agreement for the metalworking sector, and the continuation of previous wage levels. Part of the agreement was that the transfer

of the Scandicci production site to Energia Futura would only become operational when the company had hired all 370 workers.

For the 60 workers who were not re-employed by Energia Futura, Electrolux created an outplacement service available to help their re-employment at other production sites.

The most unusual aspect of this case study lies in the role played by Electrolux. In Italy, the processes of reindustrialisation following the closure of plants is usually managed – or, at least, promoted – by local authorities. In the case of Scandicci, Electrolux decided to manage the selection of alternative industrial projects for reindustrialisation itself, and to sell the production site on particularly favourable economic terms to the one it favoured.

- Financial compensation paid to workers

For the 430 people employed at Electrolux's Scandicci plant, the agreement provided for recourse to the Extraordinary Wages Guarantee Fund (*Cassa integrazione guadagni straordinaria*, CIGS) for a maximum period of 24 months. In such cases, the Ministry of Labour, Health and Social Policy (Ministro del Lavoro, della Salute e delle Politiche Sociali) must approve the recourse to the CIG schemes with the benefits paid by the National Social Security Institute (Istituto nazionale di previdenza sociale, Inps) up to an amount equal to 80% of the overall effective wage.

The workers hired by Energia Futura were eligible for the CIGS and a mobility allowance, and the workers selected for the CIGS were those who voluntarily chose redundancy, and would fulfil pension requirements during the CIG period and subsequent 'mobility period'. The agreement also allowed for the voluntary conversion of 25 full-time employment contracts into part-time contracts.

The reorganisation plan for the refrigerator division, and the agreement subsequently signed by Electrolux and the trade unions on the management of the restructuring, also contained a series of economic incentives to encourage the voluntary departure of those workers who would not be re-employed by Energia Futura.

Overall, it can be said that Electrolux and the trade unions were able to use all of the ‘social shock absorbers’ specified by the law in the case of industrial reorganisation and closure of productive activities.

- Financial support to companies

No financial support was given to the company.

- Outcome

Conclusions

The quality and transparency of the discussions made it possible to overcome initial tensions about the closure of a plant, and to find satisfactory solutions. This allowed Electrolux to continue to see the production of household appliances in Italy as economically viable. To date, the restructuring process had no adverse effects. The rehiring of 370 workers by Energia Futura began in March 2009 and will continue throughout the year. Moreover, the Electrolux Group has planned to monitor the reindustrialisation of the Scandicci site, as will the trade unions, with a focus on employment.

12. Italy national seminar

This paper shortly summarises the outcomes of the Italian national seminar entitled *Occupational health and safety for mature workers during restructuring and change: stress and well-being*, held in Rome on 30th September 2010 at the National Confederation of SMEs.

More specifically during the seminar the results of the Italian focus have been presented: from the scientific literature review – both at national and international level – to the empirical outcomes coming from the submission of interviews to various stakeholder (the social partners, public institutions and NGOs representative of over 40 interests) and from the individual and anonymous questionnaires submitted online to the selected group of workers containing more than 90 items. An important part of the research has been also dedicated to the

evolution of the Italian regulatory framework in the field of OSH, since during these months the Italian Government has been working on the definition of guidelines for work-related stress assessment. In compliance with the project work programme, other similar seminars have been held, during 2010, in Vienna, Dortmund, London, Barcelona and Helsinki and a final conference will be held on 23rd November in Brussels.

Hoping to be of interest, we publish in this special bulletin many of the power point presentations introduced by the speakers.

The first session was characterized by the presentation of the theoretical framework by Maria Giovannone, Adapt research fellow. In recent years, there has been a growing interest in the experiences of older workers. The immediate drivers have been European social policy aimed at increasing older people's labour market participation; as well as national government initiatives to close early retirement routes. However, the longer term drivers are steadily ageing populations across Europe, along with lowering real retirement ages in most EU member states.

Various projects have focused on push and pull factors leading to early retirement including discrimination, pensions, caring responsibilities and redundancy. The Elders project is focused on one particular push factor: the impact of workplace restructuring on older workers' employability, as well as health and well-being. There are three interrelated reasons why the topic is associated with older people's employability. Firstly, older workers have long been regarded by both employers and the State as a reserved army of labour, brought into and forced out of the labour market as economic conditions require. This places them in a precarious position, relative to their younger colleagues during both organisational and economic restructurings. Secondly, organisational restructuring can have a particularly strong impact on older workers who find it difficult to adapt to technological change. Finally, older workers are concentrated in traditional industries and therefore adversely impacted in shifts toward service based economies.

In general terms, stress is the normal reaction of the individual to pressure applied by the environment (external or internal, physical or psychical). Anyway, environment pressures or requests do not always result in physiological response. When requests are prolonged or exceeding, either subjectively (for lack of resources) or objectively (for excessive burden), the individual's contrast capabilities are no longer functional, so that the effect of stress results in wearing the individual's psycho-physical resources consequently triggering a pathological condition.

Stress due to professions undergoes the same mechanism, thus contributing to cause serious environmental (contextual), economic and health problems affecting the individual and causing physical illnesses such as ischemic cardiopathy, ictus, cancer, osteomuscular and gastroenteric pathologies, accidents, psychic problems, such as anxiety, low level of self-esteem resulting in depression and self-damaging behaviour, resulting in loss of productivity and competitiveness for the Company.

Work-related stress is the second health problem in Europe. An ISPSEL research reveals that this disease affects 22% of workers in the EU - that means 40 million people. It also shows that to workrelated stress may be attributed nearly 60% of the working days lost for a total annual cost of 20 billion Euros – for job loss and medical expenses. 44 billion Euros for the medical treatment of depressive disorders – triggered by stress - should be added to this amount and a loss of 77 billion Euros due to low productivity.

According to the research, in Italy there would be about 4 million people suffering from workrelated stress. In our country, the disease does not only affect traditional categories such as health professions, teachers and law enforcement professionals. Nowadays, it mainly affects flexible and temporary workers, as well as the over 45. For all these people the greatest risk – apart from a series of psychosocial disorders, which often lead to an increase in use of psychotropic drugs – is represented by those diseases passing to the phase of somatisation.

In order to prevent work-related pathologies, which are found to be steadily increasing, we have to adopt specific criteria, such as:

- applying a risk management and assessment approach sustainable by the organizations;
- give emphasis to the role of the person in charge of health and safety at work;
- the use of validated risk assessment platforms;
- using survey instruments adapted to the different productive sectors;
- addressing the issue according to a global approach.

The causes of this phenomenon have to be found within the situation of global economic crisis that has produced instability in the labour market due to corporate restructuring.

Even though restructuring can't be considered the cause of a negative impact on the subject, the insecurity they produce can be considered as the major cause of stress.

In turn, as we have already said stress can result in:

- mental health problems;
- cardiovascular diseases;
- musculoskeletal problems;
- more accidents;
- poor living conditions;
- functions and skills decrease.

In this context, both people who lose and who do not lose their jobs are at high risk of stress. For the first ones, a preventive approach would be desirable in order to provide the skills and training needed to adapt to change, as well as to implement programmes of staff training and retraining and the application of clear and transparent redundancy procedures.

In the second case, people may undergo a loss of motivation, capacity for innovation and often a job change. Also for them it would be desirable to provide a clear and transparent communication of future prospects, the careful monitoring of the health of workers involved and a greater involvement of employee representatives.

The crisis has caused the so called new psychosocial risks, that the International Labour Organization defined them in terms of interaction between job content, work organization and management, organizational and environmental conditions on the one hand, and employees' skills and needs on the other.

Psychosocial risks can be defined as 'those aspects of work design, as well as their environmental and social contexts, which can potentially cause physical or psychological harm' and can be identified as poor environmental conditions, inadequate working facilities, uncertainty in career opportunities, reduced participation in decision making, isolation and long working hours without flexibility.

If we add to this phenomenon the age factor, the situation becomes even more problematic. In fact, mature workers are the ones who are most exposed to insecurity since they are victims of discrimination in the labour market, they have greater barriers to re-employment and they undergo early retirement.

In Italy attention to the over 40 has increased, but we are not yet fully aware of the dramatic nature and of the social and family aspects involved in the problem. Furthermore, the tools being adopted are still uncertain, inadequate and unstructured.

At present, in Italy there are 900,000 mature workers excluded from the labour market for whom safeguarding techniques should be applied, such as:

- the promotion of health and safety;
- the dynamic change of the workplace (equipment, tasks, work schedules, focus groups, experts involvement, training and information, ergonomics);
- a workforce diversity management approach;
- re-employment, task redefinition and work reorganization;
- the application of flexible work contracts and flexible work strategies;
- lifelong learning, ad hoc training and skills development;
- the increased participation and involvement of Unions;
- the involvement of experts for internal surveys;
- avoiding the proposal of early retirement or consensual resignation;
- the use of mature employees' skills acquired over the years;

- the application of corporate counselling;
- and above all avoiding the classic paradigm of deficit due to age, but beginning to consider the active aging vision.

Anyway some case studies reveal the implementation of good practices only at voluntary level both on the psychosocial and organisational/restructuring level. They mostly concern the following companies: Gucci, Enel, Electrolux and Unicredit, which adopted virtuous programmes based on dialogue and transparency in order to accompany mature workers in keeping the balance between crisis, change and the need of re-employment, information and supplementary training. On the other hand the reform of the retirement age legal framework, in our country, is considered an important step in the transition from the early retirement approach to active ageing system in employment in compliance with the most recent EU standards. Anyway the prevention of stress at work in connection with organisational change and age problems within the labour market still remains an open issue. This means that a systematic and integrated approach is still missing in our country.

This introduction was followed by a special focus on the evolution of work-related stress assessment and management methodology, which is still on the agenda of the Italian Ministry of Labour. Lorenzo Fantini, manager of divisions III and VI, DG for the protection of working conditions, Italian Ministry of Labour and Social Policy, underlined that although the introduction of the Consolidated Health and Safety, legislative decree no. 81/2008, states that the work-related stress must be an element to be included in the risk assessment - as required by legislative decree no. 06/2009, which the Advisory Commission is expected to adopt by December 31, 2010.

The currently available methodological guidelines are useful examples of applicable procedures but they do not have the legal effect which is attributed solely to the instructions provided by the Advisory Commission that has established an ad hoc committee, composed of central government (Ministries, Inail), regions and social partners in order to draft guidelines for the evaluation of work-related stress.

Sergio Iavicoli, director of department of occupational medicine, ISPESL, presented the results of a similar project and the implementation of a specific methodology for the assessment and management of work-related stress. Various methods have been experimented for this issue, both at national and international level over the years, but, according to ISPESL experience the most effective one is the HSE, proved and tested within the Italian system.

The second session, chaired by Michele Lepore, professor of health and safety at work, at the University of Rome, Sapienza. The session dealt with a special focus on more than 40 NGOs indeed Stefano Giusti, director ATDAL Over 40 and Giuseppe Zaffarano, president of labour association over 40, pointed out the importance of information and consultation during restructuring process in order to avoid the segregation of mature workers within the labour market. Their position was confirmed by the data emerging from the questionnaires submitted to the workers.

The seminar ended with a final round table on the position of social partners. Fabio Pontrandolfi, in charge for health and safety in the workplace, industrial relations, security and social affairs Confindustria, Cinzia Frasccheri, national responsible for health and safety at work, Cisl, Gabriella Galli, responsible for health and safety at work at a national level, Uil, Paolo Varesi, Ugl. The debate revealed that in Italy the topic of psychosocial issues is still very delicate and crucial and that there is still a big gap between the evolution of the regulatory and legal framework not conforming with work organisation and restructuring changes.

13. Literature review

The issue of restructuring – Restructuring and the organization of work and its effect on workers by age

Current demographic issues in Europe give arise to concern for the well being of elder workers, in particular for aspects of their health and the issue of lifelong

learning and re-training in face of organizational restructuring as a way of preserving the employability of workers or a method of facilitating their movement to other means of employment. A growing body of international literature indicates that organizational restructuring can have profound adverse effects on worker safety, health and well being particularly for older workers.

Restructuring: the international framework

Restructuring within an organization occurs for a variety of underlying reasons and affects workers of all ages, elder workers can be particularly vulnerable during and after restructuring. Restructuring tends to happen when an organization seeks to remain competitive or become competitive. Organizations already at financial risk while restructuring tend not to be supportive of workers needs throughout the restructuring process, only providing minimal support as required by legislation, while organizations that are financially better off tend to support their workers with advance warning and consultation, adequate severance packages, and training and assistance in finding new work if needed. A detailed analysis of different restructuring trends at the European level is described in the Eurofound (2009), *The ERM Report 2009: Restructuring in Recession*. This report reveals that the process of organizational restructuring in Europe and internationally consists of a wide array of typologies that can be roughly summarized into four categories: offshoring/delocalization, mergers/acquisitions, internal restructuring and business expansion.

The above-mentioned phenomena do not strictly occur in isolation of one another, in fact they are interrelated and tend to occur simultaneously (M. Gowing, J. Kraft, J. Quick (1997), *The new organizational reality: downsizing, restructuring, and revitalization*, Washington, DC: American Psychological Association; J. Godard (2001), *High performance and the transformation of work?: the implications of alternative work practices for the experience and outcomes of work*, in *Industrial and Labour Relations Review*, vol. 54, no. 4).

Economic globalization has allowed not only for the movement of capital across the globe but also for the deployment and redeployment of labour as a company would see fit. *Offshoring/delocalization* means that an aspect of the business activity is relocated or outsourced outside of the country's borders. Usually this offshoring or delocalization is accompanied by job losses and downsizing of the local company, with older workers adversely affected, as their jobs may be at risk. (O.E. Williamson (1981), *The Economics of Organization: The Transaction Cost Approach*, in *American Journal of Sociology*, vol. 87, no. 3, 548; J.P. Doh (2005), *Offshore Outsourcing: Implications for International Business and Strategic Management Theory and Practice*, in *Journal of Management Studies*, vol. 42, 3; A.Y Lewin, C. Peeters (2006), *Offshoring Work: Business Hype or the Onset of Fundamental Transformation?*, in *Long Range Planning*, vol. 39, Issue 3, 221-239; P. Antràs (2003), *Firms, Contracts, and Trade Structure*, NBER Working Paper, no. 9740; A.Y. Lewin, C. Peeters (2006), *Offshoring Work: Business Hype or the Onset of Fundamental Transformation?*, in *Long Range Planning*, vol. 39, Issue 3 Pages 221-239; P. Antràs(2003), *Firms, Contracts, and Trade Structure*, NBER Working Paper, no. 9740.

Certain organizational and economic drivers lead to this particular phenomenon. Paul and Wooster (2008), found that firms identified as outsourcers operate in more competitive industries and seek high cost-cutting objectives. Although, at times they have relatively worse operating performance, higher administrative overhead, and higher labour overheads. Outsourcing can result in a higher rate of growth for a firm. (D.L.P. and R.B.Wooster (2008), *An Empirical Analysis of Motives for Offshore Outsourcing by U.S. Firms*). Outsourcing as perceived by labour, undeniably results in a loss of jobs in one place and a gain of jobs in another. Olsen (2006), draws attention to the lack of evidence that proves that outsourcing affects productivity, in fact he shows that much depends on both sector and firm specific characteristics, with evidence that positive productivity affects firms depending on the degree to which firms are already globally engaged (K.B. Olsen (2006), *Productivity Impacts of Offshoring and Outsourcing: A*

Review, OECD Statistical Analysis of Science, Technology and Industry Working Paper 1).

For a further analysis of impacts of offshoring on the organization in terms of performance and structure at the international level, see; K. Bronfenbrenner, S. Luce (2004), *The Changing Nature of Corporate Global Restructuring: The Impact of Production Shifts on jobs in the US, China and Around the Globe*, Research Paper submitted to the US-China Economic and Security Review Commission; J. Wagner (2009), Offshoring and Firm Performance: Self-Selection, Effects on Performance, or Both?, IZA Discussion Paper, no. 4605; M. Amiti, S.J. Wei (2006), *Service offshoring and productivity: evidence from the United States*, NBER working paper series, no. 11926; S. Contrepolis, S. Jefferys (2005), *Trade unionism under challenge from offshoring and globalization*, Transfer: European review of labour and research, no. 4; D. Farrell (2005), *Offshoring: value creation through economic change*, in *Journal of management studies*, vol. 42, no. 3; B. Götzig, A. Stephan(2002), *Outsourcing and Firm-level Performance*, German Institute for Economic Research, Discussion Paper 309; E. Tomiura (2004), *Foreign Outsourcing and Firm-level Characteristics: Evidence from Japanese Manufacturers*, Discussion Paper Series, no. 64, Hitotsubashi University Research Unit for Statistical Analysis in Social Sciences.

Mergers and Acquisitions refer to the phenomena by which two companies merge or a company is undertaking acquisitions which then involve an internal restructuring programme aimed at rationalizing organization by cutting personnel. While mergers or acquisitions can occur for a number of different reasons, Eurofund's, *ERM case studies, The consequences of mergers and acquisitions, 2008* point to some of the main reasons. These being among others mergers to develop, modernize work methods, invest in new plants and equipment, saving a company from bankruptcy and expanding market share.

Mergers and acquisitions have been reported to have positive effects on the overall performance, in terms of leveraging capabilities (P.C. Haspeslagh, D.B. Jemison (1991), *Managing acquisitions*, Free Press, New York; A. Capasso, O.

Meglio (2007), *The Evolving Role of Mergers and Acquisitions in Competitive Strategy Research*); however, other evidence-based studies affirms that the process of knowledge accumulation occurs slowly or actually can be even hampered by mergers or acquisitions (D. Datta, J. Grant (1990), *Relationships between type of acquisition, the autonomy given to the acquired firm, and acquisition success: an empirical analysis*, in *Journal of Management*, vol. 16, no. 1, 29-44; D. Datta (1991), *Organizational fit and acquisition performance: effects of post-acquisition integration*, in *Strategic Management Journal*, vol. 12, no. 4, 281-297).

Mergers and acquisitions are usually associated with so-called downsizing, especially when they occur in the same industry. In this perspective, the literature makes reference to the ‘survivor syndrome’ to describe the impacts of the phenomenon on the social structure and employees performance, as a number of workers may lose their jobs, while the surviving few suffer anxiety and stress related to restructuring. With regards to this issue, see L. Grunberg, R. Anderson-Connolly, E. Greenberg (2000), *Surviving layoffs: The effects on organizational commitment and job performance*, in *Work and Occupations*, 27(1), 7-31; J. Kammeyer-Mueller, H. Liao, R.D. Arvey (2001), *Downsizing and Organizational Performance: A review of the literature from a Stakeholder Perspective*, in G.R. Ferris (Ed.), *Research in Personnel and Human Resources Management*, vol. 20, 269-329; J.E. Gutknecht, J.B. Keys (1993), *Mergers, acquisitions, and takeovers: maintaining morale of survivors and protecting employees*, in *Academy of Management Executive*, 7, 26-36.40; J.H. Astrachan (1995), *Organizational departures: The impact of separation anxiety as studied in a mergers and acquisitions simulation*, in *Journal of Applied Behavioural Science*, 31, 31–50; P. Cappelli (2000), *Examining the Incidence of Downsizing and its effect on Establishment Performance*, NBER Working Paper, 7742; P. Priti (2000), *Network destruction: The structural implications of downsizing*, in *Academy of Management Journal*, Vol 43: 101-112; B.K. Strandell (1995), *Do right-sizing right*, in *Executive Excellence*, 17.

On the other hand, Mergers and Acquisitions are also associated with innovation

and positive effects on organizational performance, especially if well-managed (see K. Mellahi, A. Wilkinson (2004), *Downsizing and Innovation Output: A Review of Literature and Research Propositions*, Paper presented at British Academy of Management Conference, St Andrews,; A.K. Mishra and K.E. Mishra (1994), *The role of mutual trust in effective downsizing strategies*, in *Human Resource Management*, vol. 33, no. 2, 261-279; L.J. Bourgeois III, K.M. Eisenhardt (1988), *Strategic Decision Processes in High Velocity Environments: Four Cases in the Microcomputer Industry*, in *Management Science* vol. 34, no. 7, 816-835). In particular, downsizing is associated with smoother communications, less bureaucracy, faster decision making and increased productivity (see W. Cascio (1993), *Downsizing: what do we know?, What have we learned*, in *Academy of Management Executive*, vol. 7, no. 1., 95-104).

However, there are some counter-arguments to the assumption of downsizing and mergers and acquisitions having positive effects on innovation. Especially, the level of creativity seems to drop down dramatically, according to Amabile and Conti (1990), (*Changes in the Work Environment for Creativity During Downsizing*, in *Academy of Management Journal*, vol. 42, no. 6, 630-640).

Internal restructuring involves numerical and/or qualitative changes in a workplace. Usually, it consists of the adoption of organizational arrangements associated with high-performance work systems (HPWSs) and internal flexibility policies (both functional and working time flexibility), which are becoming more and more wide-spread at the international level (P. Osterman (2000), *Work reorganization in an era of restructuring: Trends in diffusion and effects on employee welfare*, in *Industrial and Labour Relations Review*, vol. 53, 179-96; K. Antti (2009), *The incidence of high-performance work systems: evidence from a nationally representative employee survey*, *Economic and industrial democracy*. vol. 30, no. 3.

The adoption of HPWSs has been associated with increased wage disparity with elder workers at a disadvantage (S.E. Black, L.M. Lynch, A. Krivelyova (2003), *How workers fare when employers innovate*, National Bureau of Economic

Research, Working Paper 9569).

Such internal reorganization usually impacts the work environment in terms of enhanced team working, increased pace of work and level of personal accountability (Eurofound (2009), *Working conditions in the European Union: Work organization*, Dublin; H. Ramsay, D. Scholarios, B. Harley (2000), *Employees and high-performance work systems: Testing inside the black box*, in *British Journal of Industrial Relations*, vol. 38, no. 4, 501-531; S. Wood (1999), *Getting the measure of the transformed high-performance organisation*, in *British Journal of Industrial Relations*, vol. 37, no. 3, 391-417; P. Edwards, M. Collinson, C. Rees (1998), *The Determinants of Employee Responses to Total Quality Management: Six Case Studies*, *Organization Studies*, vol. 19, no. 3, 449-75). This may result in the need for workers to be re-trained. With the term *Business expansion* we refer to the situation in which a company extends its business activities, hiring new workforce. The phenomenon is usually associated with technology innovation and it impacts the organization in terms of new culture and systems of knowledge management, with older workers in most instances needing to receive training on new systems (S. Thomas, S.L. Muller (2000), *A Case for Comparative Entrepreneurship: Assessing the Relevance of Culture*, in *Journal of International Business Studies*, vol. 32, no. 2, 287-301; G. Knight, T. Cavusgil (2004), *Innovation, Organizational Capabilities, and the Born-Global Firm*, in *Journal of International Business Studies*, vol. 35, no. 2, 124-141). This is a particular sensitive issue for older workers, who on average have less access to new organizational forms of work, training and ICTs (see Eurofound (2008), *Working conditions of an ageing workforce*, based on the results of the *Fourth European Working Conditions Survey*).

New Risks

Typologies of restructuring and health and safety at work

Meta-analysis confirmed that, so far, the vast majority of studies in the literature argue that restructuring and organizational change negatively impact personnel

(European Expert Group on Health in Restructuring (2009), *Health in Restructuring: Innovative Approaches and Policy Recommendations*; M. Quinlan, P. Bohle (2009), *Overstretched and Unreciprocated Commitment: Reviewing Research on the Occupational Health and Safety Effects of Downsizing and Job Insecurity*, in *International Journal of Health Services*, vol. 39, No 1, 1-44).

Downsizing has been associated with higher injury rates (T. Koukoulaki (2009), *New trends in work environment – New effects on safety*, in *Safety Sciences*; D. Richardson, D. Loomis (1997), *Trends in fatal occupational injuries and industrial restructuring in North Carolina in the 1980s*, in *American Journal of Public Health*, vol. 87, no. 6, 1041-1043), muscles-skeletal disorders (J. Vahtera, M. Kivimäki, J. Pentti (1997), *Effects of organizational downsizing on health employees*, Lancet, Oxford,) and severe heart problems (J. Vahtera, M. Kivimäki, J. Pentti, A. Linna, M. Virtanen, P. Virtanen, J.E. Ferrie (2004), *Organisational downsizing, sickness absence, and mortality: 10-town prospective cohort study*, in *British Medical Journal*, vol. 328, no. 7439, 555); there is a strong correlation with psycho-social risks such as minor mental disorders (J. Ferrie, M.J. Shipley, M. Marmot, S. Stansfeld, G.D. Smith (1998), *The health effects of major organizational change and job insecurity*, in *Social Science & Medicine*, vol. 46, no. 2, 243-254), stress (M. Quinlan, P. Bohle (2009), *Overstretched and Unreciprocated Commitment: Reviewing Research on the Occupational Health and Safety Effects of Downsizing and Job Insecurity*, in *International Journal of Health Services*, vol. 39, No 1, 1-44; I.M., A. Tsutsumi, I. Shioji, F. Kobayashi (2004), *Effort-reward imbalance and physical health among Japanese workers in a recently-downsized corporation*, in *International Archives of Occupational and Environmental Health*, vol. 77, no. 6), alcohol abuse (P. Sikora, S. Moore, E. Greenberg, L. Grunberg (2008), *Downsizing and alcohol use: A cross-lagged longitudinal examination of the spillover hypothesis*, in *Work & Stress*, vol. 22, no. 1, 51-68; P. Schnall, P. Landsbergis, D. Baker (1994), *Job strain and cardiovascular diseases*, in *Annual Review of Public Health*, vol. 15, 381-411) and depression and anxiety (S. Moore, L. Grunberg, E. Greenberg, P. Sikora

(2007), *Type of Job Loss and its Impact on Decision Control, Mastery, and Depression: Comparison of Employee and Company-Stated Reasons*, in *Current Psychology*, vol. 26, no. 2, 71-85; S. Moore, L. Grunberg, E. Greenberg (2006), *Surviving repeated waves of organizational downsizing: The recency, duration, and order effects associated with different forms of layoff contact*, in *Anxiety, Stress, and Coping*, vol. 19, no. 3, 309-329; K. Demyttenaere, A. Bonnewyn, R. Bruffaerts *et al.* (2006), *Comorbid painful physical symptoms and depression: prevalence, work loss, and help seeking*, in *Journal of Affective Disorders*, vol. 92, 185-93).

On existing legal loopholes on the issue of OHS and downsizing, see M. Quinlan (2007), *Organizational restructuring/downsizing, OHS regulation and worker health and wellbeing*, in *International Journal of Law and Psychiatry*, vol. 30, 385-399.

On the emotional impacts of downsizing on managers, see L. Grunberg, S. Moore, E. Greenberg (2009), *Minimizing the impact of layoffs on front-line managers: ensuring that layoffs are conducted fairly can help reduce negative feelings among managers who must give notice to workers*, in *Journal of Employee Assistance*, vol. 39, no. 1, 19-22; N. Maki, S. Moore, L. Grunberg, E. Greenberg (2005), *The Responses of Male and Female Managers to Workplace Stress and Downsizing*, in *North American Journal of Psychology*, vol. 7, no. 2, 297-314.

Outsourcing and offshoring are instead mainly related to high injury and fatal injury rates (L. Hope, K. Mearns (2007), *Offshoring: Managing health risks in the offshore workplace: Impact on health climate, safety climate and risk identification*, in *International Journal of Risk Assessment and Management*, vol. 7, no. 2; A. Thebaud-Mony (2000), *L'industrie nucléaire: Sous-traitance et servitude*, INSERM Université Paris-XIII; D. Rousseau, C. Libuser (1997), *Contingent workers in high risk environments*, in *California Management Review*, vol. 39, 103-23).

On the impact of **internal restructuring** and organizational change related to the implementation of HPWSs on OHS, see, R. Anderson-Connolly, L. Grunberg, E.

Greenberg, S. Moore (2002), *Is lean mean? Workplace transformation and employee well-being*, in *Work, Employment & Society*, vol. 16, no. 3, 389-413.

Emerging psycho-social risks

Among the emerging psycho-social risks, the aging workforce was ranked fifth by the European Foundation for the Improvement of Living and Working Conditions (2007), in the *Fourth European working conditions survey*, Office for Official Publications of the European Communities, Luxembourg, in www.eurofound.europa.eu/ewco/surveys/EWCS2005/index.htm. Specifically, on its findings related to psycho-social risks in the workplace.

Among the most recent statement on mental health and well-being at the European level, there is the *European Pact for Mental Health and Well-being* (http://ec.europa.eu/health/ph_determinants/life_style/mental/docs/pact_en.pdf), established under the EU High-Level Conference *Together for mental health and well-being*, which took place on 12-13 June 2008 in Brussels. The paper has *Mental health of Older People* as one of its priority. The pact is built upon the consensus paper *Mental health in workplace settings*, which aims at empowering employees to reduce their stress level.

On the issue of work-related stress at the international level, see S. Leka, A. Griffiths, T. Cox, World Health Organization (2004), *Work Organization and Stress, Systematic Problem Approaches for Employers, Managers and Union Representatives*; International Labour Organization (1986), *Psychosocial Factors at Work: Recognition and Control*, Occupational Safety and Health Series no. 56, International Labour Office, Geneva; International Labour Organization (1992), *Preventing Stress at Work*, Conditions of Work Digest, 11, International Labour Office, Geneva.

On the issue of work-related stress at the European level, see W. Boedeker, H. Klindworth (2007), *Hearts and minds at work in Europe. A European work-related public health report on cardiovascular diseases and mental ill health*, BKK Bundesverband, Federal Association of Company Health Insurance Funds, Essen; I. Houtman (2005), *Work-related stress*, European Foundation for the

Improvement of Living and Working Conditions, in www.eurofound.europa.eu/; K. Daniels (2004), *Perceived risk from occupational stress: a survey of 15 European countries*, in *Occupational and Environmental Medicine*, vol. 61, 467-470; S. Miguel (2007), *Work-related stress: literature study report*, Portuguese Society for Occupational Safety and Health, SPOSHO, Universidade do Minho, Report provided to the European Agency for Safety and Health at Work; T. Cox, A.J. Griffiths, E. Rial-Gonzalez (2000), *Research on Work-related Stress. Report to the European Agency for Safety and Health at Work*, Luxembourg, Office for Official Publications of the European Communities, in <http://osha.europa.eu/en/publications/reports/203/view>.

There is an extensive body of literature that frames the issue of work-related stress in the demand-support-control model, also known as job strain model. On this issue, see R.A. Karasek (1979), *Job demands, job decision latitude, and mental strain: Implications for job redesign*, in *Administrative Science Q.*, vol. 24, 285-308; R.A. Karasek (1990), *Lower health risk with increased job control among white collar workers*, in *Journal of Organizational Behaviour*, vol. 11, 171-85; T. Theorell, A. Tsutsumi, J. Hallquist, C. Reuterwall, C. Hogstedt, P. Fredlund, N. Emlund, J.V. Johnson, *et al.* (1988), *Decision Latitude, Job Strain, and Myocardial Infarction: A study of working Men in Stockholm*, in *American Journal of Public Health*, vol. 88, 382-388; S.H. Parker, C.A. Sprigg (1999), *Minimizing strain and maximizing learning: the role of job demands, job control, and proactive personality*, in *Journal of Applied Psychology*, vol. 84, 925-939.

On emerging psycho-social problems in older people, see A. Thomas and T. O'Brien (2006), *Mood disorders in the elderly*, in *Psychiatry*, Vol 5(4), 127-130; E. Murphy, *Social origins of depression in old age*, in *British Journal of Psychiatry*, 141-135, 1982; International Longevity Centre-UK and The Merck Company Foundation (2006), *The State of ageing and health in the EU*; A. Börsch-Supan *et al.* (Eds.) (2005), *Health, Ageing and Retirement in Europe – First Results from the Survey of Health, Ageing and Retirement in Europe*, Mannheim, Mannheim Research Institute for the Economics of Aging, available at <http://www.share-project.org>; J. Ilmarinen (2006), *The ageing workforce-*

challenges for occupational health, in *Occupational Medicine*, vol. 56, no. 6, 362-364.

For a classification of existing literature on intervention approaches to tackle work-related stress on the basis of individual versus organizational focus, see A.D. Lamontagne, T. Keegel, A.M. Louie, A. Ostry, P.A. Landsbergis (2007), *A systematic review of the job-stress intervention evaluation literature, 1990-2005*, in *International Journal of Occupational and Environmental Health*, vol. 13, 268-280.

Good Practices

The ILO concept of *Socially Sensitive Enterprise Restructuring* is based on the assumption that restructuring cases should not only be driven by economic profitability but also take into account social costs for all relevant stakeholders, including employees and local economies. On this issue, see G. Boni (2009), *Socially sensitive corporate restructuring: between day dreaming and wishful thinking: comparative remarks based on the evolution of collective bargaining in Germany, France and Italy*, in *International labour review*, vol. 148, no. 1; N. Rogovsky, P. Ozoux, D. Esser, T. Marpe, A. Broughton (2005), *Restructuring for corporate success: A socially sensitive approach*, Geneva, ILO; D. Esser, *Restructuring with workforce reduction: how to manage the process in a socially sensitive manner*, ILO Management and Corporate Citizenship Programme, Geneva, 2004.

At the European level, an analysis of good practices in the organizational restructuring process is found in Eurofound, *ERM case studies: Good practice in company restructuring*, Dublin, 2008. Still at the European level, the Eurofound describes ways to improve the employability and enterprenaural initiative of victims of restructuring in three reports, namely Eurofound (2009), *Restructuring: support measures for affected workers*; Eurofound (2009), *Restructuring: job creation measures*; Eurofound (2006), *Support measures for business creation following restructuring*, Dublin. At various stages of restructuring an organization can engage in activities that smooth the process of restructuring for employees.

These may include advance warning given to workers and other relevant stakeholders when embarking on restructuring, help and support for workers who will lose their jobs in the form of redeployment and retraining, adequate financial compensation paid to workers who are made redundant, and financial support provided to organizations to assist them in reducing the effect of restructuring on workers and local communities.

The literature also tends to frame the issue of restructuring in the social corporate responsibility model through the lens of sustainable management. With regards to this subject, see F.W. Cascio (2002), *Strategies for Responsible Restructuring*, in *Academy of Management Executive*, vol. 16, 80-91; P. Gollan, *Human resources, capabilities and sustainability*, in D. Dunphy, J. Beneveniste, A. Griffiths, P. Sutton (eds.) (2000), *Sustainability: The corporate challenge of the 21st century*, Sydney, AllenUnwin, 55-77; D. Dunphy, A. Griffiths (1998), *The Sustainable Corporation*, Sydney; P. Gollan, *Sustainable strategies towards human resources—A way forward*, in D. Marinova (2004), *International hand book on Environmental Technology Management*, Edward Elgar, London.

Although restructuring is inevitable in a number of cases, companies are able to go about it in a way that minimizes the effect of job losses and the health and well being of vulnerable workers, elder workers in particular.

Vulnerable workers and age related risks

Vulnerable workers

The Italian regulatory framework on OHS has recently focused on vulnerable workers including young people; over 50, women and migrants. Indeed the Consolidated Act on Health and safety at work of 2008, as amended in 2009, introduced the obligation of employees to give particular attention in risk assessment to special groups of workers exposed to peculiar risks: work-related stress; age; nationality; sex and contractual relationship.

For an introduction of the idea of vulnerable workers in the Italian law see, M. Ceano (2009), *Il nuovo testo unico della sicurezza sul lavoro: commento organico al D.Lgs. 81/2008 aggiornato alle disposizioni del decreto correttivo (D.Lgs. 3*

agosto 2009, n. 106), Edizioni giuridiche Simone, Napoli; N. D'Angelo, *Testo unico della sicurezza sul lavoro con commento e giurisprudenza*, Maggioli, Rimini, 153-156; S. Ferrua, M. Giovannone, M. Tiraboschi, *Gruppi di lavoratori esposti a rischi particolari e tipologie di lavoro flessibile: la valutazione del rischio*, in M. Tiraboschi, L. Fantini (cura di) (2009), *Il testo unico della salute e sicurezza sul lavoro dopo il correttivo (d.lgs. n. 106/2009)*, Giuffrè, Milano, 569-583; R. Guariniello (2008), *Il Testo unico sicurezza sul lavoro: commentato con la giurisprudenza*, Ipsoa, Milano; M. Lepore (2009), *La normativa essenziale di sicurezza e salute sul luogo di lavoro: con il D. lgs. 81/08 e tutte le norme ancora vigenti*, EPC Libri, Roma; P.R. Pais (eds.) (2009), *La nuova normativa di tutela della salute e della sicurezza nei luoghi di lavoro: D. lgs. 81/08 coordinato con le modifiche introdotte da D. lgs 106/09*, EPC libri, 295 ss.; P. Pascucci (2008), *Dopo la Legge n. 123 del 2007: prime osservazioni sul Titolo I del D.lgs. 9 aprile 2008, n. 81 in materia di tutela della salute e della sicurezza nei luoghi di lavoro*, Es@, Pesaro; C. Timellini (2009), *In particolare: l'obbligo di valutazione dei rischi e i nuovi rischi oggetto di obbligatoria valutazione*, in L. Galantino (eds.), *Il Testo Unico in materia di salute e sicurezza sul lavoro: il d.lg. 81/2008 e il d.lg. n. 106/2009*, Utet giuridica, Torino, 65-69; L. Zoppoli, P. Pascucci, G. Natullo (eds.) (2008), *Le nuove regole per la salute e la sicurezza dei lavoratori: commentario al D. lgs. 9 aprile 2008, n. 81*, Ipsoa, Milano.

For a general framework on work-related stress A. Antonucci (2009), *Il rischio da stress lavoro-correlato*, in M. Tiraboschi, L. Fantini (eds.), *Il testo unico della salute e sicurezza sul lavoro dopo il correttivo (d.lgs. n. 106/2009)*, Giuffrè, Milano, 585-588; C. Bisio (2009), *Psicologia per la sicurezza sul lavoro. Rischio, benessere e ricerca del significato*, OS-Organizzazioni Speciali, Firenze; Coordinamento Spisal Della Provincia Di Verona Bussolengo, Legnago, Verona (2009), *Proposta di metodo per la valutazione del rischio stress lavoro correlato*; Coordinamento tecnico interregionale della prevenzione nei luoghi di lavoro (2010), *Decreto legislativo 81/2008 s.m.i. Valutazione e gestione del rischio da stress lavoro-correlato. Guida operativa*; T. Cox, A. Griffiths, E. Rial-Gonzalez, *Ricerca sullo stress correlato al lavoro*, Agenzia Europea per la Sicurezza e la

salute sul Lavoro, 2000; V. Di Martino (1994), *Stress lavorativo: un approccio per la prevenzione*, in M. La Rosa, M. Bonzagni, P. Grazioli, *Stress at work. La ricerca comparativa internazionale*, Franco Angeli, Milano; S. Di Nuovo, L. Rispoli, E. Genta (2008), *Misurare lo stress. Il Test M.S.P. e altri strumenti per una valutazione integrata*, F. Angeli, Milano; H. Ege, M. Lancioni (1998), *Stress e mobbing*, Pitagora, Bologna, 1998; M. Farnè (1999), *Lo stress*, Il Mulino, Bologna; G. Favretto (1994), *Lo stress nelle organizzazioni*, Il Mulino, Bologna; Guida prodotta dalla Commissione UE (2000), *Stress, sale della vita o veleno mortale*; Humanities (eds.) (2009), *Valutare e gestire lo stress lavoro-correlato*, EPC Libri, Roma; S. Iavicoli, G. Cavalli, A. Englund (2004), *Stress e lavoro nell'Europa in espansione*, Istituto Superiore per la Prevenzione e la Sicurezza del Lavoro, Roma; ISPESL (eds.) (2008), *PRIMA-EF. Guida al contesto europeo per la gestione del rischio psicosociale. Una risorsa per i datori di lavoro e per i rappresentanti dei lavoratori*, Roma; M. Magnani, G.A. Mancini, V. Majer (2009), *Safety and work-related stress: developing a risk index to comply with Italian law (D. Lgs. 81/2008)*, in *Risorsa Uomo*, no. 1, 1-18; National Institute For Occupational Safety And Health (1999), *Stress at work*; P. Pappone, A. Citro, O. Natullo, E. Del Castello (eds.) (2005), *Patologia psichica da stress, mobbing e costrittività organizzativa. La tutela dell'INAIL*, Edizioni Inail, Roma; R. Sennett (1999), *L'uomo flessibile*, Feltrinelli, Milano; F. Simonini, G. Corbizzi Fattori (2009), *Carte di controllo per la qualità applicata e valutazione dello stress lavoro-correlato*, in *ISL*, no. 3, 66 ss; SIPISS (Società italiana di psicoterapia integrata per lo sviluppo sociale) (2009), *Atti del I° convegno nazionale: lo stress occupazionale e i rischi psicosociali; le persone al centro delle organizzazioni*.

On the risks related to the labour contract and the necessity of specific care, management and assistance see M. Biagi, B. Maiani, P. Pispisa, M. Tiraboschi (2001), *Tipologie di lavoro atipico e tutela dell'ambiente di lavoro*, IIMS, Roma; European Agency For Safety And Health At Work (2002), *New forms of contractual relationships and implications for occupational safety and health*, Bilbao, report 1996-2001; European Agency For Safety And Health At Work (2007), *Expert forecast on emerging psychosocial risks related to occupational*

safety and health; M. Gallo (2008), *La sicurezza per i lavori atipici*, Il Sole 24 Ore Pirola, Milano; A. Guglielmi, A. Leva, G. Campo, M. Pellicci, L. Cecchi, A. Ruda (2009), *Indagine sulle condizioni di salute e sicurezza percepite dai lavoratori temporanei*, in *Prevenzione Oggi*, vol. 5, no. 1/2, 11-32; G. Messineo, A. Imperatore, A. Bruschi, O. Rossi, G. Di Martino, N. Serretti (2006), *I lavoratori atipici. Rilievi di attualità, sorveglianza sanitaria, vigilanza*, in *Giornale italiano di medicina del lavoro ed ergonomia*, n. 3. For an analysis of accidents in the workplace involving atypical and temporary jobs, see Eurispes (2003), *Incidenti sul lavoro e lavoro atipico*, Roma; Ires (2006), *Dinamiche d'impresa, flessibilità contrattuale e impatti sulla salute e sicurezza nella percezione dei lavoratori*; P. Soprani (2008), *Contratti a termine e sicurezza*, in *DPL*, no. 41, 2325-2330.

Over 40-50 workers and active ageing

Mature people are increasing all over Europe, and ageing is becoming a crucial issue within the labour market. This phenomenon has implications in terms of risks and work organization.

Several programmes have been experimented in order to protect mature workers within the Italian labour market. On active ageing and mature workers involvement see, L. Abburrà, E. Donati (2004), *Ageing: verso un mondo più maturo. Il mutamento delle età come fattore di innovazione sociale*, IRES Piemonte, in *Quaderni di ricerca* no. 104; S. Basso, A. Busetta, R. Iacoucci, P. Vittori (2005), *Invecchiamento e mercato del lavoro: due nuove indagini sul campo*, Dipartimento di Scienze demografiche dell'Università 'La Sapienza', Roma; R. Cagiano, B. Cassani (2005), *Invecchiamento e svecchiamento demografico: ricadute sociali*, in *Quaderni Europei sul nuovo welfare-Svecchiamento e società*, n. 2; M. Colasanto, F. Marcaletti (2007), *Lavoro e invecchiamento attivo. Una ricerca sulle politiche a favore degli over 45*, F. Angeli; U.M. Colombo (1975), *Gli anziani: rapporti sociali, lavoro, pensioni*, Giuffrè, Milano; M. Crisci, F. Heins, Istituto di ricerche sulla popolazione e le politiche sociali, CNR (2005), *L'invecchiamento della popolazione nelle regioni dell'Unione Europea dei 15*.

Processi e risposte politiche, Ires-Piemonte, Torino; European Commission (2006), *Ageing and Employment: Identification of good practice to increase job opportunities and maintain older workers in employment*, Final Report; European Commission (2006), *The demographic future of Europe – from challenge to opportunity*, Brussels; European Foundation For The Improvement Of Living And Working Conditions (1998), *Combating Age Barriers in Employment: A European Portfolio of Good Practice*, Luxembourg; European Foundation For The Improvement of Living and Working Conditions (2003), *Age and working conditions in the European Union*; Eurostat (2009), *Annual Results 2008*, Issue no. 33; A. Fontanesi (2007), *Over 55: dalla prevenzione del pre-pensionamento alla gestione innovativa degli over 55*, Isfol; F. Foschi, N. Barbini (2000), *Il lavoro e l'invecchiamento della popolazione nel nuovo millennio*, in *Difesa sociale*, n. 3/4; G. Geroldi (eds.) (2000), *Lavorare da anziani e da pensionati: lavoro degli anziani e politiche di welfare*, F. Angeli, Milano; G. Giumelli (eds.) (1987), *Anziani e lavoro*, Federazione nazionale pensionati Cisl, Milano; Istat (2009), *Rilevazione sulle forze di lavoro. Media 2008. Statistiche in breve*; R. Leonbruni (2003), *Percorsi verso la pensione. Storie lavorative dei lavoratori anziani in Italia*, Labouratorio R. Revelli, Centre for Employment Studies; M.L. Mirabile, L. Nardini, A. de Laurentiis (2006), *Essere over: età, mercato del lavoro e nuovi scenari di welfare*, in *Quaderni Spinn*, no. 23; Organizzazione internazionale del lavoro (2005), *Prevenzione: una strategia globale. Promuovere la sicurezza e la salute sul lavoro*; S. Porcari, P. Riccone, G. Folini (2004), *I lavoratori adulti tra programmazione regionale e politiche locali*, Monografie sul mercato del lavoro e le politiche per l'impiego, Isfol, no. 12; A. Russo, R. Salomone, M. Tiraboschi (2002), *Invecchiamento della popolazione, lavoratori "anziani" e politiche del lavoro: riflessioni sul caso italiano*, in *Collana Adapt*, no. 7; G. Savorani (2006), *Lavoro, precarietà, invecchiamento e salute*, in *G Gerontol*, no. 54, 561-565; Senato della Repubblica, Commissione lavoro (2005), *Indagine conoscitiva sulla condizione dei lavoratori anziani in Italia*.

Age-related risks

On risk assessment to protect mature workers from risk exposure and promote better OHS conditions see M.V. Capitini (2008), *Formazione a distanza verso gli over 60: progetto eLiLL*, Isfol; M. Colasanto, F. Marcaletti (eds.) (2007), *Lavoro e invecchiamento attivo. Una ricerca sulle politiche a favore degli over 45*, F. Angeli, Milano; G. Favretto, R. Sartori (2007), *Le età dell'impresa: giovani imprenditori e lavoratori esperti*, F. Angeli, Milano; O. Giarini (2005), *Il privilegio di lavorare dopo i 60 anni*, in *Quaderni Europei sul nuovo Welfare-Svecchiamento e società*, n. 2, 20-24; D. Gilli, M. Parente, C. Tagliavia (2005), *Lavoratori anziani e mercato del lavoro europeo. Studi, politiche pubbliche e buone prassi aziendali*, Monografie sul mercato del lavoro e le politiche per l'impiego, Isfol, no. 9; A. Golini, D. Gilli, (eds.) (2004), *Aspettative e comportamenti di individui e aziende in tema di invecchiamento della popolazione e della forza lavoro*, Isfol; Ires Friuli Venezia Giulia (2006), *Report di ricerca sulle buone prassi relative alla gestione e valorizzazione dei lavoratori over 50 nel mercato del lavoro*, Report finale di ricerca, no. 3; Isfol (2008), *Le politiche aziendali per l'age management. Materiali per un piano nazionale per l'invecchiamento attivo*, Roma; Italialavoro (2007), *La valorizzazione dei lavoratori maturi (over 50): una sfida per le politiche pubbliche e per le strategie delle organizzazioni*; M.C. Migliore (2006), *La formazione professionale dei lavoratori cinquantenni: una sfida per tutti*, Ires Piemonte, Torino; C. Pellegrini, F. Frigo (eds.) (2007), *La formazione continua in Italia. Indagini nazionali e internazionali a confronto*, F. Angeli, Milano; G. Reday Mulvay (2007), *Lavorare oltre i 60 anni: aspetti fondamentali e raccomandazioni*, in *Quaderni europei sul nuovo welfare*, no. 7, 65-81; F. Zecchini (2002), *Invecchiamento, lavoro e salute. Lo Stato della salute e della sicurezza dei lavoratori in Emilia Romagna*, 2° rapporto annuale dell'Istituto per il lavoro su salute e sicurezza.

On the impact of work-related stress on mature workers see A.Griffith, A. Knight, D. Nor Mouhd Maudin (2009), *Ageing, work-related stress and health. Reviewing the evidence. A report for age concern and help the aged, and TAEN – The Age and Employment Network*, Institute of work, health & organizations, University of

Nottingham. According to the survey stress rises its climax at the 50-55 age gap. Then it starts decreasing up to retirement age. It means that the most delicate period in workers' life should be faced through occupational strategies to make the last years more fruitful. Best practices should include control of stress symptoms, use of flexible schemes and part-time; improve intergenerational differences tolerance; emphasize the importance of mature workers experience and skills; improve their autonomy at work; social support; provide for special programmes for health and physical activities. For a general framework on mature workers' needs D. Camerino (2000), *Aspetti psicologici e psicosociali del lavoratore anziano*, in *Med. Lav.*, vol. 91, no. 4, 32 ss.

Ergonomic issues

On ergonomic risks and prevention strategies see, D. Alhaique (2000), *Invecchiamento e infortuni sul lavoro*, in *Med. Lav.*, vol. 91, no. 4, 403 ss.; N. Barbini, R. Squadroni (2000), *L'indagine ESTEV sulle relazioni salute, lavoro e invecchiamento in Italia*, in *Med. Lav.*, vol. 91, no. 4, 366 ss.; A. Basso, M. I. Urbano, L. Soleo, G. Serio, P. Trerotoli, S. Scianaro, O. di Candia, L. Ambrosi (2000), *Lavoro usurante, invecchiamento e salute: studio trasversale in un gruppo di anestesisti*, in *Med. Lav.*, vol. 91, no. 4, 354 ss.; P. Capodaglio (2000), *L'esercizio fisico nella prevenzione delle patologie muscolo-scheletriche nel lavoratore anziano*, in *Med. Lav.*, vol. 91, no. 4, 379 ss.; G. Cesana, M. Ferrario (2000), *Invecchiamento lavorativo e patologie cardiovascolari*, in *Med. Lav.* vol. 91, no. 4, 2000, 334 ss.; G. Costa (2000), *Capacità di lavoro e invecchiamento*, in *Med. Lav.*, vol. 91, no. 4, 302 ss.; G. De Vito, G. Molteni, D. Camerini, L. Bordini, M. Molinari, P. Capodaglio (2000), *Invecchiamento e lavoro: aspetti sanitari nelle attività di pulizia*, in *Med. Lav.*, vol. 91, no. 4, 387 ss.; R. Merletti, M. Pozzo, D. Zennaro (2005), *Valutazione neuromuscolare del lavoratore anziano: il progetto europeo NEW*, in *G. Ital. Med. Lav. Erg.* vol. 27, no. 1, 88-95; E. Occhipinti, D. Colombini (2000), *Invecchiamento lavorativo ed alterazioni muscolo scheletriche*, in *Med. Lav.*, vol. 91, no. 4, 2000, 342 ss.; J. Ilmarinen, G. Costa (2000), *L'invecchiamento dei lavoratori nell'Unione Europea*, in *Med.*

Lav., vol. 91, no. 4, 279 ss.; M. Paccagnella (1997), *Prevenzione delle cadute e promozione della salute di adulti e anziani*, F. Angeli, Milano; C. Vergani (2000), *La biologia e il bisogno dell'anziano*, in *Med. Lav.*, vol. 91, no. 4, 296 ss.; S. Volkoff (2000), *Deficienze e risorse dei lavoratori in relazione all'età: un approccio multidisciplinare*, in *Med. Lav.*, vol. 91, no. 4, 313 ss..

On ergonomic see M. Cappone, R. Zucchetti (2004), *Prevenzione inquinamento indoor: sicurezza ed ergonomia nel lavoro d'ufficio*, Buffetti, Roma; M. Beccali, M. Gussoni, F. Tosi (2003), *Ergonomia e ambiente: progettare per i cinque sensi. Metodi, strumenti e criteri d'intervento per la qualità sensoriale dei prodotti e dello spazio costruito*, Il Sole 24 Ore Pirola, Milano; M. Brunetta *et al.* (2002), *Management e lavoro, ergonomia, computer e comunicazione, formazione diffusa, apprendimento collettivo, learning organization*, F. Angeli, Milano; G. Caggiano (2001), *Ergonomia e sicurezza: il rapporto uomo, oggetto, macchina per una corretta progettazione dell'ambiente di lavoro*, Il Sole 24 Ore, Pirola, Milano; P. Cenni (2003), *Applicare l'ergonomia*, F. Angeli, Milano; N. Chmiel (2000), *Tecnologia e lavoro*, Il Mulino, Bologna; G. de Zorzi, G. Marocci (1981), *La progettazione ergonomia*, Clueb, Bologna; F. di Nocera (2004), *Che cos'è l'ergonomia cognitiva*, Carocci; P.G. Gabassi (1995), *Psicologia del lavoro nelle organizzazioni*, F. Angeli, Milano; E. Grandjean (1986), *Il lavoro a misura d'uomo*, Edizioni di Comunità, Milano; I. Ivaldi (1999), *Ergonomia e lavoro*, Liguori Editore, Napoli; G. Mantovani (2000), *Ergonomia, lavoro, sicurezza e nuove tecnologie*, Il Mulino, Bologna; K.F.H. Murrell (1967), *Ergonomia: l'uomo e il lavoro*, ISPER, Torino; E. Pisano (1987), *Progettare, stare, fare: lineamenti di ergonomia per la progettazione dell'ambiente e dei componenti ambientali*, F. Angeli, Milano; A. Re (1995), *Ergonomia per psicologi*, Raffaello Cortina, Milano; E. H. Schein (1970), *La psicologia industriale nella società moderna*, A. Martello, Milano; E. Spaltro (1991), *Psicologia delle organizzazioni*, F. Angeli, Milano; J.C. Sperandio (1983), *La psicologia in ergonomia*, Il Mulino, Bologna; F. Tosi (2001), *Progettazione ergonomica: metodi, strumenti, riferimenti tecnico-normativi e criteri d'intervento*, Il Sole 24 Ore Pirola, Milano.

Risk assessment and prevention for mature workers

Risk assessment is a crucial activity in OSH management and it has very important implications on mature workers conditions, since employees have to assess, prevent and manage all the risks, including age and stress. On the revised and renewed notion of risk assessment in the Italian legal framework and its interpretation within the Italian Consolidated Act, see F. Bacchini (2008), *La valutazione dei rischi*, in *ISL*, no. 5, 263; N. D'Angelo, *Testo unico della sicurezza sul lavoro con commento e giurisprudenza*, Maggioli, Rimini, 153-165; M. Gallo (2008), *Sicurezza sul lavoro: la "data certa" del DVR*, in *GLav*, no. 48, 19-23; I. Destito, S. Ferrua, *Il documento sulla valutazione dei rischi*, in M. Tiraboschi, L. Fantini (cura di) (2009), *Il testo unico della salute e sicurezza sul lavoro dopo il correttivo (d.lgs. n. 106/2009)*, Giuffrè, Milano, 549-559; A. Giuliani, *La "data certa" del documento di valutazione dei rischi*, in M. Tiraboschi, L. Fantini (cura di) (2009), *Il testo unico della salute e sicurezza sul lavoro dopo il correttivo (d.lgs. n. 106/2009)*, Giuffrè, Milano, 561-568. A. Fontanesi (eds.) (2007), *Over55: dalla prevenzione del pre-pensionamento alla gestione innovativa degli over 55*, Italia – Belgio – Spagna, Banca Dati Buone Prassi Xformances; C. Pasqualini Salsa, A. Zuco (2009), *Rischi chimici, fisici e biologici*, Ipsoa, Milano, 3-7, 43-45; L. Pelliccia (2008), *Il nuovo Testo unico di sicurezza sul lavoro*, Maggioli, Rimini, 108 ss.; A. Rotella (2009), *La nuova valutazione dei rischi*, in *ISL*, no. 1, 29 ss; C. Timellini, *Le modalità di effettuazione della valutazione dei rischi*, in L. Galantino (eds.) (2009), *Il Testo Unico in materia di salute e sicurezza sul lavoro: il d.lg. 81/2008 e il d.lg. n. 106/2009*, Utet giuridica, Torino, 69-72.

Medical surveillance

A special medical surveillance is created to prevent and manage workers' health related problems. On the impact of medical surveillance activities on older workers, see AA.VV. (2007), *Normativa integrata in tema di sorveglianza sanitaria dei lavoratori. Criticità e proposte*, in *Difesa sociale*, no. 3, 101 ss.; C. Amato, *Il ruolo del medico competente*, in L. Zoppoli, P. Pascucci, G. Natullo

(eds.) (2008), *Le nuove regole per la salute e la sicurezza dei lavoratori*, Ipsoa, Milano, 277 ss.; E. Barroco, A. Battistutto (2008), *Il divieto di visite preassuntive: quali vie d'uscita per il datore?*, in *GLav*, no. 45, 25 ss.; G. Bonati (2008), *Infortuni sul lavoro: nuovi adempimenti nel Testo unico*, in *GLav*, no. 21, 32-35; G. Campurra (2008), *La nuova sorveglianza sanitaria, Speciale Testo Unico sicurezza del lavoro*, in *ISL*, 281; G. Campurra (2008), *Manuale medicina del lavoro 2008. Manuali professionali*, Ipsoa Indicalia Editore, Milano; N. d'Angelo, *Testo unico della sicurezza sul lavoro con commento e giurisprudenza*, Maggioli, Rimini, 183-189; F. D'Orsi, R. Narda, R. Scarlini, E. Valenti (2008), *La sorveglianza sanitaria dei lavoratori. Manuale del medico competente secondo il D.Lgs. 81/2008*, EPC Libri, Roma; F. D'Orsi, *La sorveglianza sanitaria*, in M. Tiraboschi, L. Fantini (cura di) (2009), *Il testo unico della salute e sicurezza sul lavoro dopo il correttivo (d.lgs. n. 106/2009)*, Giuffrè, Milano, 687-694; P. Masciocchi (2008), *La movimentazione manuale dei carichi: obblighi del datore di lavoro, diritti del lavoratore, requisiti delle attrezzature, prevenzione e sorveglianza sanitaria, esercizi, modulistica: aggiornato al Dlgs 81/2008*, Il Sole 24 Ore, Milano; P. Monda, *La sorveglianza sanitaria*, in L. Zoppoli, P. Pascucci, G. Natullo (eds.) (2008), *Le nuove regole per la salute e la sicurezza dei lavoratori*, Ipsoa, Milano, 288 ss.; P. Pascucci (2008), *Dopo la legge n. 123 del 2007. Prime osservazioni sul Titolo I del d.lgs. 9 aprile 2008, n. 81 in materia di tutela della salute e sicurezza nei luoghi di lavoro*, in *Quaderni di Olympus*, no. 1, Studio @lfa, Fano, 136; C. Pasqualini Salsa, A. Zuco, *Rischi chimici, fisici e biologici*, Ipsoa, Milano, 2009, 46-47; M. Rizzo (2008), *Manuale di primo soccorso. Come affrontare le emergenze sanitarie nei luoghi di lavoro e nella vita quotidiana*, Editrice uni Service, Trento; G. Rosin, *Il medico competente e la sorveglianza sanitaria*, in L. Galantino (eds.) (2009), *Il Testo Unico in materia di salute e sicurezza sul lavoro: il d.lg. 81/2008 e il d.lg. n. 106/2009*, Utet giuridica, Torino, 157-172.

Information and training policies

At the European level the European Employment Strategy presents lifelong

learning as a strategic response to industrial restructuring challenges since it enhances employability chances by equipping workers with the right skills. More specifically, the Decision of the European Council on guidelines for the employment policies of the Member States (Brussels, 7 July 2008 10614/2/08) specifically recalls older workers among the privileged targets of efficient lifelong learning strategies, in guideline no. 23. The European Agency for the development of vocational education and training recently published a briefing note on the importance of older workers competences, their training and retraining also for requalification following companies' restructuring process (Cedefop (2009), *Will you still need me when I am 64? Training and demographic change*). Focusing on ELDERS research topics, a review of existing Italian literature can be split into two parts. The first one is related to andragogy, that is to say learning strategies focused on adults: it is important to distinguish the kind of learner we refer to, both to adopt the right teaching and learning methodology and to choose the most appropriate psychological approach. Secondly, a major research trend that needs to be tackled when talking about older workers and restructuring refers to skills audit.

Starting from available evidence, in Italy older workers are on average medium-highly qualified but their skills do not answer to the labour market needs. Available data and case studies in S. Giusti (2008), *Non ho l'età! Ovvero Della difficile ricollocazione di Luca, Elsa, Marco e di tutti i disoccupati che abbiano raggiunto i 40 anni*.

Firstly, andragogy refers to adults' pedagogy: learning strategies, adults' education and basic skills development. In this field a major reference is M.L. De Natale (2001), *Educazione degli adulti*, La Scuola, Brescia; the author analyses adults' pedagogy and its relationship with the world of work, in light of the main Schools of adults' education in Europe. The author depicts the watershed that distinguishes the British model for adults' education and the Danish one. While the latter has an unquestionable "training" and educative scope, the UK adults' education model, developed in the first half of the XIX century, pursues a much more "reparatory" goal and it seems therefore to be more appropriate to analyse

restructuring processes. Prof. De Natale is also member of the European Society for Research on the Education of Adults that runs specific research on these topics.

Likewise, Renato di Nubila – Full Professor in Training Methodology at the University of Padua – has extensively written about adults' education from a more methodological perspective (*The ability of training. Manual on methodology*). His work gives input for the appropriate tools and methods to be used when coping with different kinds of learners, including adults.

For an analysis of the psychological aspects of training and re-training for adult workers, interesting reflection can be developed starting from Prof. Duccio Demetrio's work. Demetrio is another Italian expert on pedagogy for adult learners and in his *Manuale di educazione degli adulti* (Manual for adults' education), Laterza, Bari, he focuses on the value of learning for adults in a psychological perspective providing with considerable insights also for reflection upon restructuring processes, although non explicitly.

Similarly, M. Bruscazioni (1997), *La gestione dei processi nella formazione degli adulti*, F. Angeli, Milano, by also highlighting the importance of trainers' training, frames learning in organizational contexts and underlines the psychological dimension of learning.

Psychopedagogical aspects of workers involved in transitions and restructuring process are the object of P.L. Bresciani (2006), *Biografie in transizione. I progetti lavorativi nell'epoca della flessibilità*, F. Angeli, Milano. He is also the author of a number of articles on the review *Professionalità*, which together with the on-line International review of Adults' education forum is the main reference on these topics in Italy.

Secondly, continuous training closely regards adult workers M. Bruscazioni (1997), *La gestione dei processi nella formazione degli adulti*, F. Angeli, Milano, highlights the importance of trainers' training, he frames learning in organizational contexts and underlines the psychological dimension of learning. Psychopedagogical aspects of workers involved in job-to-job transitions and

restructuring process are in P.L. Bresciani (2006), *Biografie in transizione. I progetti lavorativi nell'epoca della flessibilità*, F. Angeli, Milano.

A second major research trend that needs to be tackled when talking about older workers and restructuring refers to skills audit: this is an important tool helping workers to find coherence and consistency among the fragmented and plural learning experiences throughout their working life. In this sense, see A. Alberici, P. Serreri (2009), *Competenze e formazione in età adulta. Il bilancio di competenze: dalla teoria alla pratica*, Monolite, Roma. A first theoretical approach to the topic is provided by G. Bertagna (2004), *Valutare tutti, valutare ciascuno. Una prospettiva pedagogica*. La Scuola, Brescia, where Prof. Bertagna highlights the epistemological aspects of competences evaluation also in andrology. Other specific references about skills audit are in B. Rey (2003), *Ripensare le competenze trasversali*, F. Angeli, Milano. The book gives a definition of competences, which is an increasingly used term, often unconsciously, and it focuses on competence transfer. Methodological guidelines and technical indications for these tools are in Isfol (2008), *Il capitale esperienze. Ricostruirlo, valorizzarlo. Piste di lavoro e indicazioni operative*, I libri del Fondo Sociale Europeo, Roma.

The recent Guidelines on training in 2010

The importance of training for workers and labour relations is recalled in the White Paper of 2009: Ministry of labour and social policies (2009), *Libro bianco sul futuro del modello sociale. La vita buona nella società attiva*, in www.lavoro.gov.it. The document promotes lifelong learning as one of the basic rights of workers, so that they can develop the right skills to cope with the ever changing nature of jobs and in order to cope with the continuous occupational transitions.

In addition, a detailed and coherent analysis of the importance of the recent guidelines on training cannot be ignored. The document has been signed on 17th February 2010 by the Italian government, social partners, regions. For specific insights on the subject, see E. Bellezza, L. Rustico (2010), *2010: l'anno della*

formazione, Bollettino Speciale Adapt, no. 6, in www.adapt.it. The Guidelines are an expression of social consultation on training and represent the key instrument to deal with a crisis like the current, and they also provide an updated interpretation of the strategic role of continuous training and skills updating in addressing the restructuring of companies. A contribution to the topic of training and social dialogue in Italy, E. Bellezza, L. Rustico (2010), *Formazione e dialogo sociale: l'intesa Governo, Regioni e parti sociali del 17 febbraio 2010*, in *Diritto delle Relazioni Industriali*, no. 2.

The importance of the relevant agreements on workers' training on safety at work and a critical analysis of still open agreement

The structure of the application of training agreements (notably that of January 26, 2006) is now highly anachronistic, especially given the fact that *e-learning* is not considered in the modern sense. More recent studies of ISFOLsee in the effect of learning and web, a social dimension of learning potential in www.isfol.it.

The relationship is of fundamental importance because it reveals facts on the recourse to *e-learning* in Italy, an action that appears, unfortunately, until now, still very patchy.

Besides the issue of methodology for delivering training, also of close relevance in a modern and updated production context should be the development of agreements on training applications that provide what is defined as 'strong responsibility' to give concrete statements on training according first to legislative decree no. 81/2008, and then to legislative decree no. 106/2009.

Agreement is understood to refer to regions of the state conference 26 Jan. 2006, which is now at the center of a necessary work of substantial revision.

As for training of managers: the main change was introduced by decree-law no. 81/2008.

In particular, as already known, the legislative decree no. 81 of 2008 had also ordered the extension of compulsory training for managers, showing that even those who have summit duties must fulfill specific educational requirements.

On managers and their responsibilities under the public work, see M. Tiraboschi,

F. Verbaro (2010), *La nuova riforma del lavoro pubblico*, Giuffrè, Milano.

In particular it contains all operations to allow a correct classification of critical points related to the most recent reforms of public work. Yet on the issue of health and safety in the workplace in terms of liability of directors has been addressed and developed by M.R. Gentile, *I dirigenti*, in L. Fantini, M. Tiraboschi (eds.) (2009), *Il testo Unico della salute e sicurezza nei luoghi di lavoro dopo il correttivo (D. lgs. 106 del 2009)*, Giuffrè, Milano.

Actually you can not fail to mention another aspect of extreme importance, namely the delegation of functions (the framework of the delegation are contained in articles 16 and 17 of legislative decree no. 81 of 2008, as amended by legislative decree no. 106 of 2009) Delegation of tasks is what is particularly subject to change by the legislature in recent times. See the detailed analysis, including the case law on the subject, conducted by A. Russo, *La delega di funzioni*, in L. Fantini, M. Tiraboschi (eds.) (2009), *Il Testo Unico della salute e sicurezza nei luoghi di lavoro dopo il correttivo (d. lgs. 106 del 2009)*, Giuffrè, Milano.

Employees training: interactive training consistent with the evolving production

Apart from the contributions already collected in the light of legislative decree no. 626 of 1994, as mentioned above, the real novelty lies in how active learning, which are rightly mentioned in many recent agreements on training and, therefore, the real news is the alternative nature of traditional classroom lectures and and learning.

This alternativity in the way of delivering training is not only tightened security in the workplace, but also, as noted, the apprenticeship contract. Through an examination of the scheme provided by collective bargaining on training, it is very easy to see that the mode of *e-learning* is called for and valued precisely as an alternative way of training. For a discussion on the regional discipline provided by collective bargaining, see S. D'Agostino, P. de Vita (2007), *Il rebus dell'apprendistato professionalizzante*, Dossier Adapt, no. 7, in www.adapt.it. As mentioned above the articulation of the training content has been challenged in

recent times, only if you think the imposition of testing knowledge of Italian language for immigrant workers who can be trained properly only if actually know the Italian language. On the issue of protecting the safety of immigrants, including training aspects of the language, see S. Ferrua, *Il lavoro degli immigrati*, in L. Fantini, M. Tiraboschi (eds.) (2009), *Il Testo Unico della salute e sicurezza sul lavoro dopo il correttivo*, (d. lgs. n.106 del 2009), Giuffrè, Milano. Do not forget, however, that the issue has strong implications on the delicate and complex process of risk assessment, which was updated following the changes introduced by legislative decree no. 106/2009 (extends the obligation to evaluate, as we know, risks related to gender differences and age of workers, for example).

In a situation of a profound change in the regulatory environment, therefore, training of workers is characterized as a process directed not only to train but also to inform workers. It is a process that goes throughout the life of the employee, in line with the European idea of lifelong learning and, indeed, consists of information which is a set of essential knowledge for better health and safety, training in the narrow sense of training and practical and useful in performing the task assigned to the employee.

The legislature does not appear to have dealt specifically with the issue of training workers in their forties-fifties, leaving much more space in the determination of protection, the question of gender differences, which was the focus of a specific intervention by the legislative decree no. 81, 2008. On the topic see the extensive contribution of C. Bizzarro, *La prospettiva di genere*, in L. Fantini, M. Tiraboschi (eds.) (2009), *Il Testo Unico della salute e sicurezza sul lavoro dopo il correttivo* (d.lgs. 106 del 2009), Giuffrè, Milano.

It remains clear that the obligation of training will be the same as other workers, with the result that the employer will train workers in accordance with the obligation to protect safety under article 2087 of our Civil Code.

It should certainly also be taken account of recent case law on training and information. A good reconstruction is done by R. Guariniello (2009), *Formazione teorica e formazione pratica dei lavoratori*, in *ISL*, no. 1, 39.

The analysis of case law has the merit of highlighting the practical application of

that legislation, highlighting the critical interpretation of that wording.

The training booklet of the citizen: towards its final implementation?

Regarding the effectiveness of training it remains of vital importance the training booklet profile of the citizen and, in view of its greater implementation, see the recent agreement between Confapi and CGIL, CISL and UIL funds optimization of and implementation of training booklet in the site www.adapt.it.

Please note that the doctrine has been rightly highlighted by the partial implementation of the training booklet by the regions. On this point, given the fact that there are very few doctrinal contribution stands M. Gallo (2008), *Libretto formativo del lavoratore: i profili applicativi e sanzionatori del nuovo regime*, in *GLav*, no. 24, 12.

Older workers prevention clusters

Legal framework

The Italian framework regarding insurance and retirement is a complex system that has been subject, over the years, to numerous legislative changes and regulations, in consideration of the historical, social and productive evolution of the country.

The economic crisis of the '70s, the restructuring processes (with lots of workers out of production), together with the consolidation of trends towards better life expectancy and reduced birth rates, with the prospect of overturning the ratio of active workers and retirees, have increasingly put into question the predominant role of the public system and lead to the need to reform the Italian pension system. The process of pension reform started in 1992, under Amato government, with the law no. 421 of October 23rd, laying the foundations to the supplementary pension regulations. See on this point, G. Ferraro, F. Mazziotti (1994), *Il sistema pensionistico riformato. Dalla Legge delega 421/1992 al DL 585/1993*, Jovene, Napoli; M. Cinelli (1994), *Lineamenti generali della riforma previdenziale*, in

DLRI, 68 ss., G. Ciocca (1988), *La libertà della previdenza privata*, Giuffrè, Milano, 60 ss. which describe, in detail, the objectives underlying the Act, aimed at rebalancing the public finance, stabilizing the relationship between public spending and gross domestic product at mixing the rules of public pension benefits and at encouraging the development of supplementary pension forms (article 3).

The implementation of this “*legge delega*” (delegation law), was followed by legislative decree no. 503 of December 30, 1992 (known as Amato’s Reform) which provides the implementation of a gradual reduction of the pension benefit, the homogenization of the public institutions of the pension system, by reviewing and modifying the social security system of private and public workers. See for a detailed analysis of the decree no. 503/1992 G. Ferraro, F. Mazziotti (eds.) (1994), *Il sistema pensionistico riformato. Dalla Legge delega 421/1992 al DL 585/1993*, Jovene, Napoli; P. Curzio, G. Calamita (eds.) (1994), *Il sistema pensionistico in evoluzione*, Cacucci, Bari; M. Cinelli, M. Persiani (1995), *Commentario della riforma previdenziale (dalle leggi Amato alla finanziaria 1999)*, Giuffrè, Milano. As noted by G.G. Balandi (1992), *I provvedimenti per le pensioni tra riforma ed aggiustamento (osservazioni sulla legge n. 421/92 e sul d. lgs. n. 503/92)*, in *RGL*, no. 4, 721-727, among the guiding principles of the reform of the pension system 1992, there are measures to reduce social spending.

With the second legislative decree implementing law no. 421, that is the legislative decree no. 124 of April 21st, 1993, the organic framework of the supplementary pension system is reviewed and the rules for the creation of pension funds are issued: pension benefits paid by the funds are starting to be considered as treatments “complementary” to the public ones.

The so-called “second pillar” of the pension system assumes a crucial importance in the medium term to ensure highest levels of insurance coverage. For a textual analysis, refer to F.D. Mastrangeli (1994), *La disciplina dei fondi pensione nei decreti legislativi n. 124 e n. 585 del 1993*, in *RIDL*, I, 141; A. Pandolfi (1993), *La nuova cornice legislativa della previdenza complementare*, in *DPL*, no. 35, IX; G. Dondi (1993), *Prime note sulla recente disciplina delle forme pensionistiche e*

complementari, in *MGL*, 708 ss.; F. Mazziotti (1997), *Prestazioni pensionistiche complementari e posizioni contributive*, in *D&L*, I, 239 ss.

Before legislative decree no. 124/2003, there were only two rules concerning the matters contained in the Civil Code, under the freedom of private assistance guaranteed by the Constitution, namely, articles 2117 and 2123, the regulations governing special funds for security assistance in order to protect the funds generated internally by the company management. See A. De Valles (1961), *Natura giuridica dei fondi per la previdenza e l'assistenza di cui all'art.2117 c.c.*, in *DE*, 1183 ss.; L. Riva Sanseverino (1969), *Commento all'art. 2117 c.c* in *Commentario al codice civile*, Zanichelli, Bologna, 444 ss.; M. Cerreta (1988), *I fondi aziendali integrativi di previdenza ed assistenza*, in *D&L*, I, 173 ss.; G. Ciocca (1991), *Commento agli artt. 2117 e 2123 c.c.* in *Codice Civile Commentato*, Utet, Napoli, 126 ss.; by the same author (1995), *I fondi pensione e la libertà della previdenza privata*, in *D&L*, II, 368 ss.

Two years after legislative decree no. 124/1993, a law was adopted to reform the public and complementary pension system, law no. 335 of August 8, 1995; the so-called Dini's Reform, indeed, acts on the latter form of social security by removing obstacles that prevented its ultimate start up, showing this way the possible coexistence between the two pension levels. See on this point, L. Corazza (1996), *"Privatizzazioni" e conservazione della posizione previdenziale* (nota a sent. Pret. Bologna 13 dicembre 1994, Morgia e altro c. Soc. Iritel e altro), in *RGL*, II, 325; G. Scardillo (1993), *Brevi riflessioni sulla previdenza integrativa quale "rimedio" allo stato sociale*, in *GM*, II, 572; A. Brambilla (1996), *Capire i fondi pensione*, in *GD*, Milano; G. Ferraro (eds.) (2000), *La previdenza complementare nella riforma del Welfare*, Giuffrè, Milano. In response to a careful assessment of the demographic changes and the continuing imbalance between contributions and benefits, resulting from the mode of computation still based, for many workers, on the latest earnings, the Italian legislator requires a structural change of the public pension system. This review determines the start towards a "contribution-based" public pension system, to be complemented by supplementary pensions.

See for a detailed analysis of the law C. Cester (1996), *La riforma del sistema pensionistico*, Giappichelli, Torino; G. Canavesi (1995), *L'omogenizzazione dei trattamenti pensionistici nella riforma previdenziale*, in *RGL*, no. 4, 347-375; M. Cinelli, M. Persiani (1995), *Commentario della riforma previdenziale (dalle leggi Amato alla finanziaria 1999)*, Giuffrè, Milano.

Among the various measures implemented by the Prodi's Reform, article 59, law no. 449 of 27 December 1997, what stands out is the acceleration of the process, started with the legislative decree no. 503/92, of gradually raising the retirement age and contribution requirements required to obtain the right to retirement pension. This reform fulfills, in addition, the alignment process of public employees to private sector employees on the requirements necessary to have access to defined-benefits, in addition to the public pension, only when the requirements are achieved for the same treatment; it determines the application, for the purposes of pension benefits, of the only criterion of equalization automatically linked to the change in cost of living under article. 11, legislative decree no. 503/1992. The ruling of the Supreme Court no. 2570 of February 21st 2001 is of particular interest, since it constitutes one of the first statements on the new provisions contained in article 59, par. 4, of law no. 449/1997, regarding the adjustment of pension benefits paid by supplemental insurance forms. For a textual analysis of the same, refer to R. Scorcelli (2001), *L'adeguamento delle prestazioni pensionistiche erogate dalle forme di previdenza complementare* (nota a Cass. sez. lav. 21 febbraio 2001, no. 2570, in *D&L*, no. 4, 1116-1117; the author proceeds to explain different pension schemes with particular reference to the new legislation and highlights how the kinds of services for pension funds are essentially two: the "defined contribution" scheme and the "defined benefit" scheme. On this point, and for a detailed analysis of the law see also M. Cinelli (1997), *I problemi della previdenza complementare. L'adeguamento delle forme preesistenti alla disciplina di legge*, in *MGL*, I, 505; M.A. Coppini (1998), *Gli effetti della riforma Prodi sugli oneri del regime generale delle pensioni per i lavoratori dipendenti*, *Inpdap*, no. 1-2, 18.

Law no. 243, August 23, 2004 (known as Maroni's Reform) closes the cycle of reform of our pension system. With this measure, the Italian government intends, first of all, to raise the retirement age gradually, mainly on a voluntary basis; on this point see M. Cinelli (2005), *Riforma previdenziale 2004: l'età pensionabile rivisitata. Una risposta adeguata alla sfida demografica?*, in *DLM*, no. 1, 55-73; P. Palminiello (2005), *Invecchiamento e welfare: riflessioni sul dibattito in corso*, in *RPS*, no.1, 373-396, G.Cazzola (2004), *Le pensioni riformate*, in *Il Mulino*, no. 6, 1061-1073.

In 2004, the legislature has also set the aim to develop large-scale supplementary schemes, alongside with the public, to encourage the financing through the allocation of the severance indemnity of workers. To this purpose, legislative decree no. 252, of December 5, 2005 provided for a comprehensive reform of complementary pensions, by collecting, in a single legislative text, the whole discipline of matter. The reform, due to the l no. 296 of December 27, 2006, Art. 1, par. 749, entered into force on January 1st 2007. From that date, each employee must decide whether to allocate their severance pay to forms of supplementary pension or maintain the same at the employer; in the absence of a claim by the employee, the rule of implied consent is applied and the TFR will be transferred automatically to the pension fund of the professional category. See on this point, M. Piccari (2007), *La disciplina delle forme pensionistiche complementari nel d. lgs. 252/2005*, in *Diritto delle Relazioni industriali*, no. 2, 431-461; A. Tursi (eds.) (2007), *La nuova disciplina della previdenza complementare: d.lgs. 5 dicembre 2005, n. 252*, in *NLCC*, no. 3 e 4, 537-969; M. Bessone (2005), *Le nuove discipline di conferimento del trattamento di fine rapporto ai fondi pensione*, in *GM*, fasc. 3, 765-770.

In particular, M. Jessoula (2008), *Previdenza complementare, Tfr e silenzio-assenso*, in *Il Mulino*, no. 5, 850-861, e G. De Simone (2008), *Riforma del Tfr e previdenza complementare, tra neopaternalismo pubblico e autonomia privata*, in *LD*, no. 4, 605-63, which analyzes the system based on the transfer of TFR to complementary pension and the opt-out mechanism, trying to answer to those who wonder about the failure or success of this reform.

The Maroni's Reform introduces also disincentives for the postponement of retirement, the so called "Super bonus", i.e. the benefit for private sector employees who decide to continue working since the entitlement to retirement pension. On this point, P. Passalacqua (2009), *Sui limiti di durata del c.d. super bonus contributivo*, in *RIDL*, no. 3, 744, nonchè P. Palminiello (2005), *Invecchiamento e welfare: riflessioni sul dibattito in corso*, in *RPS*, no. 1, 373-396.

On December 24, 2007, to coincide with the final approval of the Budget law for 2008, finally, law. no. 247 is approved, entitled *Guidelines to implement the Protocol of July 23 2007 on social security, employment and competitiveness in order to promote equity and sustainable growth and further rules on labour and social security*. See on this point, M. Carcano (2008), *Il Protocollo welfare: come cambiano pensioni e lavoro*, in *Agg. soc.*, no. 5, 344-355, who traces the historical roots of the agreement commonly referred as "Welfare Protocol", implemented by the law in question and the phases of the debate originated between the parties involved at the political level and among scholars. The author assesses the significance of the agreement reached in terms of industrial relations, interpreting it as a success of the *consultation method*, explaining then the contents of the agreement about increase in pensions, indexation mechanisms and the age of retirement.

The law, indeed, provides a series of measures on social security and, in particular, changing the requirements for access to old-age pensions and retirement pension in the contribution scheme, compared to those given in law no. 243 of August 23, 2004, which do not apply to workers who have completed the requirements for a pension before December 31, 2007. The new law also establishes a new rule regarding the commencement of the retirement pension and early retirement benefits achieved with 40 years of contribution paid.

The same measure provided also for more news on automatic equalization in addition to those already established in article 5, par. 6, of the law no. 127 of 2007.

For a detailed analysis of law 247, December 24, 2007, *Welfare Act*, see also Studio Legale Persiani (eds.) (2008), *La nuova disciplina del Welfare: legge 24 dicembre 2007, n. 247*, Cedam, Padova; M. Cinelli, G. Ferraro (2008), *Lavoro, competitività, welfare: commentario alla legge 24 dicembre 2007, n. 247 e riforme correlate*, Utet giuridica, Milanofiori, Assago; S. Pirrone (2008), *Flessibilità e sicurezze: il nuovo welfare dopo il Protocollo del 23 luglio*, Il Mulino, Bologna, analyzing the regulatory phase in order to develop proposals evolving in line with EU and international trends.

The regulatory frameworks for labour relations of public and private sectors has been substantially redesigned in 2008 by three decrees: no. 112 of June 25, no. 93 of May 27 and no. 97 of June 3rd, which, in coordination with law no. 247 of December 24 laid the foundations for the completion of pension reform. According to M. Tiraboschi (eds.) (2008), *La riforma del lavoro pubblico e privato e il nuovo welfare*, Giuffrè, Milano, the commitment required to the legal profession, businesses and trade unions is significant as it involves detailed specifications of different inspirations and matrix, affecting numerous profiles and legal institutions, and they must be coordinated and traced to a coherent framework.

In particular, law no. 133 of August 6, 2008, with the amendments of decree-law June 25, 2008, no. 112, contains a no. of measures of particular interest in the welfare sector that, as stated by L. Carbone (2008), *Previdenza ed assistenza nella manovra economica del governo Berlusconi (D.L. n. 112 del 2008, convertito in legge n. 133 del 2008)*, in *FI*, no. 10, 261-264, provide for three types of “interventions”: on the benefits, on the social security contribution, on pension and labour disputes.

The first includes: lifting of the ban to combine pension and income from work; the social benefit; and the capacity to be sued in civil disability; the special plan for verifying civil disabilities. The second regulates disability benefits subject to contribution; public contributions for sickness and maternity; contributions to mobility; public employees and unemployment insurance; the last includes: the simplification and rationalization of administrative procedures on pensions, social

security and streamlining the litigation process work. For a detailed analysis of recent legislation, see M. Cinelli (2007), *Il rapporto previdenziale*, Giappichelli, Torino; for an updating, M. Magnani, A. Pandolfo e P.A. Varesi (2008), *Previdenza, mercato del lavoro, competitività*, Giappichelli, Torino, 29-42, 57-105, 136-156, 212-235.

Reforms and changes to the pension system that have followed over the years have had as main objective the stabilization of pension expenditures, achieved only in part. Indeed, as stated by T. Treu (2009), *La previdenza sociale: un bilancio in chiaroscuro*, in *IE*, no. 2, a lot remains to be done to overcome the problems remained unsolved, and to respond to unexpected changes that have occurred.

The Italian pension system into line, since 1995, with the model NDC (Notional Defined Contribution), has moved to a contributory scheme which, while guaranteeing fairness and transparency, has still many problems, gaps and contradictions that make the design and purpose uncertain; indeed, the Welfare Protocol of 2007 has redefined the rates of conversion but has not absorbed all critical aspects. As argued by Gronchi (2009), *Problemi aperti nello schema NDC italiano*, in *IE*, no. 2. it is advisable to identify and apply appropriate remedies and new initiatives to make the model of Welfare more advanced; among these, according to C. De Vincenti (2009), *Una proposta per le pensioni*, in *IE*, no. 2 is desirable to raise the retirement age of women, which could contribute to reducing the incidence of public expenditure on gross domestic product.

The already precarious balance of the pension system is therefore now increasingly challenged by an aging population and the economic crisis, which nullified the effects of recent measures to control spending, social security, so Ministero del Lavoro e delle Politiche Sociali (2009), *La vita buona nella società attiva, Libro Bianco sul futuro del modello sociale*, Roma, 9, 10, 15, and M. Cinelli e C.A. Nicolini (2009), *La previdenza tra crisi economica e problemi di giustizia. Il libro bianco sul futuro del modello sociale*, in *RIDL*, vol. 28, no. 3, pt. 3, 315-332. It becomes, therefore, necessary to develop criteria for a better distribution of pensions. See E. Fornero, G. Mastrobuoni, F. Taddei (2009),

Pensioni: una flessibilità in uscita si realizza con la riforma dei salari, in *IE*, no.

2. The authors state also that the pension system should be more flexible accepting the demands of the European institutions to adjust pensions to EU standards.

In a more favorable situation of public finance and secure sustainability of the pension system, a more complex adjustment of pensions shall be addressed, starting from the lowest ones, to the specific cost of living of older people, see, Monacelli (2007), *La protezione sociale degli anziani in Italia tra previdenza e assistenza: un'analisi retrospettiva in una prospettiva di riforma*, in *PE*, no. 3, 289-320, nonché Ministero del Lavoro e delle Politiche Sociali (eds.) *La vita buona nella società attiva. Libro bianco sul futuro del modello sociale*, Roma, 46-48 to ensure deprived older workers, not of working age, a sort of minimum income relief through additions to their pension.

On health and safety of over 40 to 50

For an analysis of the major issues for older workers see Organizzazione Internazionale del Lavoro (2005), *Prevenzione: una strategia globale. Promuovere la sicurezza e la salute sul lavoro. Il rapporto dell'ILO per la Giornata mondiale per la sicurezza e la salute sul lavoro*. In this report, the ILO said that the ergonomic design of equipment and processes is of crucial importance for all workers and the same assignments should be properly managed to ensure that the employees do not exceed the individual capabilities. Companies should also carry out checks of visual acuity of elder employees. Steps to avoid discrimination by age are also necessary.

An analysis of strategies adopted by enterprises was carried out by the European Foundation For the Improvement Of Living and Working Conditions (2005), *Gestione del fattore età nelle imprese europee*; it is noted that many companies, especially large ones, are opting for a comprehensive strategy, such as flexible working hours combined with measures of health care; policies of comprehensive, integrated human resources, which provide active management of age factor are uncommon.

The problem of unemployment is analyzed by Assoservizi Piacenza e Consorzio Farpin, *Strumenti per la formazione, Età e Lavoro: l'invecchiamento in azienda*, in www.assoinforma.com/AssoInforma13.pdf, the report highlights the premature exit of elder employees from the labour market that hasn't served to prepare companies to the reality of tomorrow. Also early withdrawal from the labour market generated a set of loss and confusion for businesses: loss of technological expertise and know-how.

On the same topic also A. Fontanesi (2007), *Over 55: dalla prevenzione del pre-pensionamento alla gestione innovativa degli over 55, Italia - Belgio*; C. Di Lecco, F. Lentisco (2007), *Promozione della salute, produttività d'azienda e valorizzazione delle risorse umane: il Counselling nei luoghi di lavoro*, Foglio d'informazione ISPESL, in www.ispesl.it/informazione/argomenti/fo-lic.pdf; L. Abburrà, E. Donati (2007), *I nuovi cinquantenni fra occupazione e attività*, Ires Piemonte, Torino; M. Cereda (2009), *L'odissea dei lavoratori «over 45». Operai, impiegati, quadri e manager senza posto e pensione*, in *ItaliaOggi*, 51.

An analysis of the measures taken by Member States for over 55 is in L. Abburrà, E. Donati (2004), *Ageing: verso un mondo più maturo. Il mutamento delle età come fattore di innovazione sociale*, in *Quaderni di ricerca*, Ires Piemonte, Torino.

For an analysis of good practices see B. Contini, C. Malpede, C. Villosio (2007), *Il prolungamento della vita lavorativa dei "giovani anziani": uno studio sulle strategie di impresa*, Reports Lrr 1, Torino; A. Cozzaglio, C. Martellosio (2008), *Sistema di servizio per il prolungamento della vita attiva – PVA*, TiConUno srl, Milano; D. Gilli, C. Tagliavia (2005), *Lavoratori anziani e mercato del lavoro europeo. Studi, politiche pubbliche e buone prassi aziendali*, Isfol, Roma.

A strategic element for the involvement of elder employees is continuous training. A survey comparing public and private employees is made by R. Angotti, A. Berardini, F. Frigo (2006), *Gli investimenti in formazione continua e la partecipazione dei lavoratori over 45. Un confronto fra dipendenti pubblici e privati*, 10° Rapporto sulla formazione nella Pubblica amministrazione, 295-310.

On active employment policies targeted at the involvement of employees of

mature age, see M. Tiraboschi (2004), *Occupabilità, politiche attive del lavoro e dialogo sociale in Europa: esperienze a confronto*, in Cedoc, Regione Lazio; A. Russo, R. Salomone, M. Tiraboschi (2002), *Invecchiamento della popolazione, lavoratori “anziani” e politiche del lavoro: riflessioni sul caso italiano*, in Working Paper ADAPT, n. 7; G. Costa, J. Ilmarinen (2000), *L’invecchiamento dei lavoratori nell’Unione Europea*, in *Med. Lav.*, vol. 91 n. 4, 279-295.

On health and safety of over 55 see G. Costa (2000), *Capacità di lavoro e invecchiamento*, in *Med. Lav.*, vol. 91, n. 4, 302-312; D. Colombini, E. Occhipinti (2000), *Invecchiamento lavorativo ed alterazioni muscolo scheletriche*, in *Med. Lav.*, vol. 91 n. 4, 342-353; N. Barbini, R. Squadroni (2000), *L’indagine ESTEV sulle relazioni salute, lavoro e invecchiamento in Italia*, in *Med. Lav.*, vol. 91, n. 4, 366-378; D. Colombini, E. Occhipinti *et al.* (2004), *Linee guida per la prevenzione dei disturbi e delle patologie muscolo-scheletriche del rachide da movimentazione manuale dei carichi*, Maugeri Foundation Books ed., A. Pavia. A. Baracco, M. Coggiola, G. Discalzi, F. Perrelli, C. Romano (2009), *Valutazione del rischio da movimentazione manuale dei carichi: la scelta dei valori di riferimento alla luce del D.Lgs. 81/2008*, in *Giornale Italiano di Medicina del Lavoro ed Ergonomia*, vol. XXXI, n. 2, 172-176; C. Frasccheri (2009), *Punti fondamentali alla base dell’analisi dello stress lavoro-correlato*, in *Giornale Italiano di Medicina del Lavoro ed Ergonomia*, vol. XXXI, n. 3, 270-276.

Participation models and collective agreements

In general, on the legislative decree no. 106/2009 see M. Tiraboschi (2009), *La tutela della salute e sicurezza nei luoghi di lavoro dopo il decreto legislativo n. 106 del 2009: il nuovo Testo Unico*, in M. Tiraboschi, L. Fantini, *Il Testo Unico della salute e sicurezza sul lavoro dopo il correttivo (d.lgs. n. 106/200)*, Giuffrè, Milano; M. Tiraboschi (2009), *Le correzioni al Testo Unico della salute e sicurezza sul lavoro*, in *GLav*, no. 15, 10; M. Gallo (2009), *Decreto legislativo n. 106/2009, al via la riforma del Testo Unico tra soluzioni e criticità*, in *A&S*, no. 17, 4; M. Gallo (2009), *Sicurezza del lavoro, al via l’attesa riforma*, in *A&S*, no. 4, 2; A. Monea (2009), *Sicurezza del lavoro, cosa cambia con il decreto*

correttivo, in *A&S*, no. 9, 31; D. Carrettoni, A. Monea (2009), *Con il Testo Unico maggiore attenzione su differenze di genere, età e provenienza estera*, in *A&S*, no. 7, 26.

C. Frasccheri (2009), *Dalla differenza di genere allo stress lavoro correlato, l'approccio mutato alla VDR*, in *A&S*, no. 6, 26; G. Piegari, C. Mancuso (2009), *Movimentazione manuale dei carichi, Il Testo Unico della salute e sicurezza sul lavoro dopo il correttivo (d. lgs. n. 106/2009)*, 779.

For the first review on the role of RLS see P. Sciortino (2007), *Il lavoro retribuito del Rappresentante dei lavoratori per la sicurezza*, in *ISL*, no. 6, 13; A. Rotella (2010), *Formazione lavoratori e RLS: il ruolo degli organismi paritetici*, in *ISL*, no. 2.

On the changes on the safety and security system we can see A. Rotella (2009), *Le modifiche al sistema di gestione della sicurezza*, in *ISL*, no. 11.

On the nominal communication to Inail of the name of RLS we can see A. Rotella (2009), *Comunicazione dei nominativi dei RLS all'Inail*, in *ISL*, no. 4

On the appointment of employee representatives at company level and what happens if workers do not identify a business RLS see A. Cappa (2009), *RLS aziendale*, in *ISL*, no. 4

In general, the enhancement of the system of employee representation through the legislative decree no. 81 of 2008, as amended by legislative decree no. 106/2009, see M. Lai (2008), *Consultazione e partecipazione dei rappresentanti dei lavoratori*, in *ISL*, no. 5. Lai also takes into account the new statutory no. 123 of 2007 on RLS and joint bodies, with particular attention to the rules of immediate effect on these topics in the light of the provisions in the statutory delegation to the enactment of the so called 'Testo Unico della salute e sicurezza nei luoghi di lavoro'.

The areas of action and protection of so called organismi paritetici under the law no. 123 of 2007 are analyzed by G. Spolverato, A. Piovesana (2007), *Organismi paritetici e contrattazione collettiva* in *DPL*, no. 40, 6.

Even on participatory approach, see M. Lai (2007), *Legge sulla sicurezza: l'approccio partecipativo*, in *DPL*, no. 35.

Collective bargaining, social dialogue and participation in undertakings restructuring

Social dialogue, collective bargaining and industrial relation: European framework

The definition of ‘social dialogue’ has evolved alongside the process itself. Over the past 20 years many different definitions of ‘social dialogue’ have emerged and influenced the political and academic debate. Some definitions have been broad in their scope, including consultation by the European institutions, autonomous debate, and negotiations. Other definitions have been narrower, focusing simply on formal negotiations. In 2008 the ILO’s definition of social dialogue was very broad to include «all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy [...] social dialogue processes can be informal or institutionalized, and often it is a combination of the two [...], social dialogue is to promote consensus building and democratic involvement among the stakeholders in the world of work».

Social dialogue may be very inclusive in terms of participants and comprehensive in terms of content but, also, very superficial. The weakest dialogue would include the communication of information while a bit more profound would be that of consultation. An example would be the European Works Councils which are set up for the consultation and information sharing - the latter being more frequent than the former (for overviews of EWCs see J. Beirnaert (2006), *Case Study on Best Practices in EWC Functioning*, Social Development Agency, Brussels; M. Patriarka, C. Welz (2008), *European Works Councils in Practice: Key Research Findings: Background Paper*, European Foundation For The Improvement Of Living and Working Conditions, Dublin.

In this context the relationship between global social dialogue and industrial relations is very important (on this aspect and in particular about european situation see R. Bourque (2005), *Les accords-cadres internationaux (ACI) et la négociation collective internationale a l’ère de la mondialisation. In Programme*

éducation et dialogue, in DP/161/, Institut international d'études sociales, Geneve;

R. Bourque (2008), *International Framework Agreements and the Future of Collective Bargaining in Multinational Companies*, in *Just Labour*, vol. 12, 30-47;

Orse (Observatoire sur la Responsabilité Sociétale des Entreprises – 2006), *Répertoire sur les pratiques des entreprises en matière de négociation des accords-cadres internationaux*, Observatoire sur la Responsabilité Sociétale des Entreprises, Paris;

E. Ales, S. Engblom, T. Jaspers, S. Laulom, S. Sciarra, A. Sobczak, F. Valdés Dal-Ré (2006), *Transnational Collective Bargaining: Past and Present: Final Report*, European Commission, Brussels;

R. C. Drouin (2006), *Les accords cadres internationaux; enjeux et portée d'une négociation collective transnationale*, in *Les Cahiers De Droit*, vol. 47, n. 4, 703-754, M. Descolonges,

B. Saincy (2006), *Les nouveaux enjeux de la négociation sociale internationale*, Editions La Decouverte, Paris;

T. Müller, H. W. Platzer, S. Rüb (2008), *International Framework Agreements - Opportunities and Limitations of a New Tool of Global Trade Union Policy*, Briefing Paper no. 8, Global Trade Union Programme, Friedrich-Ebert - Stiftung, I. Schömann, A. Sobczak, E. Voss, Eckhard, P. Wilke (2008), *Codes of Conduct and International Framework Agreements: New Forms of Governance at Company Level*, European Foundation for the Improvement Of Living and Working Conditions, Dublin;

I. Schömann (2008), *Codes of Conduct and International Framework Agreements: New Forms of Governance at Company Level? Presentation at ETUI Monthly Forum*, ETUI, 30 October;

V. Telljohann, I. da Costa, T. Müller, U. Rehfeldt, R. Zimmer (2009), *European and International Framework Agreements: Practical Experiences and Strategic Approaches*, Office of the Official Publications of the European Communities, Luxembourg;

V. Telljohann, I. da Costa, T. Müller, U. Rehfeldt, R. Zimmer (2009), *European and International Framework Agreements: New Tools of Transnational Industrial Relations*, in *Transfer*, vol. 15, n. 3-4, 505-525.

Whether industrial relations contain social dialogue or are another term for it, or are a subset of it, depend on how one defines the terms: this is opinion of B. Kaufman (2004), *The Global Evolution of Industrial Relations: Events, Ideas and the IIRA*, International Labour Office, Geneva.

The substantive issues addressed in the social dialogue have generated debate on its scope and relevance. The explicit exclusion of core industrial relations issues – such as pay, freedom of association, and collective action – raises major difficulties (see R. Blanpain (2001), *The impact of globalisation and of the EMU on wages and working time in the European Union*, in M. Biagi, *Towards a European model of industrial relations? Building on the first report of the European Commission*, Kluwer Law International, Dordrecht; M. Weiss (2001), *Perspectives of European labour law and industrial relations*, in M. Biagi *Towards a European model of industrial relations? Building on the first report of the European Commission*, Kluwer Law International, Dordrecht; In particular Dølvik considers the preclusion of transnational rights to industrial action as a central weakness of the current approach to the EU social dialogue, while A. Lo Faro (2000), *Regulating social Europe: reality and myth of collective bargaining in the EC legal order*, Oxford-Portland, Hart Publishing, Oregon, considers that the delimitation of potential issues means that the legal relevance of agreements is conditional on the observance of predefined limits as to the content, which have been defined by the EU institutions. Agreements and topics negotiated so far have been related to ‘employment’ in the narrowest sense, F. Guarriello (1992), *Ordinamento comunitario e autonomia collettiva. Il dialogo sociale*, F. Angeli, Milano.

In this context, it is important to analyse also the relationship between industrial relations and collective bargainings (basilar paper are S. Webb, B. Webb (1897), *Industrial Democracy*, Longmans Green, London (italian translation: *Democrazia industriale*, Ediesse, Roma; A. Fox (1975), *Collective Bargaining, Flanders and the Webbs*, in *British Journal of Industrial Relations*, no. 2, 151 (italian translation: *La contrattazione collettiva, Flanders e i Webb*, in *Economia e lavoro*, no. 2, 239), *contra* A. Flanders (1968), *Collective Bargaining: a Theoretical Analysis*, in *British Journal of Industrial Relations*, no. 1, 1; M. D’Antona (1998), *Contrattazione collettiva e concertazione nella formazione del diritto sociale europeo*, in A. Lettieri, U. Romagnoli (eds.), *La contrattazione collettiva in Europa*, Roma, 101 ss. For R. Hyman (1975), *Industrial Relations. A Marxist*

Introduction, Macmillan, London, collective bargaining is a mechanism to control productivity process.

The influence of globalization and European integration between laws and social actors examined from L. Bordogna (1996), *Wage bargaining and industrial relations under the single European currency. The problem of the relationship between EMU and non-EMU countries*, in *Transfer, European Review of Labour and Research*, vol. 2, 298; G. Fajertag, P. Pochet (1997), *Social pacts in Europe*, Etui/Ose, Brussels; H.A. Clegg (1980), *Sindacato e contrattazione collettiva: una teoria basata sull'analisi comparata di sei paesi*, F. Angeli, Milano; B. Caruso (1994), *Processi reali e processi mentali nella costruzione dell'europa sociale: il caso della contrattazione collettiva*, in F. Attinà, D. Velo (eds.), *Dalla Comunità all'Unione Europea*, Cacucci, Bari, 135 ss.; M. Grandi (2000), *L'evoluzione delle relazioni contrattuali in Europa: progetti, modelli e problemi irrisolti*, in *Economia & Lavoro*, no. 2, 19 ss.; M. Grandi, *La contrattazione collettiva europea: aspetti giuridici*, in Aa.Vv. (2001), *La contrattazione collettiva europea. Profili giuridici ed economici*, Giuffrè, Milano, 11 ss.

Different levels of collective bargaining in Europe

The level where collective contracts are negotiated and formally signed is one of the most obvious dimensions of the bargaining structure. In the empirical literature three levels are usually distinguished: firms and workers may negotiate over terms and conditions of employment at the level of the individual enterprise or establishment; at the other extreme, national unions and employers' associations engage in interindustry bargaining at national level, covering the entire economy or most part of it; finally, most continental European countries have traditionally favoured "intermediate" forms of wage negotiation, mainly at branch or sectoral level (see A. Lettieri, U. Romagnoli (1998), *La contrattazione collettiva in Europa*, Ediesse, Roma; A. Lo Faro (2000), *Europei, comunitari e comunitarizzati: i contratti collettivi nell'era della sovranazionalità*, in *RGL*, I, 861 ss.; M. Roccella, *Contrattazione collettiva europea e cambiamenti del lavoro*, in A. Lettieri, U. Romagnoli (eds.) (1998), *La contrattazione collettiva in Europa*,

Ediesse, Roma, 52 ss.; P. Tosi, F. Lunardon (1992), *Dimensione sociale europea e contrattazione collettiva*, in *DPL*, 1800 ss., B. Veneziani, *Globalizzazione e contrattazione collettiva europea: frammenti di una strategia*, in S. Scarponi (eds.) (2001), *Globalizzazione e diritto del lavoro. Il ruolo degli ordinamenti sovranazionali*, Giuffrè, Milano, 181 ss.

In Europe the distinction is between single-employer bargaining (SEB) and multi-employer-bargaining (MEB); for a classification cfr. F. Traxler, *Two Logics of Collective Action in Industrial Relations?*, in C. Crouch, F. Traxler (1995) *Organized Industrial Relations in Europe: What Future?*, Aldershot, Avebury, 1995; T. Mcilwee, *Collective bargaining*, in G. Széll (2001), *European Labour Relations*, vol. 1, *Common features*, Aldershot, Ashgate; T.S. Aidt, Z. Tzamos (2008), *Trade Unions, Collective Bargaining and Macroeconomic Performance*, in *IRJ*, no. 4, 28. In this sense also T. Treu (1985), *Centralizzazione e decentramento nella contrattazione collettiva: riflessioni comparate*, in *DLRI*, 1985, 495; S. Sciarra (2006), *L'evoluzione della contrattazione collettiva. Appunti per una comparazione nei Paesi dell'unione europea*, in *RIDL*, vol. I, 447; H. Aintila, R. Langewiesche, *Eastwards eu enlargement and the social dimension. Reflections on the past and future from a trade union angle*, in E. Gabaglio, R. Hoffmann (1998), *European trade union year-book 1997*, Brussels.

In general the goal of collective bargaining is to agree upon rules to facilitate compromises between conflicting interests over the terms and conditions of employment but also to create institutions to improve the bargaining position of workers which has historically been an important impetus to collective bargaining. An element of industrial democracy into the workplace was introduced; in this sense see E. Cordova, *Collective Bargaining*, in R. Blanpain (1990), *Comparative Labour Law and Industrial Relations*, Kluwer, Deventer, Netherlands (Fourth Edition), vol. 11, 151-177; J.P. Windmuller *et al.* (1987), *Collective Bargaining in Industrialised Market Economies: A Reappraisal*, Ilo, Geneva; F. Traxler, *The Logic of Employers' Collective Action*, in D. Sadowski and D. Jacobi (1991), *Employers Associations in Europe: Policy and Organisation*, Nomos, Raden-Raden, 29-50. In this contest Sweden offers an

example of solidaristic wage policy encouraging labour to move away from firms with low productivity, and thereby raise the productivity of the exposed sector of the economy (cfr. R. Meidner, A. Hedborg (1894), *Modell Schweden: Erfahrungen einer Wohlfahrtsgesellschaft*, Frankfurt am Main).

Then another important aspect is the relationship between centralized and decentralized collective bargaining. This aspect and in particular the perspective of decentralized collective bargaining is analysed by F. Traxler, S. Blaschke, B. Kittel (2001), *National labour relations in internationalized markets. A comparative study of institutions, change, and performance*, Oxford University Press, Oxford; but also I. Regalia (1998), *Industrial Relations at the Regional Level in Europe: Strengths and Weaknesses of an Intermediate Level of Social Regulation*, in *EJIR*, no. 2, 157; J.Y. Boulin, R. Hoffmann (1999), *New paths in working time policy*, ETUI, Brussels.

Collective bargaining in Italy: framework

In the European context Italy is characterised by a system of collective bargaining at three levels which, following the usual distinction, are: economy-wide, branch and firm. Economy-wide bargaining is limited to framework agreements, national protocols, and social pacts, which do not take place at regular intervals, but rather at any time social partners consider them useful. The best-known social pact of the last twenty years was signed in 1993. Before the 1993 protocol decentralised bargaining could take place at firm or plant level or at local level for groups of small firms but the relationship between centralised and decentralised bargaining was complex, with many possibilities for conflict (for deepening read B. Ebbinghaus, J. Visser (2000), *The Societies of Europe. Trade Unions, in Western Europe since 1945*, Macmillan, London. On the problem about effectiveness of collective agreement see F. Santoro Passarelli (1961), *Autonomia collettiva*, in ID., *Saggi di diritto civile*, Jovene, Napoli; G.F. Mancini (1963), *Libertà sindacale e contratto collettivo erga omnes*, in *RTDPC*, 570; G. Pera (1960), *Problemi costituzionali del sindacalismo italiano*, Feltrinelli, Milano; G. Vardaro (1985), *Contratti collettivi e rapporto individuale di lavoro*, F. Angeli, Milano; L.

Mengoni (1975), *Il contratto collettivo nell'ordinamento giuridico italiano*, in *Jus*, 167; U. Romagnoli (2000), *Il contratto collettivo*, in *DLRI*, 225.

About justice implications of collective agreement is most important the research paper of M. Grandi (1981), *Rapporti tra contratti collettivi di diverso livello*, in *DLRI*, 355; A. Lassandari (2001), *Il contratto collettivo aziendale e decentrato*, Giuffrè, Milano.

In Italy, 1991 was an important period for negotiations as it was for the rest of Europe. Centralised bargaining arrangements have reemerged (or, in some cases, emerged for the first time) in countries as diverse as Finland, Ireland, Italy, Portugal, and Norway (see G. Fajertag, P. Pochet (eds.) (1997), *Social Pacts in Europe*, Bruxelles, ETUI. But the most important period and Act is 1993. About situation in Belgium, Germany, and Spain see E. Arcq *Collective Labour Relations and Social Pacts in Belgium*, in G. Fajertag, P. Pochet (1997), *Social Pacts in Europe*, ETUI, Brussels, 97-102; L. Fraile, (1999) *Tightrope: Spanish Unions and Labour Market Segmentation*, in A. Martin, G. Ross (eds.), *The Brave New World of European Labour*, New York, Berghahn Books, 199, 312-67.

The protocol of 1993 (Protocollo Giugni) consisted of a tripartite agreement between the peak associations of unions and employers' organisations and the government and it established that national sectoral bargaining, that is automatically extended to all workers independently of their union affiliation, should determine general wage increases linked to a target rate of inflation to be set by the government every year (and referred to during the following three years). As for Italian collective bargaining it is possible to read L. Bellardi, L. Bordogna (eds.) (1997), *Relazioni industriali e contrattazione aziendale. Continuità e riforma nell'esperienza italiana recente*, F. Angeli, Milano; P. Rescigno (eds.) (2006), *Autonomia privata individuale e collettiva*, Jovene, Napoli; M. Rusciano (2003), *Contratto collettivo e autonomia sindacale*, Utet, Torino; G. Giugni (2003), *La lunga marcia della concertazione*, Il Mulino, Bologna; L. Bellardi (1999), *Concertazione e contrattazione. Soggetti, poteri e dinamiche regolative*, Cacucci, Bari; G. Ferraro (2008), *La riforma del sistema contrattuale*, in *RIDL*, vol. I, 31; P. Ichino (2005), *A che cosa serve il sindacato?*,

Mondadori, Milano; R. De Luca Tamajo (1985), *L'evoluzione dei contenuti e delle tipologie della contrattazione collettiva*, in *RIDL*, I, 16; G. Vardaro (1987), *Differenze di funzioni e di livelli fra contratti collettivi*, in *LD*, no. 2, 229; M. Persiani (1999), *Contratti collettivi normativi e contratti collettivi gestionali*, in *ADL*, no. 1, 1; U. Carabelli (2005), *Dalla "professionalità" statica alla "competenza" dinamica: modelli organizzativi e contrattazione collettiva tra passato e futuro*, in *Rappresentanza, rappresentatività, sindacato in azienda ed altri studi. Studi in onore di Mario Grandi*, Cedam, Padova, 81.

The relationship and power of collective bargaining are analysed in R. De Luca Tamajo (1976), *La norma inderogabile nel diritto del lavoro*, Jovene, Napoli; L. Mariucci (2003), *Le fonti del diritto del lavoro quindici anni dopo*, Giappichelli, Torino; M. Napoli (2000), *Le fonti del diritto del lavoro e il principio di sussidiarietà*, in *DLRI*, 85; L. Nogler (1997), *Saggio sull'efficacia regolativa del contratto collettivo*, Cedam, Padova.

A theoretical contribution to our knowledge and understanding of collective bargaining include those of Webbs, Flanders, Chamberlain and Kunn. According to Webbs collective bargaining is one of the three main methods used by trade union to achieve the basic aim of improving its members' working conditions (cfr. S. Webb, B. Potter Webb (1902), *Industrial democracy*, Longmans, Green, London); according to A. Flanders (1968), *Collective Bargaining: a Theoretical Analysis*, in *British Journal of Industrial Relations*, no. 1, 216-222, the individual bargaining «provides for an exchange of work and wages and adjustments for times of conflicts of interest between a buyer and seller of labour».

For N.V. Chamberlain and J.W. Kuhn (1985) in *The Nature of Collective Bargaining* (3th Edition, McGraw Hill, New York) collective bargaining could be considered from three perspectives which represent three different stages in the development of collective bargaining. They are a means of contract for the sale of labour, a form of industrial government and a method of management.

Relationship between centralism and decentralism cfr. G.P. Cella, T. Treu (1999), *La contrattazione collettiva*, in *Le nuove relazioni industriali. L'esperienza italiana nella prospettiva europea*, Il Mulino, Bologna; L. Mariucci (2003), *Le*

Fonti del Diritto del lavoro, Giappichelli, Torino.

About the content of the Interconfederal Agreement of 15 April 2009, signed by Confindustria and by the Cisl and Uil trade unions, in the light of the previous Framework Agreement of 22 January 2009, which was not signed by the Cgil trade union (and also about the unitary trade union document of May 2008), which represents an important document in the direction of new system of Italian industrial relations see M. Tiraboschi (2009), *Le relazioni industriali e di lavoro dopo il protocollo del 22 gennaio 2009*, in *GLav*, no. 6, 30-40; G. Olini (2009), *L'accordo quadro di gennaio tra continuità e innovazione*, in *Quaderni Arel*, 32-35; P. Pirani (2009), *Nuove regole per sindacati protagonisti e non antagonisti*, in *Quaderni Arel*, 36-37; M. Ricci (2009), *L'accordo quadro e l'accordo interconfederale del 2009: contenuti, criticità e modelli di relazioni industriali*, in *RIDL*, III, 353; T. Treu (2009), *L'accordo per il nuovo modello contrattuale*, in *GLav*, 5, 12; L. Bellardi, *Regole del conflitto e conflitto sulle regole. L'accordo separato sulla revisione del modello contrattuale*, in D. Carrieri, V. Nastasi (eds.) (2009), *Spazio e ruolo delle autonomie nella riforma della contrattazione pubblica*, Il Mulino, Bologna. On new agreements stipulate on the base of Framework Agreement of 22 January 2009 cfr. CNEL (2010), *La contrattazione collettiva nel settore privato nel 2009*.

The role of collective bargaining in the case of undertakings restructuring: the role of individual and collective autonomy

The general framework confirms that the Italian legal system provides undertakings with sufficient flexibility to manage human resources in critical stages of their lives.

Collective bargaining has frequently intervened to control the effects on workers involved in transfer operations, at times to specify or increase the protection they are afforded, as established by articles 2103 and article 2112 of the Civil Code (amended by article 32 legislative decree no. 276/2003), in particular to maintain contractual benefits acquired even after the expiry of collective agreements; to insert guarantees of stability beyond those provided by law (for example the 2003

in S. Paolo IMI agreement concerning management of the Bank of Naples overbalance); to guarantee continuity in supplementary pension contributions specified in company agreements. For important contributions about artt. 2103 and 2112 c.c. read G. Giugni (1963), *Mansioni e qualifica nel rapporto di lavoro*, Jovene, Napoli; Aa.Vv. (1975), *Mansioni e qualifiche dei lavoratori: evoluzione e crisi dei criteri tradizionali*, *Atti delle giornate di studio AIDLaSS di Pisa*, 26-27 maggio 1973, Giuffrè, Milano; F. Liso (1982), *La mobilità del lavoratore in azienda. Il quadro legale*, F. Angeli, Milano; C. Pisani (1996), *La modificazione delle mansioni*, F. Angeli, Milano; M. Brollo, *La mobilità interna del lavoratore. Mutamento di mansioni e trasferimento. Art. 2103 c.c.*, in P. Schlesinger (eds.) (1997) *Commentario al codice civile*, Giuffrè, Milano; but also cfr. R. Romei, *Il rapporto di lavoro nel trasferimento dell'azienda. Art. 2112 c.c.*, in P. Schelingher (eds.) (1993), *Commentario al Codice Civile*, Giuffrè, Milano; G. Villani (2000), *Trasferimento d'azienda. Profili di diritto del lavoro e della previdenza sociale*, Utet, Torino; G. Santoro Passarelli, R. Foglia (eds.) (2002), *La nuova disciplina del trasferimento d'impresa*, Ipsoa, Milano; V. Nuzzo (2002), *Trasferimento d'azienda e rapporti di lavoro*, Cedam, Padova; in Aa.Vv. (2004), *Il trasferimento d'azienda*, in *QDLRI*, 28; A. Raffi (2004), *Tutela del lavoratore nel trasferimento d'azienda tra normativa nazionale e normativa comunitaria*, Giuffrè, Milano; G. Santoro Passarelli (2004), *Trasferimento d'azienda e rapporto di lavoro*, Giappichelli, Torino; A. Caiafa, R. Cosio (2005), *Il trasferimento dell'azienda nell'impresa in crisi o insolvente*, Cedam, Padova.

Italian law has evolved alongside EU regulations governing transfers of undertakings, including the obligation to consult workers (Art. 7 EC Directive 23/2001). Art. 47 of law no. 428/1990, recently amended, states that the transferor and transferee are to give written notification of any planned transfer (even of a branch of a company) at least 25 days before the transfer deed is signed or a binding agreement between the parties has been reached, if this is prior to the former. Notification must be sent to the respective RSUs or to the RSAs in the production units involved, as established by Art. 19 of law no. 300, 20 May 1970. It must also be sent to national-category unions that stipulated the collective

agreement in the enterprises involved in the transfer.

About law provisions and orientations of the tribunals that allow the modification *in pejus* of the individual conditions of the employment contract in case of crisis and restructuring of undertakings read Cfr. C. Giust. 25 luglio 1991, C-362/89 (case D'Urso), Racc., 1991, 4148; C. Giust. 7 dicembre 1995, C-472/93 (caso Spano), in *FI*, 1996, IV, 205, but also G. Villani (2000), *Trasferimento d'azienda. Profili di diritto del lavoro e della previdenza sociale*, Utet, Torino, 131 ss.; G. Santoro Passarelli, R. Foglia (eds.) (2002), *Trasferimento d'azienda e rapporti di lavoro*, Cedam, Padova, 150 ss.; M. Roccella, T. Treu (2007), *Diritto del lavoro della Comunità europea*, Cedam, Padova, 357-358; U. Carabelli (1998), *Trasferimenti d'azienda: la nuova direttiva europea. Una riflessione su alcuni punti di possibile contrasto con la normativa italiana*, in *LI*, n. 21, 17-18; P. Pelissero (1999), *Il trasferimento d'azienda fra diritto comunitario e diritto interno. L'individuazione della fattispecie*, in *RGL*, I, 828 ss.

For academic and jurisprudence discussions on the rule of collective autonomy and in particular about the relation between the articles of the Civil Code and other provisions of laws one part of the doctrine, but also consolidated jurisprudence, collective autonomy repeals in part article 2112 c.c. not only in case of article 47, par. 5, law no. 428/1990; in this sense see Cass. 26 maggio 2006, no. 12573, in *RIDL*, 2007, II, 179, nt. F. Notaro; Cass. 15 gennaio 2003, no. 530, in *NGL*, 2003, 271; Cass. 13 novembre 2001, no. 14098, in *NGL*, 2002, 113; Cass. 14 luglio 1995, no. 7690, in *NGL*, 1995, 912; Cass. 4 luglio 1991, no. 7397, in *OGL*, 1991, 724). *Contra* Cass. 10 aprile 2006, no. 8292, in *Mass. Giur. It.*, 2006; Cass. 18 agosto 1991, no. 8907, in *RGL*, 1992, II, 502.

On the one hand, crisis and restructuring of undertakings appears to be the key element on which the legislation builds the ability of collective autonomy to derogate from mandatory rules provided for the protection of the individual employee, without his/her consent. On the other hand, the same events are considered by the jurisprudence as the necessary premise to allow the individual employee to give up that protection (see L. Mengoni (1985), *Legge e autonomia collettiva*, in *Id.*, *Diritto e valori*, Il Mulino, Bologna, 304 ss.; P. Tosi (1982),

Brevi osservazioni in merito alla derogabilità dell'art. 2112 c.c., in *GI*, no. 1, 1559; P. Lambertucci (1993), *La disponibilità collettiva dei diritti individuali*, in *Diritto delle Relazioni Industriali*, n. 2, 194). Of the same opinion P. Lambertucci (1993), *La disponibilità collettiva dei diritti individuali*, in *Diritto delle Relazioni Industriali*, n. 2, 195; R. Romei, *Il rapporto di lavoro nel trasferimento dell'azienda. Art. 2112 c.c.*, in P. Schelingher (eds.) (1993) 222 ss.; R. Cosio (1995), *Disciplina del trasferimento d'azienda*, F. Angeli, Milano, 134; P. Pelissero, (1999), *I comitati aziendali europei. L'attuazione della direttiva 94/45/CE nell'ordinamento italiano*, in *Contratto e impresa*, 1, 212-217825 ss.; V. Nuzzo (2002), *Trasferimento d'azienda e rapporti di lavoro*, Cedam, Padova, 168.

About effectiveness agreements *erga omnes* of second level contracts and in particular on the possibility for this contractual level to repeal in part legal regulations R. De Luca Tamajo (2008), *Crisi e riorganizzazioni aziendali: interesse collettivo e interessi individuali nella giurisprudenza*, in *LD*, 228 ss.; in the same sense article 18, Chemical Contract (CCNL-Chimici) of 10th May 2006, this contract specifies that for second level contracts it is possible to «realizzare accordi temporanei in deroga alla normativa prevista dal CCNL [...], tali accordi non possono comportare interventi sui minimi contrattuali e sui diritti individuali irrinunciabili, [...] e la loro efficacia è condizionata al parere di conformità della CNC (Commissione nazionale contrattazione)», for a comparative framework see F. Gamillscheg (1997), *Kollektives Arbeitsrecht. Band I*, Beck, 810 ss.; U. Preis (2003), *Arbeitsrecht. Praxis-Lehrbuch zum Kollektivarbeitsrecht*, Verlag Dr. Otto Schmidt, 138; R. Santagata (2005), *La contrattazione collettiva in Germania. Tecniche di decentramento e vincoli costituzionali*, in *DLRI*, spec. 651 ss.

The role of collective bargaining in collective dismissals

Some rulings against Italy by the ECJ are reported below (for example ECJ 6 November 1985, C-131/84; ECJ 8 June 1982, C-91/81; recently, ECJ 16 October, 2003, C-32/02 regarding the field of application of collective dismissal regulations to non-entrepreneurial employers) in 1991 (law no. 223/1991 and

subsequent additions) and 2004 (legislative decree no. 110/2004) provisions were enacted to implement EU directives regarding collective dismissals. The regulations govern the procedure of collective dismissals and, as in the transfer of undertakings, require unions to be informed and consulted.

Both scholars and the courts require this information to be complete and appropriate in order to start negotiations with the unions. Union notification is followed by a negotiation phase which may take place, on the request of the unions, within seven days of receipt of the notification and must conclude in no more than 45 days. For doctrine cfr. M. Persiani, *Sub art. 4, l. n. 223 del 1991*, in M. Persiani (eds.) (1994), *Commentario alla legge 23 luglio 1991, n. 223*, in *NLCC*, 921; M. Brollo (1997), *La mobilità interna del lavoratore. Mutamento di mansioni e trasferimento. Art. 2103 c.c.*, in P. Schlesinger (eds.), *Commentario al codice civile*, Giuffrè, Milano, 224; C. Zoli, *La procedura*, in Aa.Vv. (1997), *I licenziamenti collettivi*, in *QDLRI*, no. 19, 85; F. Liso (1998), *Autonomia collettiva e occupazione*, in *DLRI*, 255 ss.; for jurisprudence, in particular about article 24, par. 1, law no. 223/1991, see Cass. 14 giugno 2007, no. 13876, in *RIDL*, 2008, II, 185, nt. S. Caffio; Cass. 16 marzo 2007, no. 6225, *ibidem*, 2008, II, 197, nt. Vincieri; Cass. 1° settembre 2004, no. 17556, *ibidem*, 2005, II, 933, nt. S. Bertocco; Cass. 9 settembre 2003, no. 13182, *ibidem*, 2004, II, 847, nt. M. Vincieri; *Contra*, Cass. 19 aprile 2003, no. 6385, in *RIDL*, 2003, II, 884, nt. I. Senatori; v. Cass., S.U., 13 giugno 2000, no. 419, *LG*, 2001, 247, nt. G. Ferrau; Cass., S.U., 27 giugno 2000, no. 461, in *RIDL*, 2001, II, 144, nt. M. Papaleoni.

An important role is played by collective bargaining in identifying the criteria used to select workers for dismissal (see M. Napoli (1996), *Licenziamenti collettivi (voce)*, in *Questioni di diritto del lavoro*, Giappichelli, Torino, 258-263; U. Carabelli, *I licenziamenti per riduzione di personale in Italia*, in Aa.Vv. (2001), *I licenziamenti per riduzione di personale in Europa*, Cacucci, Bari; V. Ferrante (2004), *Potere e autotutela nel contratto di lavoro subordinato: eccezione di inadempimento, rifiuto di obbedienza, azione diretta individuale*, Giappichelli, Torino, 109 ss.; E. Gragnoli (2006), *La riduzione del personale: tra licenziamenti individuali e collettivi*, Cedam, Padova, 112 ss.; C. Zoli (2008), *I*

licenziamenti per ragioni organizzative: unicità della causale e sindacato giudiziale, in *ADL*, spec. 35 ss.; M. D'Antona (1993), *Riduzione di personale e licenziamenti: la rivoluzione copernicana della l. 223/91*, in *FI*, I, 2031-2032; F. Scarpelli (1997), *La nozione e il controllo del giudice*, in *DLRI*, n. 19, 27.

According to a Constitutional Court ruling, such agreements take *erga omnes* legal effect as they represent proceduralisation of the powers an employer is entitled to exercise (see sentence C. Cost. no. 268 del 1994, in *FI*, 1994, I, 2311). In the same context of industrial relations, collective bargainings are participative models. These forms, historically, are common in North and Central Europe (for german model see W. Daubler, *Diritto sindacale e cogestione nella Germania federale*, italian edition enhanced M. Pedrazzoli (eds.) (1981), F. Angeli, Milano; W. Streek (1997), *La cogestione in Germania: problemi aperti*, in *DLRI*, 243; M. Weiss (2002), *La cogestione in Germania: una recente modifica*, in *DRI*, no. 4, 643; for Swedish model cfr. L. Holden (1996), *HRM and employment involvement in Britain and Sweden: a comparative study*, in *International Journal of Human Resource Management*, 59).

For a general framework about rule participation models in Europe and in particular in Italy see R. del Punta, *Contrattazione e partecipazione*, in A. Baylus Grau, B. Caruso, M. D'antona, S. Sciarra (1996), *Dizionario di diritto del lavoro comunitario*, Monduzzi, Bologna; G. Arrigo (2000), *La partecipazione dei lavoratori nel diritto comunitario tra armonizzazione normativa e competizione di modelli*, in *DL*, vol. I, 381; M. Biagi (2002), *Quality of Work and Employee Involvement in Europe*, Kluwer Law International, The Hague; M. Weiss, M. Sewerynski (2004), *Handbook on Employee Involvement in Europe*, Kluwer Law International, The Hague.

Transnational collective bargaining in industrial restructuring: the role played by European Works Councils

The European economy has been characterised by high levels of enterprise restructuring since the late 1980s. Whereas in the past restructuring tended to be the result of crises within individual companies or the decline of industries or

regions, today restructuring has a more complex and diffuse character (a valuable source of information on this point is the European Restructuring Monitor (ERM) run by the European Monitoring Centre on Change (EMCC) at the European Foundation for the Improvement of Living and Working Conditions). For an overview of the most current problems concerning restructuring see F. Vasquez (2006), *La dimension européenne des restructurations en Europe*, in *DS*, 260 ss. ; P. Pochet (2006), *Restructurations: quelle politiques publiques d'accompagnement: Construction des mécanismes d'adaptabilité dans l'Union européenne*.

European integration and the establishment of a single market and the continual search for the lowest labour costs, push enterprises to innovate. From the industrial relations perspective, the key aspect of all these developments is their effect on employment. This provides a thoughtful and comprehensive analysis of new methods of transnational labour regulation that are emerging in response to international or global competitive B. Hepple (2005), *Labour Laws and Global Trade*, Hart Publishing, Oxford. See also J. Hoffman, R. Hoffman, J. Kirton-Dirton Darling, L. Rampeltshammer (2002), *The Europeanisation of Industrial Relations in a Global Perspective: A literature Review*, European Foundation For The Improvement Of Living And Working Conditions, Dublin, 1-10. For an overview of the effects of globalization on the world of work, see ILO (1999), *Human Resource Implications of Globalisation and Restructuring in Commerce*, Geneva.

The EU has created a number of directives to guarantee minimum legal protection in the event of restructuring: Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies (see M.G. Garofalo, P. Chieco, *Licenziamenti collettivi e diritto europeo*, in AA.VV. (2001), *I licenziamenti per riduzione di personale in Europa*, Cacucci, Bari; J.McMullen (2010), *Redundancy: The Law and Practice*, Oxford University Press), Council Directive 2001/23/EC of 12 March 2001 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of

undertakings or businesses (see A. Raffi (2003), *Tutela del lavoratore nel trasferimento d'azienda tra normative nazionale e normativa comunitaria*, Giuffrè, Milano, F. Valdes Dal-Ré, *Transfer of Undertakings: An Experience of Clashes and Harmonies between Community Law and National Legal System*, in S. Sciarra (2001), *Labour Law in the Court: National Judges and European Court of Justice*, Hart Publishing, Oxford).

To analyse the evolution of European Union legislation on restructuring, see A. Lo Faro, *Le Direttive in materia di crisi e ristrutturazione di impresa*, in S. Sciarra, B. Caruso (2009) *Il lavoro subordinato, Trattato di Diritto Privato e dell'Unione Europea*, vol. V, Giappichelli, Torino, 391-492.

In its 2005 *Communication on Restructuring and Employment*, (COM(2005) 120 final) the Commission takes the view that there is a need for more European social dialogue in this area, both on the cross-sectoral and sectoral level. Thus, to complement its protective legislation, the EU promotes strong Social Dialogue as a means by which the social partners can play an important role in anticipating and managing change. They are best placed to take up a fundamental challenge: the positive management of change which can reconcile the flexibility essential to businesses with the security needed by employees, particularly in the event of major restructuring. (See Commission of the European Communities, Communication from the Commission, *The European social dialogue, a force for innovation and change*, COM(2002) 341 final).

To gain the best from the process of restructuring it is necessary to become proactive, and anticipate events using the best tools and instruments available. See, in general, the large interdisciplinary project coordinated by M.A. Moreau, *Agire, Anticiper pour une gestion innovante des restructurations en Europe*, in www.fse-agire.com. One of these is transnational negotiation, frequently mentioned in the context of restructuring. The idea is that the agreements between Social Partners can be used both to improve the adaptability of firms facing rapidly changing circumstances and to manage restructuring with a view to avoid or mitigate negative consequences for workers and other stakeholders. A framework on transnational collective bargaining is offered by E. Ales, S. Engblom, T. Jaspers,

S. Laulom, S. Sciarra, A. Sobczak, J. F. Valdes, *Transnational collective bargaining: past, present and future. Comments on the Report*, in A. Lo Faro (2007), *La contrattazione collettiva transnazionale: prove di ripresa del dialogo sociale in Europa?*, in *DLRI*, 551. See also S. Sciarra (2009), *Transnational and European Ways Forward for Collective Bargaining*, Working Paper D'Antona, no. 73.

In its Communication of 15 January 2002, *Anticipating and managing change: a dynamic approach to the social aspects of corporate restructuring*, the Commission emphasised that one of the key factors for a successful restructuring, in terms of strengthening the competitiveness of the business and from the workers' point of view, is the assurance of good practice in involving workers' representatives: involvement on an ongoing basis in the general running of the business, but also effective and therefore anticipatory involvement in relation to the possible emergence of changes likely to impact on employment. The ever increasing number of transnational company restructuring measures calls for a greater role to be played by European Works Councils (EWCs) in ensuring they take place in a socially acceptable manner. The literature on transnational company and European Work Councils is vast. See, among the many others R. Blanpain (1999), *European Works Councils in Multinational Enterprises*, Working Paper no. 83, Multinational Enterprises Programme, Geneva; P. Marginson, K. Sisson (2004), *European Integration and Industrial Relations*, Palgrave MacMillan, New York; F. Galgano (2005), *La globalizzazione nello specchio del diritto*, Il Mulino, Bologna, 157 ss.

So EWCs are major players in restructuring and are currently the only relevant employees' institution capable of living up to the challenge of transnational restructuring and industrial change. In the Communication of European Commission, *Restructuring and employment*, of 31st March 2005, the idea is expressed starkly: «European works councils have an essential role to play in anticipating and managing restructuring operations» (COM (2005)120 final).

As the first genuine body at the European level they represent employees in various enterprises.

To analyse the evolution of European Union legislation on workplace representation, in particular its movement in two decades from company to labour law, from harmonization to coordination of national systems, from legal prescription to voluntaristic bargaining in the shadow of the market see W. Streek (1997), *Industrial citizenship under regime competition: the case of the European works councils*, in *Journal of European Public Policies*, n. 4, 643-664.

The adoption of Council Directive 94/45/EC of 22nd September 1994 on the establishment of a European Works Council (EWC) or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting the employees, was the most outstanding initiative pertaining to social dialogue at a European level. A number of scholars have explored the text of the Directive and its national transpositions (R. Blanpain, P. Windney (1994), *European Works Councils: Information and Consultation of Employees in Multinational Enterprises in Europe*, Peters, Leuven; W. Buschak (1995), *European Works Councils: The Directive – analysis and commentary*, ETUI, Brussels; J.C. Villanon, *Comitati aziendali europei*, in G. Baylos, B. Caruso, M. D’Antona, S. Sciarra (eds.) (1996), *Dizionario di Diritto del Lavoro comunitario*, Monduzzi Editore, Bologna, 495 ss.; S. Ciucciovino (1996), *I comitati aziendali europei: il recepimento della Direttiva Comunitaria 94/45*, in *AGL*, 73-75; T. Hayes (1996), *The Irish European Works Council transposition legislation*, in *Employment and Industrial Relations International*, Dublin.

The aim of the Directive was not the harmonization of national information and consultations requirements (that is the subjects of another framework Directive adopted in 2002) but the creation of an EU - wide framework for information and consultation within “Community-scale” undertakings or groups (see B. Hepple, (2005), *Labour Laws and Global Trade*, Hart Publishing, Oxford, 183). The Directive has resulted for the first time in a transnational level of collective labour relations in transnational corporates operating in Europe (cfr. M. Weiss, *The future of Workers’ Participation in the Eu*, in C. Barnard, S. Deakin, G. Morris (2004), *The future of Labour Law. Liber amicorum Sir Bob Hepple QC*, Oxford,

Hart Publishing). For R. Hyman, *Industrial Relations in Europe: Theory and Practice*, in *European Journal of Industrial Relations*, I, 1995, 17-46; L. Turner (1996), *The Europeanisation of labour: structure before action*, in *European Journal of Industrial Relations*, III, 325-44.

EWCs may be considered a bridge over the widening democratic gap between workplaces and the level of strategic decision-making. For F. Guarriello (2005), *Le funzioni negoziali del comitato aziendale europeo tra modello normativo e costituzione materiale: prime riflessioni*, in *LD*, IV, 639, the EWC is the way to combine both, local and national, as well as transnational and internal-enterprise perspectives. So it aims to enable them to make – together with European and national trade union federations, and local actors – a substantial contribution to anticipating and managing restructuring.

Since the coming into force of the EWC Directive in 1996, 940 companies have established an active EWC covering up to 14,5 million workers (Etui-Rehs, *Database on EWCs agreements*, in <http://www.ewcdb.org/>). The role and rights of individual EWCs in the event of corporate restructuring are governed essentially by the terms of the agreement establishing the EWCs.

Surveys conducted by J. Waddington (2003), *What do representatives think of the practices of European works councils? Views from six countries*, in *European Journal of Industrial Relations*, III, 303-325; ID. (2006), *The performance of European works councils in engineering: Perspectives of the employee representatives*, in *Industrial Relations: A Journal of Economy and Society*, IV, 681-708, show that EWCs are found useful by the large majority of worker representatives, but that these worker representatives want a stronger and more reliable role for these EWCs. However according to a recent research with the EWC members (J. Waddington (2006), *How EWC members see it*, in *Mitbestimmung*, VIII, 43) the information and consultation on crucial issues, like restructuring, mergers or take over, took rarely place before decisions were implemented; normally they were not consulted or only after the decision was already made public.

The Revised European Works Councils Directive

Article 15 of the Directive required the Commission to review the Directive in 1999, with the object of proposing revisions that would improve EWCs' performance. The result was a report published in April 2000 on the implementation of the Directive (European Commission, COM (2000) 188 final).

The report presents a number of legal and practical problems relating to the application of the Directive, which included several relevant problem linked to the role of EWCs in restructuring situations, such as a very low level of transnational information and consultation provided by some agreements. On this report see M. Biagi (2000), *La Direttiva Cae dopo sei anni: il successo di un nuovo modello?*, in *DRI*, no. 4, 507 ss. Trade unions and the European Parliament have called for revisions to the Directive to strengthen the rights of EWCs in restructuring situations as part of the Community-level response to the restructuring issue. In September 2001 the European Parliament adopted a Resolution (A5-0282/2001 PE308.750/28) which, while acknowledging the positive impact of the EWCs Directive, identified a number of perceived weaknesses and called on the Commission to submit a proposal to revise the Directive to address them. In April 2004 the Commission initiated formal consultations with EU level cross-industry and sectoral social partners, seeking their views on European Works Councils, including the possible revision of the Directive (see European Commission (2004), *European Works Councils: Fully realising their potential for employee involvement for the benefit of enterprises and their employees, First-stage consultation of the Community cross-industry and sectoral social partners on the review of the European Works Councils Directive*, but also P. Lorber (2004), *Reviewing European Works Council Directive: European Progress and United Kingdom Perspective*, in *ILJ*, II, 194-196.

In its response to the consultation, the European Trade Union Confederation (ETUC) agreed with the Commission that the greatest challenge facing transnational enterprises and their employees over the last two to three years has been the issue of large-scale corporate restructuring and argued that in some cases the required information and consultation had not been carried out.

In February 2008 the European Commission responded to the long-standing demand to strengthen the rights of EWCs with the opening of the second round of consultations on the revision of the EWC directive (see European Commission, *Proposal for a European Parliament and Council Directive on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (Recast)*, COM(2008) 419). Following decisions by the European Council in December 2008 and subsequently by the European Parliament, the EWC directive was substantially strengthened on a number of points. In comparison with the existing *acquis* the new text of the Directive contains substantial clarifications which in practice will yield positive benefits, not only in new establishments, but also in the everyday operations of EWCs. It combines the goal of realising the fundamental right of European citizens to be informed and consulted at their workplaces with the goal of promoting the competitiveness of European-based companies (cfr. R. Jagodinshy (2008), *Review, revision or recast? The quest for an amended EWC directive*, in C. Degryse (ed.), *Social developments in the European Union*, ETUI, Brussels 113-36). S. Sciarra (2009), *Transnational and European Ways Forward for Collective Bargaining*, in *Working Paper D'Antona*, no. 73, 14, in light of the novelties brought about by the revised Directive, argues that EWCs are legitimate collective actors in both promoting transnational agreements and even in signing them. They are linked to different representation bodies at other levels; they can be the voice of the employees 'as a whole' within the boundaries of the transnational companies; they are promoters of new solidarities derived from transnational collective interests.

The relationship between the EWC and the trade union organisations

It is essential that trade union actors, at the local but also European levels, collaborate closely with EWC members, not just to provide them with the necessary support and expertise, but to allow these transnational bodies to create a common platform of demands and speak with one voice. The relationship between

EWC and the union organisations is very complex as it takes place at various levels: the EWC indeed relates itself to the European federations, the national branch level trade unions and, in some countries, also to territorial and regional bodies (see V. Pulignano (2005), *Rappresentanza del sindacato e spazio europeo: uno studio comparato sull'esperienza dei Cae in due settori*, in *DLRI*, 112 ss.; J. Paris (2007), *Les organisations collectives des travailleurs face aux stratégies des multinationales*, in *DS*, 1026-1036. For a case study see T. Fetzer (2000), *European Works Councils as Carriers of European Trade Union Solidarity? The cases of Ford and General Motors*, in *European Solidarity*, Peter Lang. For a framework on relationship between EWC and trade union organisations see V. Pulignano (2004), *Comitati aziendali europei e coordinamento transnazionale delle rappresentanze dei lavoratori. Un terreno di cooperazione sindacale?* in, *QRL*, III, 175 ss.

To identify the key working methods, modes of action and channels of communication and interaction among the various actors in this multi-level system of industrial relations, which have proven to be successful in making the most of EWCs' role in restructuring situations, see A. Martin (2007), *Effectiveness of information and consultation rights of employees and their evolutions. An action model for EWCs before the challenges of change*, Social Development Agency.

To evaluate the degree to which EWCs are used as an instrument for transnational trade union cooperation C. Voynner Foutboul (2000), *Management Stratégique du Comité d'Entreprise Européen*, Université Lyon III; J. Wills (2000), *Great expectations: three years in the life of a European Works Council*, in *European Journal of Industrial Relations*, I, 85-107; B. Hancké (2000), *European Works Councils and industrial restructuring in the European motor industry*, in *European Journal of Industrial relations*, I, finds that few of the possibilities offered by EWCs for developing international trade union cooperation and pushing a common labour agenda to the transnational corporate level are being realised.

The company members of the EWC often ask for some support. The request is probably due to the fact that the representatives of the union organisations generally have more experience in the field of European-wide industrial relation and that, furthermore, they dispose of specific, in-depth expertise that makes them better equipped to evaluate and interpret the data provided by the management during the yearly meetings (see, for example, EFM – European Metalworks Federation (2000), *Role of Trade Union Coordinators in Existing European Works Councils and Role of the National Organisations in this Respect*, Policy Paper).

There is not just the EWC request for support *vis-à-vis* the union; also the union increasingly sees the usefulness of the EWC as a source of information, and, at times, as a place of coordination. Indeed, the union organisations may need the information provided during the meetings with the management and also the information on the union situation in other countries. Furthermore, the EWC can help them organise European-wide union actions, as happened in the case of Ford, General Motors, Fiat, Renault (see G. Dondi (2003), *Comitati aziendali europei: il d.lgs. n. 74/2002 per l'attuazione della Direttiva 94/45/CE*, in *ADL*, I, 107; P. Lorber (1997), *The Renault case: The European Works Council put to the test*, in *IJCLIR*, 3, 135-42.).

European trade union federations, in cooperation with the National unions, may attempt to use the EWC more effectively in order to conquer a European-level bargaining function, above all within the scope of restructuring processes. Hence, by recognising the potential of this new representation instrument at the European level it does seem that there is an ongoing trend among trade union organisations that heads in the direction of trying to increase the value of EWCs.

The “season” of participation in Italy

Italy is undergoing a positive change as regards the issue of employees' participation. Important documents about the current situation are the Joint Advice of 9th December 2009 and the Code of participation. About the last developments see R. Caragnano, G. Caruso (2009), *Prospettive della*

partecipazione. Un primo commento all'avviso comune, in *Bollettino Adapt*, no. 11. In particular, the Code includes a frame of the current legislation and a review of best practices. The explanation of the Code structure and its meaning in the contest of the Italian industrial relations is offered by R. Caragnano, M. Massagli (2010), *Un Codice per la partecipazione*, in *Bollettino Adapt*, Speciale, 7 luglio, no. 25.

On the basis of the Italian legislation 46 EWCs result established and the ratio between the number of the Italian undertakings that go within the Directive 95/45 application and the number of the agreement realised is very positive (cfr. Consiglio Nazionale dell'Economia e del Lavoro, *I Comitati aziendali europei*, June 2010). This result can be explained with the fact that the Italian Social Partners played an active role during the phase leading up to the approval of the Directive. Confindustria, Intersind and Assicredito on the employers' side, and Cgil, Cisl and Uil on the trade union side, promoted support and information initiatives at the national and European levels. After the approval of the Directive in September 1994, this commitment intensified. In the spring and autumn of 1995, numerous information and training seminars were held, while negotiations led to the definition of the first voluntary agreement in Italy based on article 13 of the Directive. For agreements concluded together with an Italian parent-company or based on the Italian legislation according to article 13 of the Directive 94/45/CE (Fiat Group, Eni, Indesit, Italcementi, Riva, Agusta Westland, Zanussi, Menarini Industrie Farmaceutiche Riunite, Barilla, etc.) see Etui-Rehs, *Database on EWCs agreements*, in www.ewcdb.org/. For Merloni's (today Indesit) agreement, see the European Foundation For The Improvement Of Living And Working Conditions, *EWC case studies: The Merloni Group*, 2005; A. Stango (2005), *Sistema delle relazioni industriali e gestione del personale alla Indesit Company*, in *DRI*, III, 757). On 6th November 1996, the most representative social partners, Confindustria, Assicredito, Cgil, Cisl and Uil, signed an interconfederal agreement containing the transposition of Directive 94/45/CE. The text did not differ greatly from that of the Directive; it mostly adapted the Directive's provisions to the model and representation practices of Italian

industrial relations after the interconfederal agreement of 1993. For the Italian European Works Councils transposition, see M. De Luca (1996), *I comitati aziendali europei. La direttiva 94/45/Ce: problemi di attuazione e prospettive di evoluzione delle relazioni di lavoro*, F. Angeli, Milano; L. Pelaggi (1998), *Informazione e consultazione dei lavoratori nelle imprese multinazionali, Direttiva 94/45/ e accordo interconfederale 6 novembre 1996*, in *ADL*, I, 117 ss.; L. Zoppoli (1998), *L'attuazione della direttiva sui Comitati aziendali europei, un'analisi comparata*, Esi, Napoli; F. Guarriello (1999), *Il recepimento della Direttiva sui comitati aziendali europei*, in *RGL*, I, 293 ss., M.P. Aimo, D. Izzi, P. Pellissero (1999), *I comitati aziendali europei. L'attuazione della direttiva 94/45/CE nell'ordinamento italiano*, in *Contratto e impresa*, 1, 212-217; F. Guarriello (2004), *Gruppi di imprese e informazione dei lavoratori*, in *Studi in onore di Giorgio Ghezzi*, Cedam, Padova.

The activism of Social Partners is not only the transposition of the Directive 2009/38, but also in the construction of an organic legislation about financial participation. First of all, within the frame offered by the Code, it could be appropriate to implement best practices.

Good practices and policy recommendations

When facing restructuring processes, different types of EWCs react in different ways, as illustrated by the mapping and categorisation of EWC practice (symbolic, service, project-oriented and participatory EWCs) developed by W. Lecher, B. Nager, H.W. Platzer (1999), *The Establishment of European Works Councils. From information committee to social actor*, Aldershot.

The potential role of an EWC in the event of company restructuring is based principally on the relevant provisions of the agreement establishing that EWC. However the lack of rigorous regulatory specification in the directive, and in EWC agreements, does not imply that a EWC as a company-level forum for social dialogue and an instrument of workers' participation is necessarily weak (cfr. T. Muller, H.W. Platzer, *European Works councils*, in B. Keller, H.W. Platzer (2003), *Industrial relations and European integration*, Aldershot, Ashgate, 53-84;

U. Rehfeldt, *European Works Councils and international restructuring: A perspective for European collective bargaining?*, in E. Charron, P. Stewart (2004), *Work and employment relations in the automobile industry*, Basingstoke, Palgrave; J. Waddington (2003), *What do representatives think of the practices of European Works Councils? Views from six countries*, in *European Journal of Industrial Relations*, III, 303-325; ID. (2006), *The performance of European Works Councils in engineering: Perspectives of the employee representatives*, in *Industrial relations*, vol. 45, no. 4).

As regards the importance of the agreement it can be seen that there is not necessarily a direct bond between the quality of the agreements and the working of the EWC. A number of EWCs have in fact been able to help ensure that employment and social aspects are taken into account to varying extents in restructuring. This often occurs in an informal way, and as a process, but there is a small number of known cases where management and the EWC have concluded some type of written agreement on restructuring matters (cfr. European Foundation For The Improvement Of Living And Working Conditions (2008), *European Works Councils in practice: Key research findings*, Dublin).

The Eurofound's report (A. Weiler (2004), *European works councils in practice*, European Foundation For The Improvement Of Living And Working Conditions, Dublin) analysing the practical operation of EWCs, draws together findings from case studies of 41 groups of companies in five EU Member States, France, Germany, Italy, Sweden, and the United Kingdom, revealing that the fundamental factors for the development of an EWC are the company history and company industrial relations along with the influence of national industrial relations and in particular experiences with company employee representation. In general, there is a wide range of different forms, procedures, and experiences of EWCs, ranging from 'symbolic' EWCs whose role is limited to annual meetings, to more 'proactive' EWCs, which maintain regular liaison with management and even go as far as negotiating agreements or joint texts with management.

Restructuring has become a common theme for joint texts, declarations, or agreements by Social Partners at sectoral level or between the management of

multinational corporations and EWC. For an overview of joint texts concluded by EWCs, see European Works Councils Bulletin; see also M. Carley (2001), *Bargaining at European level? Joint Texts Negotiated by European Works Council*, in European Foundation For The Improvement Of Living And Working Conditions, 10 ss. Such texts can contain provisions regarding the continued employment and working conditions of existing employees, the adoption of the old employer's collective agreements by the new employer, or structures and procedures for information and consultation (cfr. E. Ales *et. al.* (2007), *Transnational collective bargaining: past, present and future. Comments on the Report*, in A. Lo Faro, *La contrattazione collettiva transnazionale: prove di ripresa del dialogo sociale in Europa?*, in *DLRI*, 551, 28). In this field EWC have come to take on a negotiating role, often with the support of sectoral Trade Unions. A good example of this is the European Framework Agreement concerning restructuring concluded in December 2004 by GM Europe. For Italian best practices concerning the EWCs' performance in restructuring see the Electrolux-Zanussi's case. On industrial relation system adopted by Zanussi see M. Castro (1998), *Il sistema Zanussi*, in *L'impresa al plurale. Quaderni della partecipazione*, I, 53-121, 203-225; ID. (1998), *La rinnovata costituzione partecipativa in Electrolux-Zanussi: profumo di controriforma?*, in *L'impresa al Plurale. Quaderni della partecipazione*, I, 86.

Part V

Spain

1. Spanish legal framework with regard to elder employees

International Treaties and Spanish Constitution

a) Equality principle

Equality principle is constituted in International Treaties signed by Spain and reflected in the Spanish Constitution (1978). The classic formulation of the Universal Declaration of Human Rights (United Nations, 1948), article 26 of the International Pact of Civil and Political Rights (United Nations, 1966), article 14 and Protocol 12 of the European agreement for protection of human rights and fundamental liberties (European Council, 1950), article 13 of the Constituent Treaty of the European Union (consolidated version, 1997) and article 21 of the Fundamental Rights Letter of the European Union (2000) are valid.

b) Right to work

Right to work, defined as a fundamental right in the International Treaties ,such as article 23 of the Universal Declaration of Human Rights, article 6 of the International Pact of Economic, Social and Cultural Rights (United Nations, 1966) and article 15.1 of the Fundamental Rights Letter of the European Union, is also acknowledged by the Spanish Constitution among the rights and duties of the citizens (article 35.1).

c) Equality at work

Equality at work is specifically recognized by Agreement 111 of the International Labour Organization (1958), and developed in detail as an excellent judicial

resolution with regard to elder workers in its Recommendation no. 162 (1980), although it does not have a binding power.

Age in the labour regulation

a) Principle of equality and no age discrimination

b) Working conditions:

The basic labour norm, The Workers' Statute, mentions in some specific suppositions the effects of the tenure, which correlate with age:

- Seniority as the criterion for applying promotions regime (article 24.1)
- Economic promotion: La promoción económica en función del trabajo desarrollado, en que ha venido a quedar la regulación anterior del complemento o plus de antigüedad (art. 25.1)
- Tenure as one of the factors, the latest salary is another factor for calculating the severance pay (articles 51.8, 53.1.b and 56.1.a).

c) Regulation of employment principles

The basic norm (law no. 56/2003) is very categorical in its requirements of equality and employability maintenance (article 9). Its general principles of the employment policy objectives are:

- efficient equality of opportunities and no discrimination, such as free election of occupation or services;
- maintenance of the efficient system of protection in the situations of unemployment;
- adoption of an effective approach to unemployment, facilitating individualized attention to the unemployed by means of integrated actions of active policies for employability improvement; also a preventive approach anticipating changes through formative/learning actions that facilitate the maintenance and improvement of professional qualification, and in certain cases, re-qualifying and adapting professional competences to the labour market requirements;
- assuring adequate policies of labour integration aimed at groups with major difficulties in incorporation in the labour market, especially youth, women,

persons with disabilities and persons older than 45 years unemployed for long periods of time.

Special contracts

Until recently, those older than 52 years were beneficiaries of unemployment insurance, partially compatible with unemployment subsidy and bonuses in the social security tax rates (law no. 45/2002, Disp. Trans. Quinta). Those older than 60 years have the right to partial retirement (art. 12.6, ET).

The employment Promotion Programme of 2008 (law no. 43/2006 for Improvement of Growth and Employment) to promote indefinite contracts has introduced various bonuses in the social security tax rates for those who are older than 45 (law no. 43/2006), social security tax bonuses for those older than 59 with organizational minimal tenure of 4 years (law no. 51/2007) and also for those older than 60 with a minimal organizational tenure of five years (law no. 43/2006).

a) Work contract termination

There are no legal norms or criteria, which relate to work contract termination or to the possibility of contracting with age. Emerging incompetence of the worker of age or their lack of adaptation to changes in technology (article 52, a) and b)) are mentioned among the suppositions of contract cessation. Thus, not the age, but this incapacity is manifested as possible impediment of the working life.

As of today, national courts don't acknowledge restructuring intentions affecting a significant number of older employees as a situation of discrimination. With relation to psycho-physical health and well-being, there are no such laws or precedents (Esther Sánchez Torres, Director, Ass. Prof., Department of Private Law, ESADE, personal communication, 25/02/2010).

The new labour law is currently under discussion in Spain.

Retirement regulation

As in other European countries, 'Toledo Pact' is applied. Its recommendation 10 declares: '10. Retirement age. Retirement age should be flexible, gradual and

progressive. Access to the retirement pension should not impede an active social presence of the retired. Without detriment to maintaining the ordinary retirement age of 65 years, facilitating Active Life Prolongation is very recommended, in financial and social terms, for those who freely wish it.

A tal efecto, cabe regular la exoneración total o parcial, en función de la jornada, de la obligación de cotizar en aquellos supuestos en que el trabajador opte por permanecer en activo con suspensión proporcional del percibo de la pensión. De igual modo, se mantendrán los sistemas de jubilación anticipada ligados a los contratos de relevo y de sustitución ya previstos en la legislación vigente’.

Reforms following Toledo Pact

Two lines of reforms have been developed: the amount of the pension and the flexibility of access to retirement. The first is characterized with a mechanism related to the increasing number of contribution years as the effects of calculations made on the regulatory basis, the second with the regulation of cases of early retirement with the reduced pension and late retirement with an improved pension. Until now neither the retirement age (65 years) nor the number of contribution years (35 years) were touched to reach the complete pension. Neither the compatibility of the pension with the earned income was loosened – with the exception of the partial retirement –, nor the possibility to complete pension ante tempus with a maximum period of contribution, for example, 40 years.

Summary of the rules of the General System of Social Security (Régimen General de la Seguridad Social):

- Age of common retirement: 65 years since 1919.
- Minimum contribution years (waiting period) is since law no. 24/1997 15 years, out of which at least 2 should be among 15 previous ones at the moment of coming into force.
- Contribution years for a complete pension: 35 years since 1974.
- Contribution years for calculating the regulatory basis: since law no. 24/1997 the last 15 years.

- Early retirement (with reducing coefficients from 6 to 8 per cent per year according to periods contributed).

(1) 'Historical' (o transitory): from 60 years for employees who were associated with the old 'Mutualismo Laboural' before 1st of January 1967.

(2) 'New': from 61 years, fired and unemployed with at least six months of registration at the Employment Public Services (Servicios Públicos de Empleo) and with at least 30 years of effective contribution.

Partial retirement

Reduction of the working day by between 25 and 75 per cent of the ordinary.

- 'Historical': from 60 or 61 to 65 years of age, with a release contract, simultaneously, six years of seniority and 30 years of contribution.

- 'New'(or 'Flexible'): from 65 years, without replacement.

Deferred retirement

- Compatible with part-time work: from 65 years (as referred to in the previous section).

- Full extension of the active life: from 65 years with three incentives – (a) pension rise, through the improvement of the regulatory basis by 2% per additional working year and with a minimum of 35 years of contribution or 3% if the person has 40 years of contribution at the age of 65 with an upper limit of the valid contribution basis; (b) exoneration of payments to the social security by common contingencies, also with a minimum period of 35 years of contribution; and (c) special reductions in income tax (F. Caveda & Asociados, 2007).

Particular unemployment assistance types when applied to elder people:

- workers over 45 who have exhausted their 24-month unemployment benefits;

- unemployment subsidy for workers over 52;

(In general, the duration is six months, which may be extended for a further two periods of the same duration, up to a maximum of 18 months. In some cases,

unemployment assistance duration can be extended to 24 or 30 months for claimants, whose contributory unemployment benefit has run out and have family responsibilities);

- for persons over 52, the benefit continues as long as is necessary, until the claimant either re-enters the workforce or reaches statutory retirement age, at which point they are eligible for the contributory retirement pension;

- Those older than 45 who have exhausted their entitlement to contributory benefit for 24 months can receive from 80 to 133 per cent of IPREM (public indicator of incomes of many effects), depending upon their family circumstances (i.e. children, etc.):

- With one or no dependents: 80 per cent of IPREM
- With two dependents: 107 per cent of IPREM
- With three dependents: 133 per cent of IPREM.

- Workers aged 52 or over, having exhausted their UI benefits, may be entitled to prolonged unemployment benefits at a flat rate of 80 per cent of the IPREM. This benefit lasts until they reach retirement age.

Employment-conditional benefits (Bonuses awarded to the employer for recruitments):

- For those older than 45 – relatively higher amount (1.200 Eur) during the entire contract life;
- Contracts for training, relay or replacement of retired workers, which were converted into permanent contracts, (500 Eur) during 4 years;
- Extraordinary scheme to turn out temporary employment into permanent employment;
- Temporary contracts, including contracts for training, relay or replacement of retired workers drawn up before 1st June 2006 which were converted into permanent contracts, provided the change took place before 1st January 2007 (800 Eur) during 3 years.

No special treatment of elder employees with regard to Unemployment insurance, Social assistance, Housing benefits for rented accommodation, Family benefits.

2. Social context in Spain with regard to elder employees (Part I)

In Spain the labour activity level is much lower among elder employees: among those between 55 and 64 years old it is 43.1 points, compared to 63.3 in total. Recently it has increased, but still is below 50%. The activity level of those older than 65 years is minimal: 4%. At the same time, during the last 30 years the period of stay in retirement has doubled (from 11 to 20 years).

At the origin for such low activity level among elder people there are historical demographic, economic and social reasons. The period between the end of the World War II and the first oil crisis in 1973, so called ‘glorious years’ in Europe was characterized with great surplus of active population in spite of economic growth. The adjustments were made for the generous welfare state benefits. Likewise, social values preached the advantages of the young and new. Older people represented a world that should be left behind as soon as possible. Despite changing circumstances, this model is still imprinted in people’s mentalities.

Hitherto both industry confederation and most representative labour unions continued to encourage early retirement as the most suitable measure for adaptations of staff emerging from restructurings. They have re-established the number of the forced retirement age in the Collective Agreement. Data of the Survey on Health, Ageing and Retirement in Europe shows that 67% of Spaniards aged 50-59 express their wish to retire as soon as possible (compared to 60% in Italy, 57% in France, 43% in Sweden and Germany and 31% in the Netherlands (CEOMA-F. Caveda & Asociados, 2006, p. 5). At the same time, Spain is the country with the highest level of low or medium-low qualified staff, and pension reaches the level of 85-90% of the average worker’s salary. Yet, the activity level

of older than 50 top graduates is twice as big as the activity level of those elders who have remained in the private education.

Labour market mobility of those over 50 is very low. Older workers are prisoner of their workplace, since they cannot proceed to another one when being close to retirement. The transitions from inactivity and unemployment to employment are very scarce (in the OECD countries it is less than 5%). The alternatives to employment are unemployment (1/3), retirement (1/3), illness or disability (15%), and others like family work, personal affairs etc. (15%) (2004).

Evolution of the labour market

Labour market is developing in the direction that should favour employment of elders.

a) Employment grows in the service sector and falls in agriculture and industry. Manual, especially labourious or dangerous jobs generally reduce in volumes and intellectual jobs amplify. The proportion of elder workers in physical work should continue decreasing.

b) There are favouring factors for continuity of employment in services, such as part-time jobs and flexible working hours, although it is not certain that these improvements will go hand in hand with working conditions (for instance, work stress is increasing).

Also work demand evolves in a favourable way to those over 50.

a) considering the correlation between activity levels of young and older women, the significant increase among those between 25 and 49 years should be transformed in the increase among older women, especially in the countries with the wide gap in the activity of men and women, like in Spain.

b) The future cohorts of elder people will have much better education than those of today. In Spain the share of low-qualified is expected to drop from 70 to 35% by 2025.

c) Health conditions have improved and are expected to be improving. The greatest life expectancy includes also healthy life without labour invalidities. Other labour market mechanisms could work in favour of the activity of elders.

For example, salary flexibility should facilitate adjustment to the fall of the levels of seniors with a subsequent increase in the demand for such workers. Scarcity of young workers' competences could go in the same direction, increasing the offer of more training and better conditions to the elder employees. A big part of current early retirement is the effect of the irreversible and irreparable obsolescence of the qualifications and academic background of Spanish elders (Garrido, Chuliá, 2005).

However, there are factors that prevent such developments, such as stress, vain attempts to reconcile work and family life, rigidity of the salary system or maintenance of financial incentives for early cessation of labour activity.

In addition, a regime for early retirement has been established in Spain, although without formal regulation. Older workers are also encouraged to switch from activity to retirement by means of public unemployment aid and compensations are given to companies that in the process of restructuration in various sectors have allowed expelling all more than 50 years old from the labour market. An implicit imposition for cessation of work was actually created (F. Caveda & Asociados, 2007).

Social perception of elder employees

Spanish society perceives those older than 50 as having certain stereotypes. In terms of employment, it is believed that older workers enjoy the stability and protection so demanded by the young ones: fixed full time contracts versus temporary contracts, well defined economic benefits versus mobility and flexibility, acquired professional level and various rights versus uncertain and nomadic trajectories. It used to be practically prohibited to fire an older person, which blocked the access for the young ones. Elder workers always have occupied best and well-protected places in the labour market, only recently the signs of breaking this situation have emerged, such as separating labour inclusion and success from the age and continuous tenure in organizations.

The roots lie in the history of the establishment of obligatory retirement age, 65 years, which was decided in 1919. In that time work lasted one's whole life,

because neither state nor society provided basic needs. Working meant surviving; there was literally no life outside work until life expectancy, health state and work and active life cycle have changed.

Another aspect of the social image of elder workers is presenting them as opportunists and individualists, more preoccupied with their future pension than with the present activity. Their attitudes and behaviour represent adjusting themselves to improve payments, choosing the right moment to leave or obtain additional advantages. The work itself would be transferred to the second order. This narrow connection between age and inactivity in retirement leads to confusion of age with incapacity to work, and further, with incompetence in work. (*Ibid.*)

These perceptions are reflected in the results of SHARE (The Survey of Health, Ageing and Retirement in Europe, 2005) among those older than 50: Spain is the first with regard to desired resignation age as early as possible with its 67% and Netherlands are the last with 31%, demonstrating the growth tendency from the north to the south of Europe.

At the same time, the percentage of enterprises that have developed strategies for maintaining older employees after they reach the retirement age or to recruit new older employees is the lowest in Spain, as a European survey has shown (Recio, 2007).

It is estimated that by 2020 there will be 40,6 million inhabitants in Spain, out of which 16,5% will be more than 65 years old (in 1990 this number was three percents lower). Given that the active population will consist of 11-12 millions by this time, there will be less than two taxpayers for each retired person (in 1990 there were 5 taxpayers for each retired).

3. Social context in Spain with regard to elder employees (Part II)

Results of interviews with social partners

Interviews with employment agencies and experts

The results of interviews made by CEOMA are presented below. 15 employment agencies and consultancies specialized in HR selection (hereafter referred to as agencies) and 61 experts and opinion leaders (hereafter referred to as experts), 32 of which work in public administration, including politicians, such as deputies and senators, and trade unions, and 28 are professionals and intellectuals (businessmen, NGOs, academics, university professors and researchers) were interviewed in 2009.

The results of the interviews with the agencies have revealed that the proportion of those older than 50 years among their clients is low: 6 of 15 agencies responded that elders represent 5% or less of the total number of employees they manage, 6 agencies confirmed this ratio to be between 10% and 20%, and only 2 agencies named 30% and 48%.

The reasons for a low labour activity among elder workers

- It is difficult to find a job for those who become unemployed at the age of 50 and above (14 agencies and 43 experts (71%)); this was also mentioned as the most important reason by half of the agencies and 30% of experts;
- the fact that companies (public administration) stimulate and make early retirement easy (8 agencies and 39 experts (64%)) is the second most important reason;
- the fact that companies (public administration) oblige to the early retirement (7 agencies and 18 experts (30%));
- the wish to retire as early as possible (four agencies and 22 experts (36%)) is the third most important reason in the experts' opinion, but not for the agencies;
- only three agencies and seven experts (12%) mentioned the *outdated knowledge* as a reason;

- only eight experts (13%), but none of the agency respondents said that the physical state of the elders makes it difficult to continue working;
- the two last reasons are considered as the least important by both agencies and experts.

The primary advantages of elder employees over the younger ones:

- more experience (13 agencies, 55 experts (90%)); also considered as the most important by 7 agencies and 32 experts (53%);
- knowledge about the company (9 agencies, 42 experts (69%));
- knowledge of the job (8 agencies, 33 experts (54%));
- more emotional maturity (6 agencies, 28 experts (46%)).

The primary disadvantages of elder employees over the younger ones:

- high salary costs (10 agencies, 45 experts (74%)) was considered as the most important by 6 agencies and 21 experts (34%);
- resistance to change (8 agencies, 36 experts (59%)) is the second most important disadvantage;
- high lay-off costs (9 agencies, 30 experts (49%));
- inadequate training or outdated knowledge (5 agencies, 22 experts (36%));
- lack of geographical mobility (two agencies, 19 experts (31%));
- lack of functional mobility (one agency, 12 experts (20%));
- loss of physical capacity (one agency, 12 experts (20%));
- on average only two agencies and 6, 3 and 5 experts (5-10%), respectively, mentioned low productivity, low motivation or more absenteeism as disadvantages of elder workers; those were also considered as least important ones.

Overall, agencies and experts believe that both private business and public administration have a *negative vision of elder employees*; and one fifth of the agencies believe that the public administration has a *very negative vision*. Only three agencies, but 32 experts (52%) believed their view was *rather positive*. The

tendency of the experts to believe in a more positive vision of public administration (also much more positive than that of private business) can be probably explained by the fact that many experts represent one.

Among the factors influencing such vision there are the *characteristics of the sector and job type* that were most frequently mentioned by agencies with regard to both private and public sectors. Experts share this belief, but consider the *preparation of elders* as more frequent factors (30% for private business and 43% for public administration).

Only one third of the agencies and experts believe that *retirement should be completely voluntary and guaranteed by law*. The opinions of the rest are divided between beliefs that the retirement should be either obligatory at a certain age, or should be a matter of agreement with the employer, with or without collective agreement. Most experts are rather against (34 experts (56%)) or completely against (13 experts (21%)) the *programmes of early retirement, including those with the reduced pension*. Only six of them (10%) are in favour. Yet, one third of the agencies are rather in favour of such programmes.

In addition, 11 of 15 agencies and 51 experts (84%) believe that those over 50 years old who don't accept the early retirement and wish to continue working are *pressured by their companies* to do so in various manners (e.g. change to worse tasks, elimination of extra payments, etc.).

With regard to the most important factor to find employment, most respondents divided in two groups – those who believe in the social relations of the elders (8 agencies, 31 experts (51%)) and those who believe in their knowledge and skills (7 agencies, 25 experts (41%)).

Interviews with social partners

During the meeting held with Clotilde Nogareda and Manuel Bestratén from the National Centre of Working Conditions, Ergonomy and Psychosociology Department at the Spanish Institute of Health and Safety at Work (Instituto Nacional de Seguridad e Higiene en el Trabajo, INSHT) on the 9th of March 2010 the following was identified.

The impact of companies' changes on elder employees' deserves a deeper examination. Elder employees in Spain may represent a particular case because of the lowest level of vocational training of elders in this country when compared to other European countries. This can serve as a basis to distinguish two large groups of elder employees:

- low qualified;
- highly qualified but with no or little vocational training.

Also the general attitude of elder workers towards lifelong learning is passive, and due to culture there is little initiative and creativity in these groups.

On the other hand, in Catalonia especially the state support to the enterprises is high and effective, such as business incubators. So, companies should feel encouraged and supported to provide more vocational training to their employees.

The experts of INSHT have done research on this topic and have published the results in various formats, including NTP online publications. INSHT has collected data for the National Survey on Work Conditions (Encuesta Nacional de Condiciones de Trabajo, ENCT), which we could use to identify differences between elder and younger employees with regard to certain factors. The sample of the previous versions was between 3000 and 4000 respondents, and the sample of the last edition (VI ENCT) was up to 11054 respondents.

Additional source of INSHT: Observatorio Estatal de Condiciones de Trabajo.

Additionally, the following reasons for resistance to change were identified previously by Pérez and Nogareda (NTP 416):

- fear of the unknown,
- lack of information,
- disinformation,
- historical factors,
- threat of status (change),
- threat of power (change),
- non-perceived benefits,
- low level of trust in organizational climate,

- poor relationships,
- fear of failure,
- resistance to experiment,
- differences between the present situation and the perceived future situation.

Factors determining resistance to change:

- individual characteristics (propensity to avoid change, need for status, past experiences, perceptions, etc.);
- organizational factors (inadequate or insufficient information, lack of participation, etc.);
- content of the change (loss of something valuable, difference between the current situation and the future situation, etc.).

Specific problems of change for elder workers:

- perception of threat (esp. compared with younger workers, who have better outlooks for promotion and career development),
- cognitive effort for training (more difficult than for younger workers, esp. when after the period of training elders are left in the new situation by themselves => higher anxiety => more errors and incidents),
- questioning of one's own capacities (experience, knowledge and skills valid until change become obsolete),
- fear of failure,
- loss of control over the job (elders consider new information means of production as too abstract, they have problems with understanding the system of machine functioning, its logics, how it manages the information, how and where it stores the information, they think its processes are too rigid => more dependency on colleagues),
- belief systems related to technological change.

Elder workers don't expect positive consequences of change for their professional careers, which result in low motivation to make the necessary efforts to learn and adapt to the new methods and techniques of work. The change is to a large extent

perceived as very negative or somewhat negative personal impact. (Pérez, Nogareda, NTP 416).

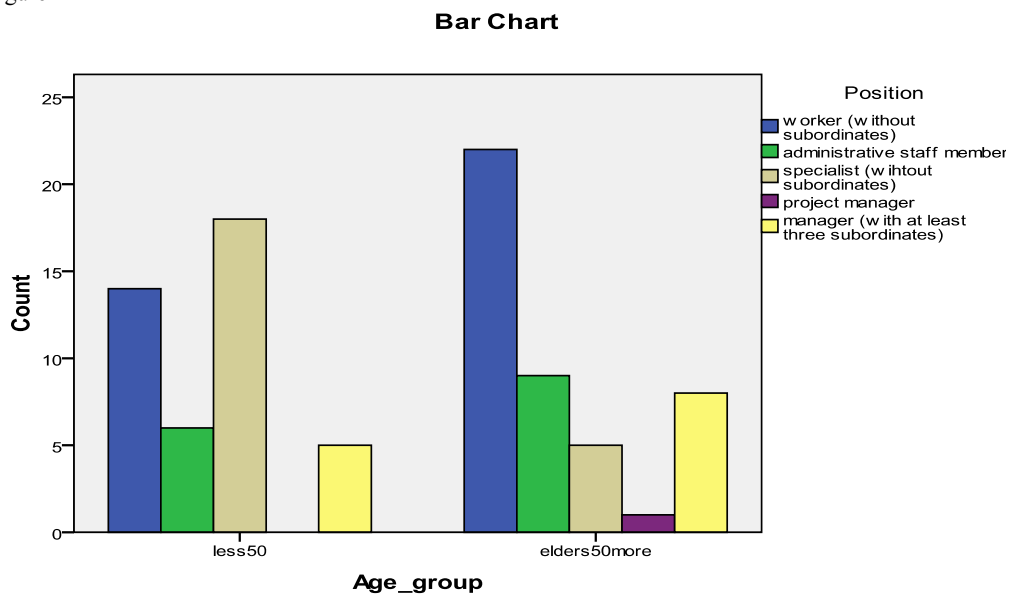
On the other hand, age can represent an advantage for many labour activities and not with all types of work elders experience decay. Experiences accumulated with the age make it easier to develop particular and effective strategies and styles of work adapted to specific circumstances of the activities. Matrix of Warr (1993): types of activities (where age represent disadvantage, hindering, neutral or positive/advantage) and sufficiency of basic physiological and psychological capacities demanded by the task, experience and task characteristics.

4. Results of the ELDERS survey in Spain (Catalonia)

The ELDERS questionnaire was distributed among enterprises in Catalonia region by the trade unions representatives, both on paper and online, resulting in 89 respondents, 46 of which are 50 years old and older (26 males, 20 females) and 43 are younger than 50 (19 males and 24 females).

The position distribution in these sub-samples is shown in Figure 1.

Figure 1

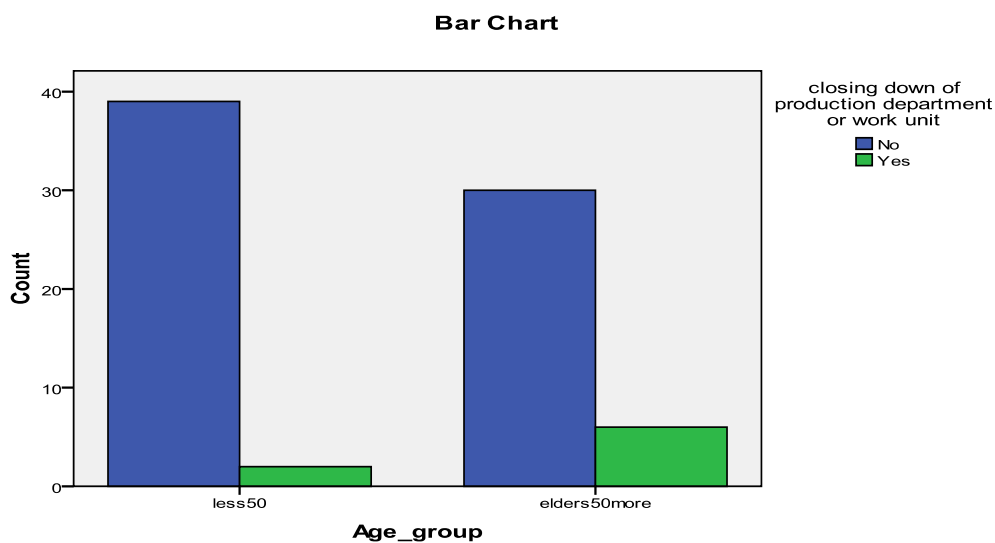


The small samples and categorical nature of most variables prevent us from carrying out parametric tests, so next descriptive analysis results are presented comparing two subsamples – respondents younger than 50 and respondents of 50 years old and older. In doing this one should keep in mind that this sample is NOT representative for Spain, neither for the Catalonia region.

Experienced changes and restructuring in organizations

In both subsample, there were much less mergers or acquisitions of another enterprise, sold or closed down enterprises, departments or units, business expansions, significant change in product or service focus, relocation of the production, all having a similar pattern, as illustrated on Figure 2.

Figure 2



However, the pattern changed with regard to combining or separating units or divisions, restructuring of core production or service systems, production cut-offs, outsourcing of work, changes in management system, in the hierarchical structure of the enterprise (see Figures 3 and 4), indicating also the differences in ratios across the age groups in focus (though not statistically significant).

Figure 3

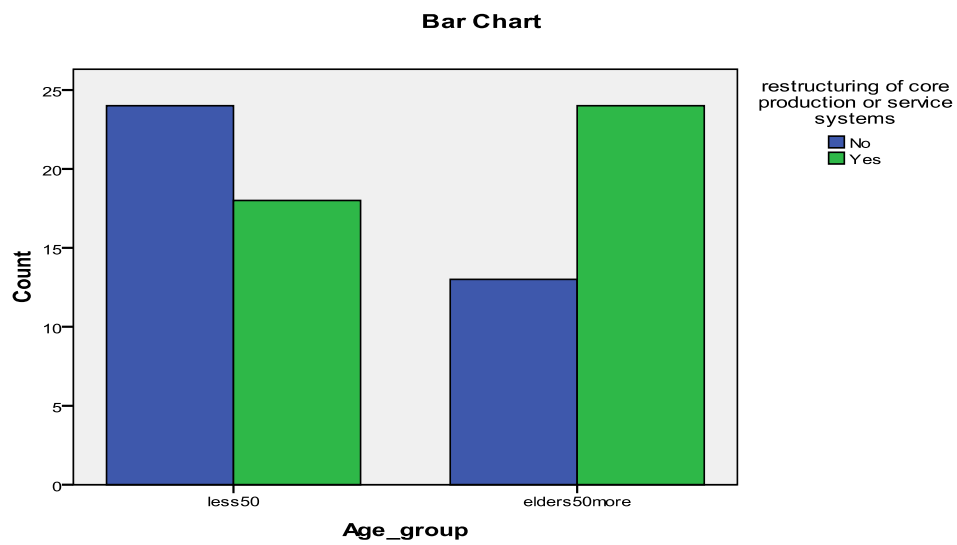
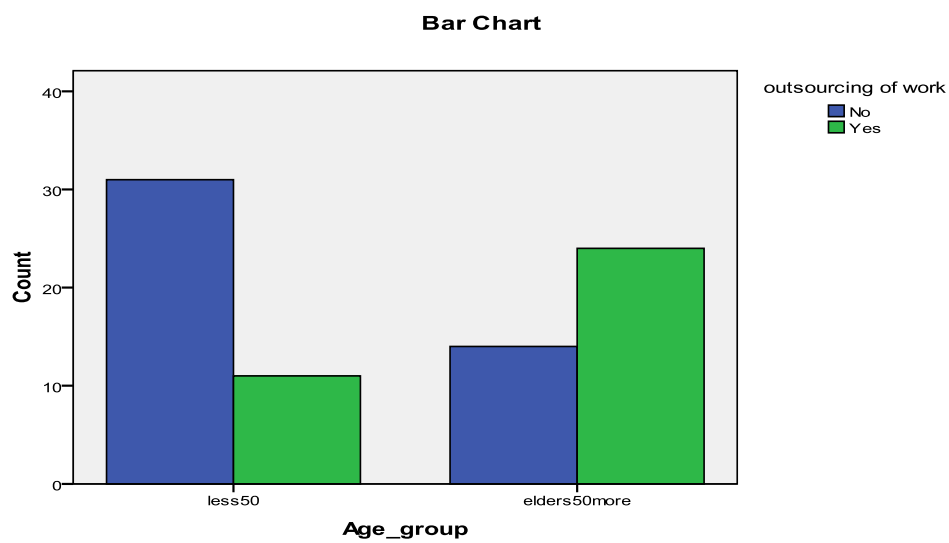


Figure 4



Layoffs were, as expected due to the current general situation, more present (Fig. 5, 6).

Figure 5

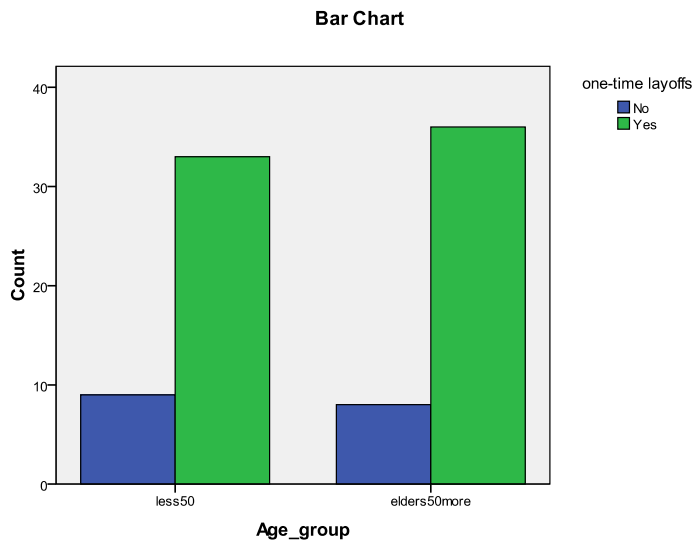
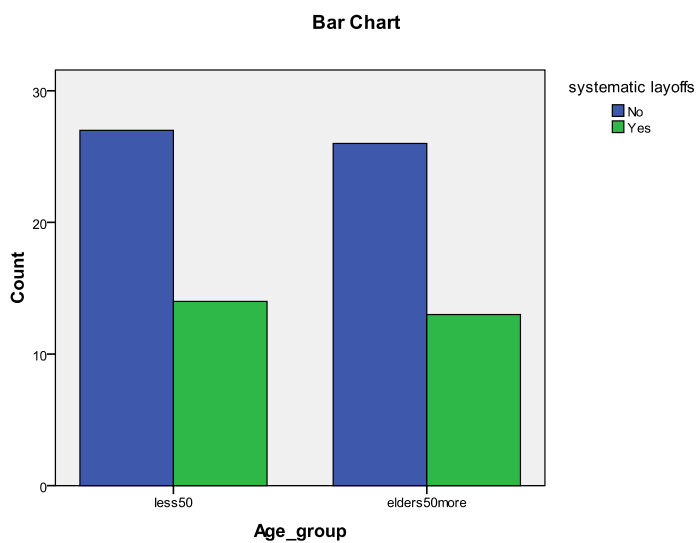


Figure 6



Effects of changes on employee's situation

The changes in organizations did not result in changes in employment contracts, number of working hours for most respondents from both groups, neither they have moved into a new work team or received additional people reporting to them (which is logical considering the position composition in the samples). However, about 30-40% in both groups reported changes in work tasks (Fig. 7), and superior

has changed for the majority of elder employees (*chi-square* 6.74, $df=1$, $p<.01$; Fig. 8).

Figure 7

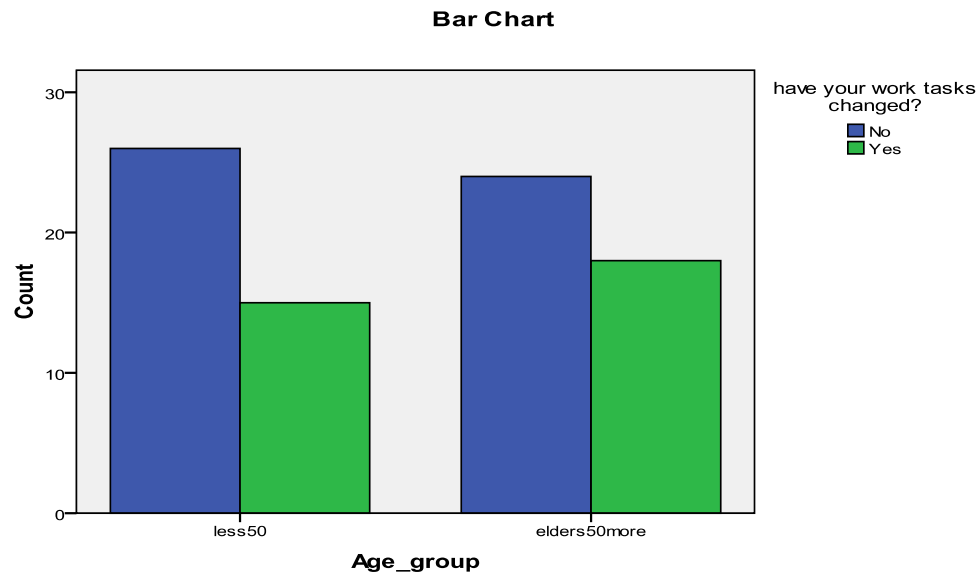


Figure 8



Position in the company's hierarchy has changed only to very few of elder workers (*chi-square* 8.13, $df=3$, $p<.05$); Fig. 9), and their overall level of responsibility has increased less than for younger workers (*chi-square* 7.25, $df=3$, $p<.05$; Fig. 10). Yet, the monthly income has not changed for about 80% of both groups' respondents.

Figure 9

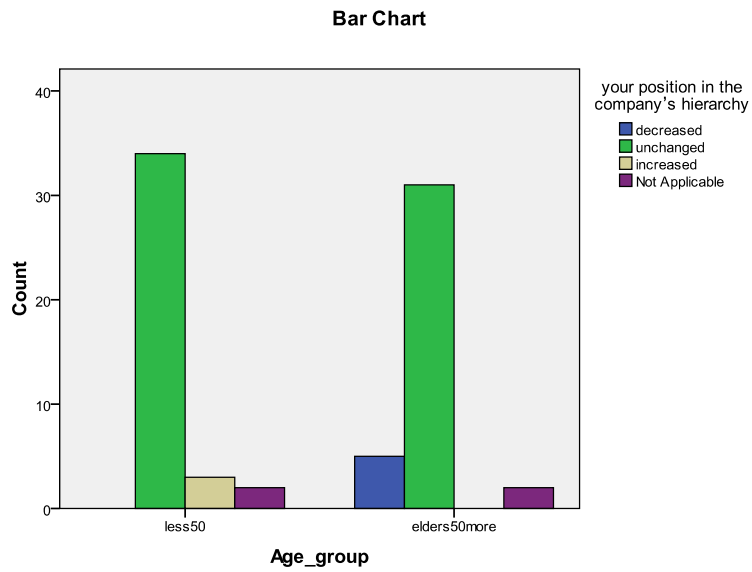
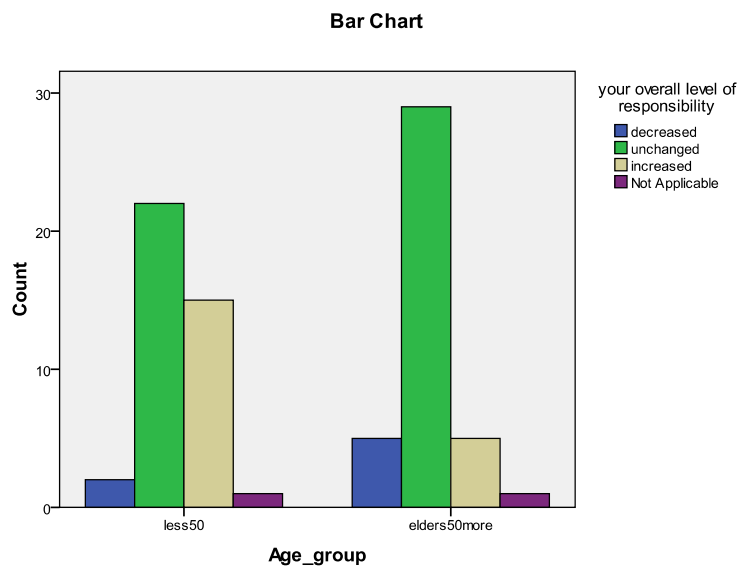
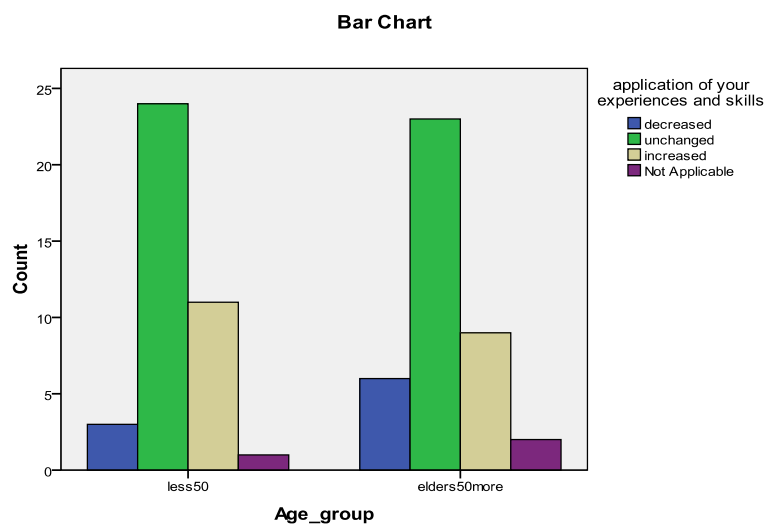


Figure 10

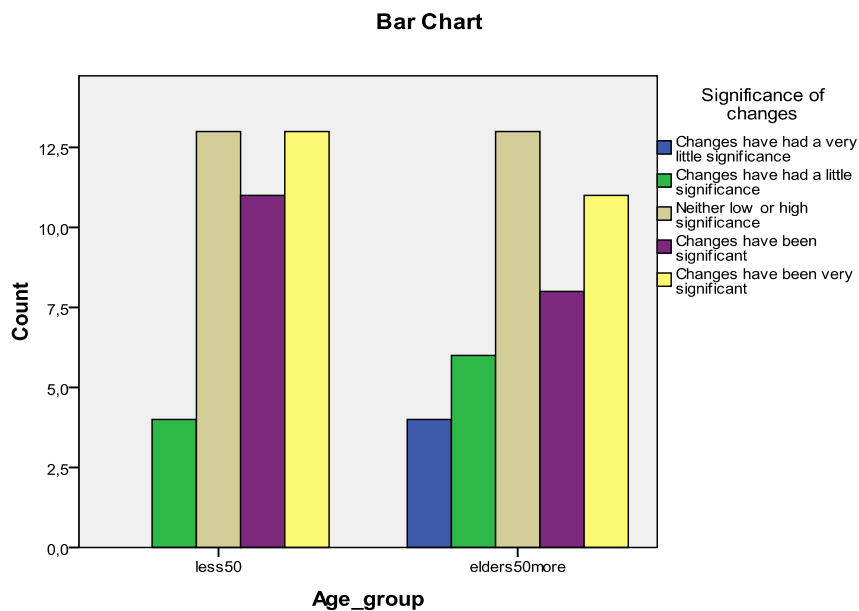


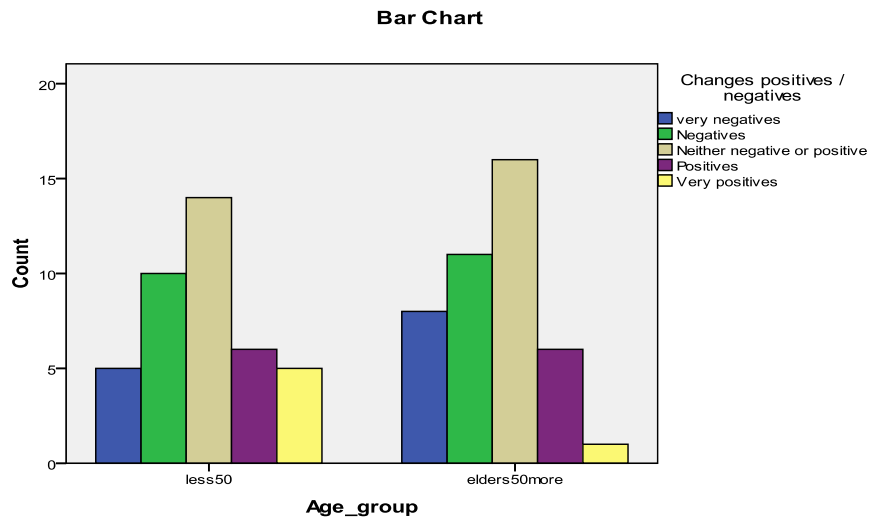
The picture is slightly better for application of respondents' experiences and skills (Figure 11).

Figure 11



Yet, the changes were rather significant in both group with a neutral or slightly more negative effect, and their impact on well-being is considered neutral in both groups.





The supervisor's and co-workers' role and performance before and during changes or restructuring

Elder employees are somewhat more positive with regard to evaluating the role or ability of supervisor in sharing information, employee involvement, providing support, solving problems, but were more negative in judging their career advice and support (*chi-square* 11.04, *df*=5, *p*<.05; see Figures 12-17). Both groups were negative with regard to implementation of reskilling training.

Figure 12

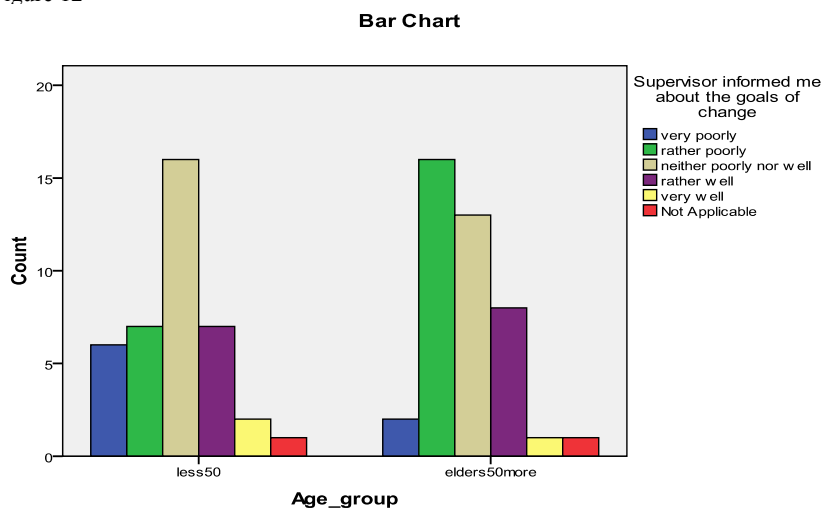


Figure 13

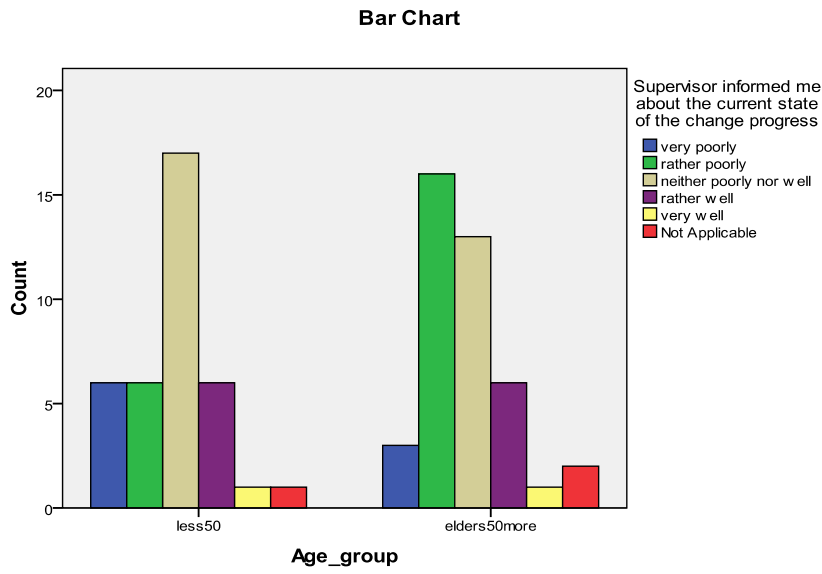


Figure 14

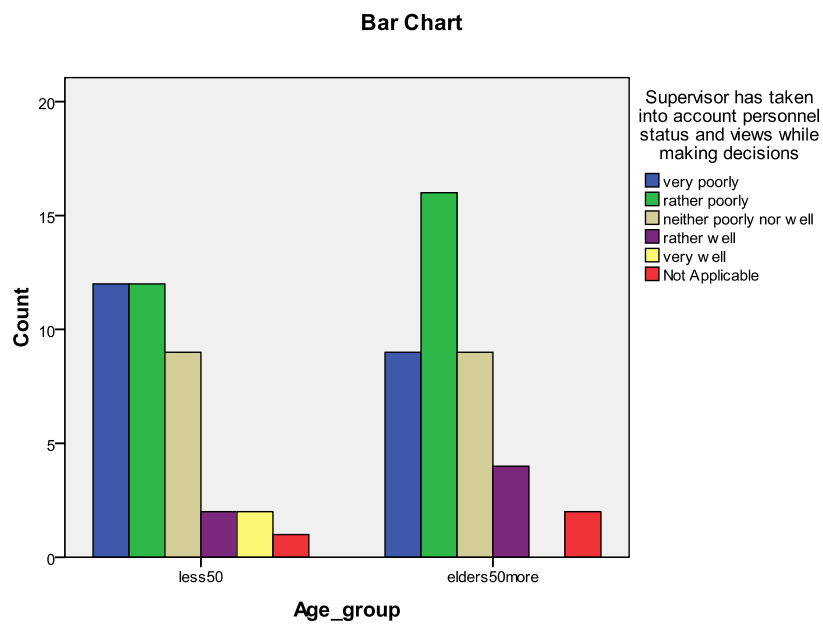


Figure 15

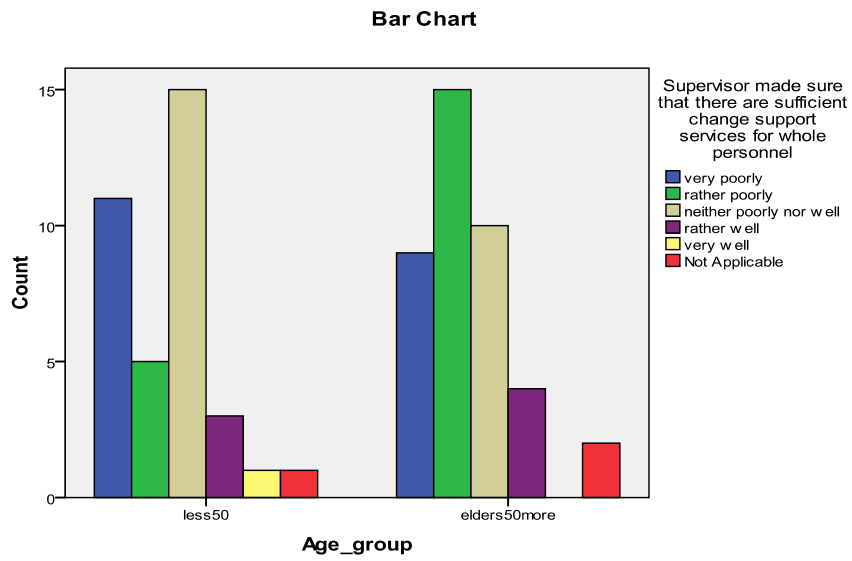


Figure 16

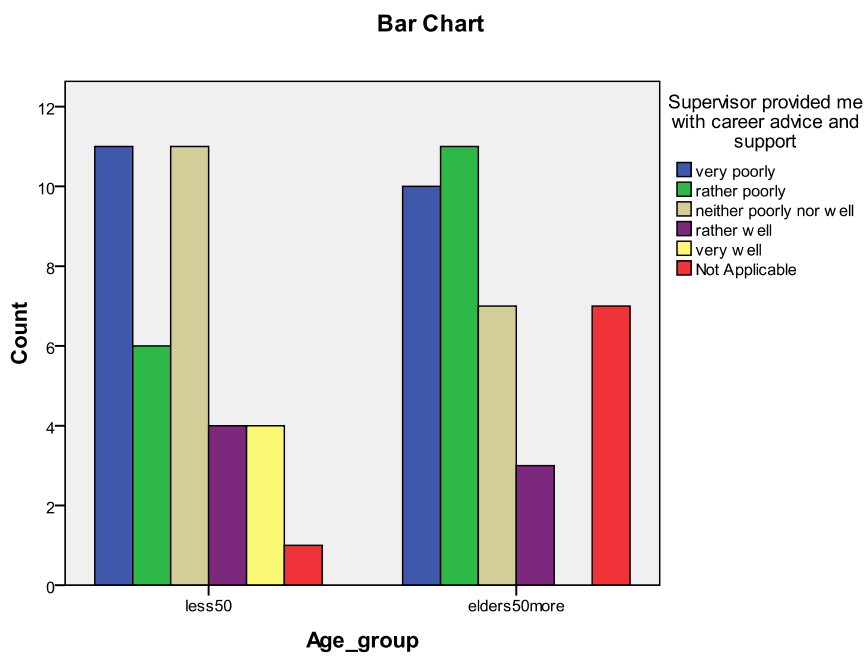
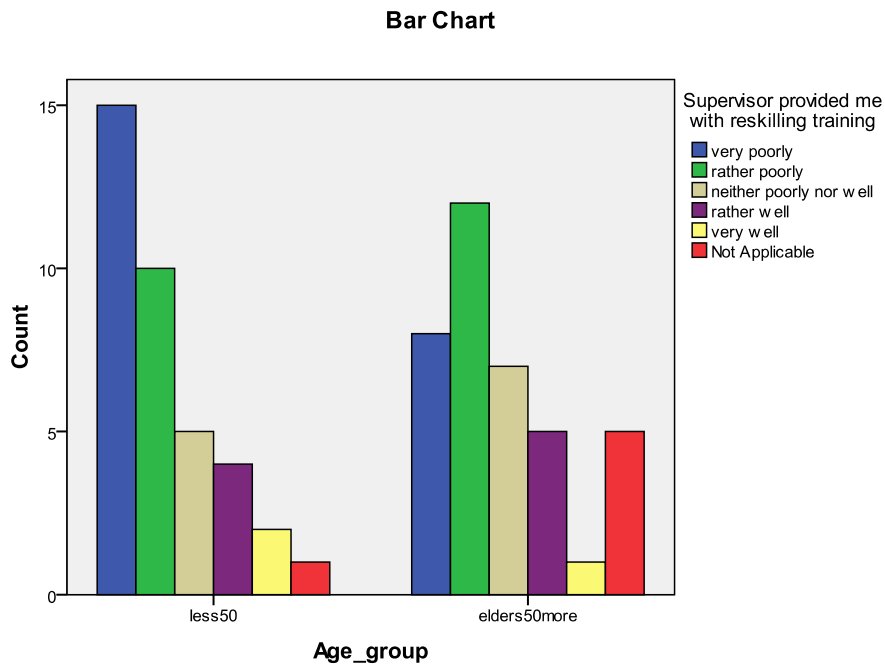


Figure 17



No differences appear in co-workers assistance and support (*chi-square* 11.45, $df=5$, $p<.05$), co-workers' support to the change process itself, embracing changes and solving problems emerging during the change process; though older workers estimated more positively co-workers' sharing of new responsibilities (*chi-square* 10.6, $df=5$, $p<.05$). Involvement of occupational safety organization, local trade union, occupational health care professionals, HR personnel and respondents' own workgroup were also estimated very similarly across the two groups.

Yet, younger workers felt to a larger extent that they can ask for help to their co-workers (*chi-square* 11.15, $df=4$, $p<.05$; Fig. 18), or count on them when things become more difficult in their work. Still, both groups perceive similarly being appreciated by their co-workers, being well-informed about the decisions made at work that affect them, the presence of stereotypes or prejudice with regard to elder employees in their organizations (Fig. 19) and being able to participate in the decision process when changes are made that directly affect their work.

Figure 18

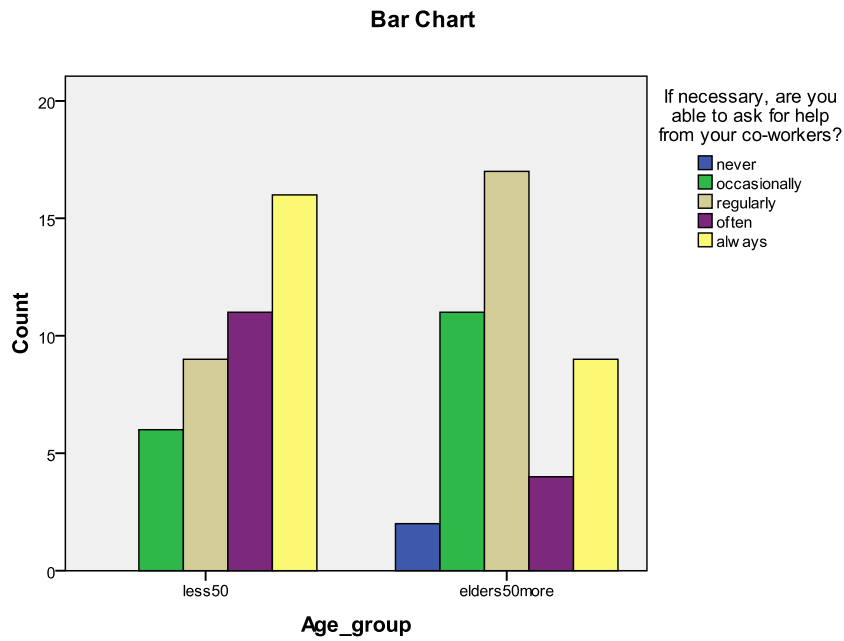
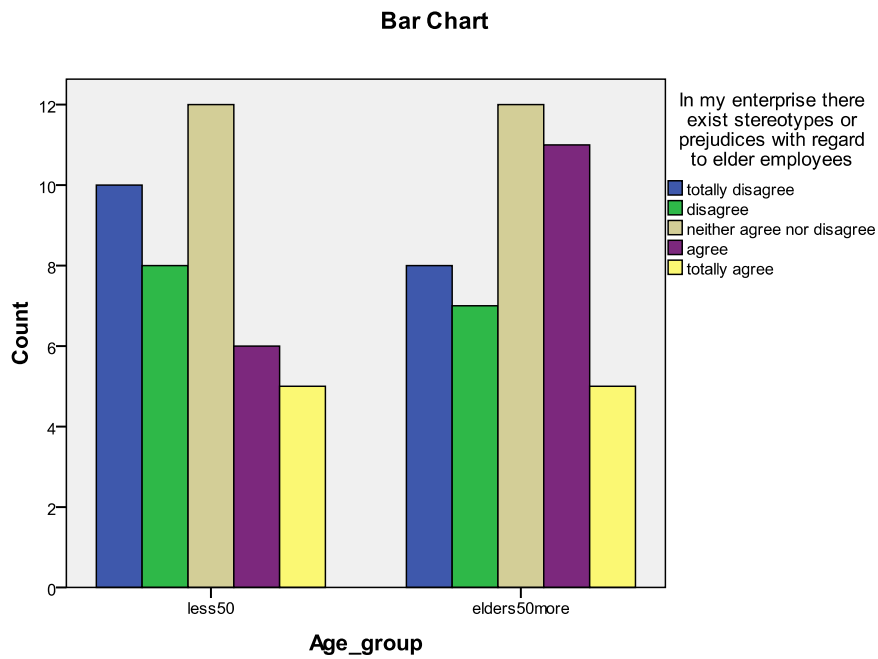
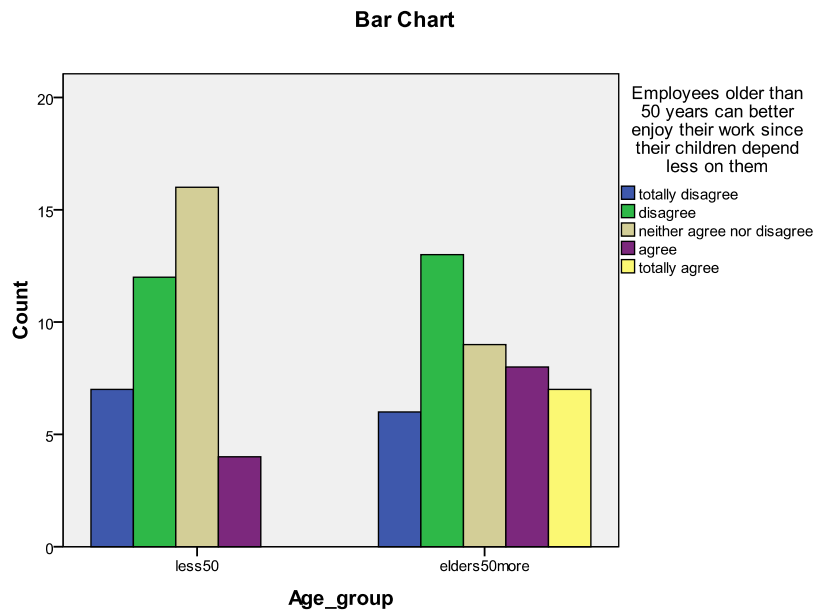


Figure 19



Furthermore, older respondents agreed more than younger ones with the statement that elder employees can better enjoy their work since their children depend less on them (*chi-square* 10.24, *df*=4, *p*<.05; Fig. 20).

Figure 20



Plans for the future

Respondents in the younger group think more often to quit their job and finding another and even plan to leave their job for another in the near future (*chi-square* 11.72, *df*=4, $p<.05$; Figures 21 and 22), notwithstanding the high unemployment situation in Spain. The difference has probably to do with the special situation of elders in Spain, as described above.

Figure 21

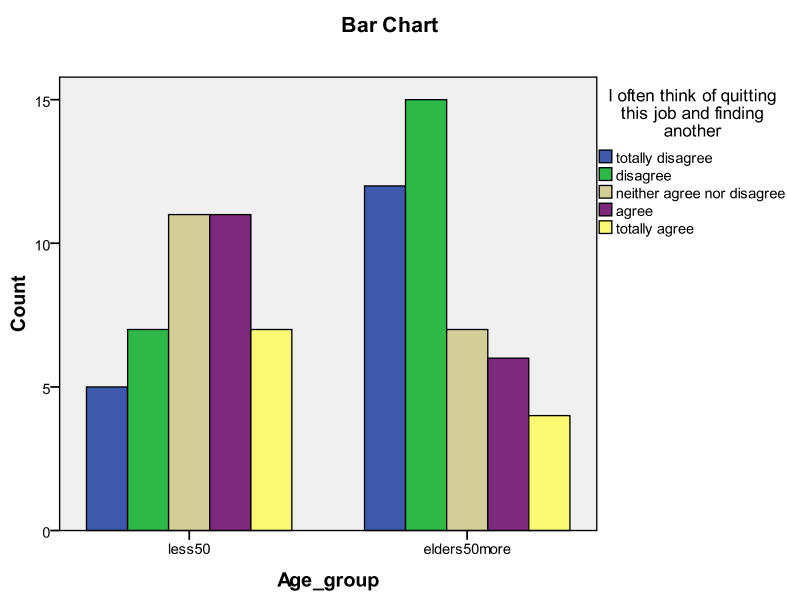
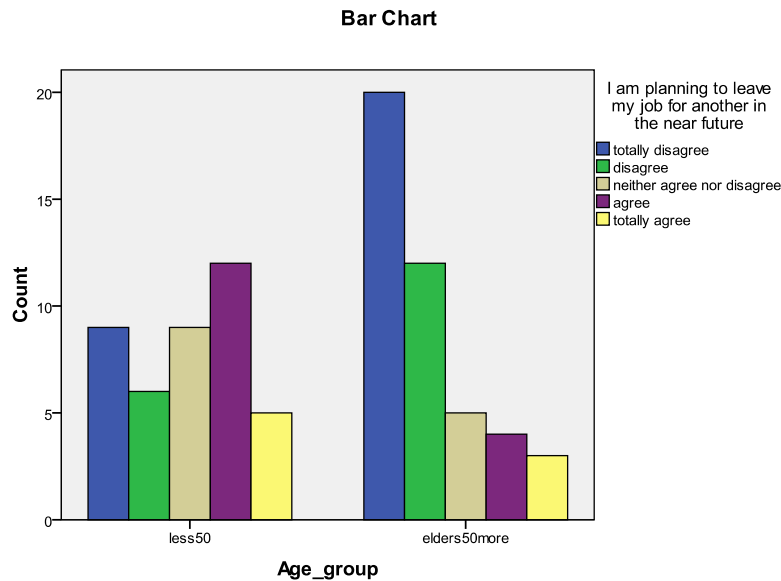


Figure 22



Not surprisingly, less younger than elder people responded that they would like to remain in their current job until retirement, but more of them would like to move jobs within their present organization, learn a new skill or trade, seek promotion at their current workplace, but only marginal share of both groups would like to change their career or type of job.

Both groups consider that it is easy for them to stay in their current job until they want to retire, and elder people are much more negative with regard to easiness of finding a job as good as their current one (*chi-square* 23.7, *df*=4, *p*=.00; Fig. 23), but at the same time they think that it will be easy for their employer to replace them if they left (*chi-square* 8.5, *df*=4, *p*=.075; Fig. 24).

Figure 23

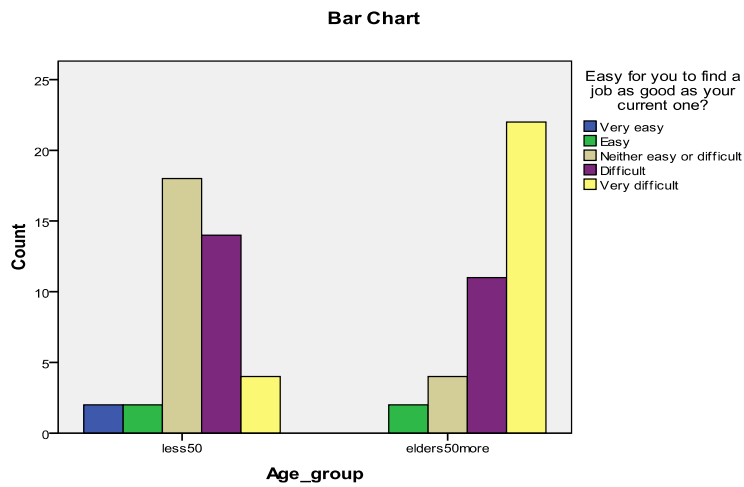
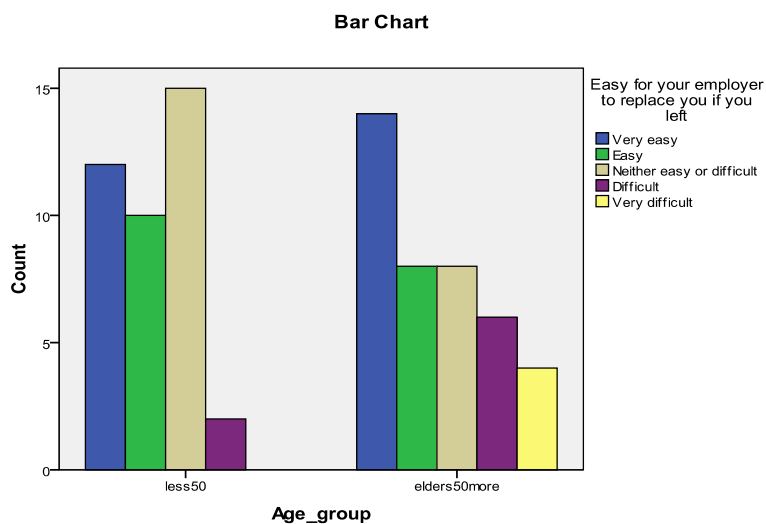


Figure 24



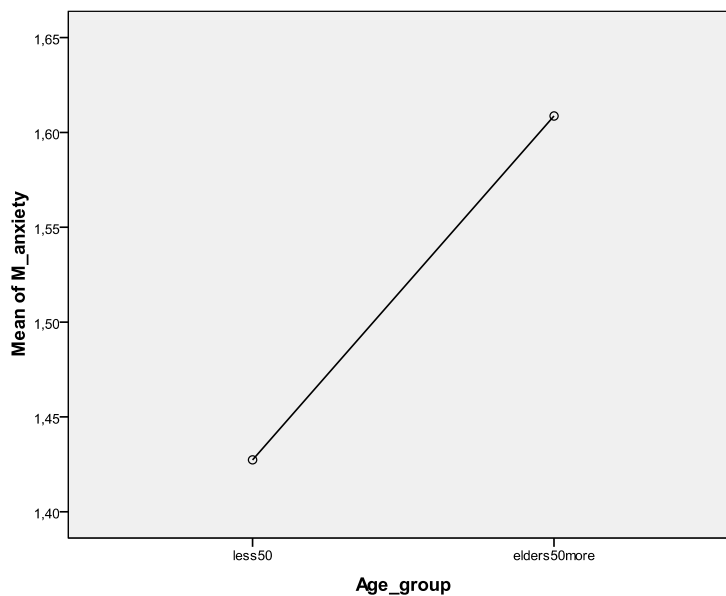
Burnout, anxiety and depression

Both age groups have similar levels of burnout (the reliability of the aggregate index is 0.95), both for physical (Cronbach alpha $\alpha=0.89$), emotional ($\alpha=0.93$) and cognitive burnout ($\alpha=0.95$), which is higher than 2.5 (on 5-point Likert scale), except for cognitive burnout, which is just above 2.0. Standard deviation is somewhat more than 1 for elder employees and somewhat less than 1 for younger ones.

Due to the use of means, the burnout, anxiety and depression scales were transformed to continuous ones, which allows us to use some parametric tests. The results of t-tests and Spearman correlations are presented below.

The level of depression is considerably lower and similar for both groups (means are around 1.33, standard deviations are around 0.32). The only difference between the two groups concerns anxiety level ($\alpha=0.85$), where the mean for elders ($M=1.61$, $SD=0.43$) is significantly higher than the mean for those younger than 50 ($M=1.43$, $SD=0.38$), $F=4.1$, $p<.05$ (see plot in Fig. 25).

Figure 25



In search for potential relations between change factors and burnout, anxiety and depression, and considering that the analysis should remain non-parametric for categorical variables, we ran a Spearman correlation. In the whole sample the only change that significantly and positively correlated with emotional burnout, cognitive burnout and depression, was one-time layoffs (correlations are around 0.4, $p<.01$). Among elder employees only ($N=46$) staff employed on a fix-term basis also positively correlated to all burnout types and depression (r -s above 0.37, p -s less than .05).

‘Supervisor solved problems that have emerged during the change process’ was negatively correlated with emotional burnout ($r=-0.27, p<.05$) and depression ($r=-0.31, p<.05$), ‘Supervisor provided me with reskilling training’ with physical and emotional burnout ($r=-0.29, p<.05$ and $r=-0.35, p<.05$, respectively) and with depression ($r=-0.26, p<.05$); ‘Supervisor made sure that individual preferences have not had disturbing impact on their decisions’ correlated negatively with depression ($r=-0.32, p=.01$).

Same tendencies were found for all co-worker help and support factors, the perception of HR personnel help, being well-informed about decisions with direct impact, and participation in decision-making. Among elder respondents though only following factors of co-workers correlated significantly (see Table 1).

Table 1. Correlations between workplace factors and burnout, anxiety and depression among elder employees

	physical burnout	emotional burnout	cognitive burnout	anxiety	depression
co-workers have provided me with assistance and support	- 0.48*	-0.44*			
co-workers have embraced the changes		-0.41*			
HR personnel support		-0.49*			
being well-informed about decisions affecting directly	-0.46**	-0.55**			
I am able to participate in the decision process when changes are made that directly affect my work	-0.46**	-0.54**	-0.41*	-0.38*	-0.5**
Employees older than 50 years can better enjoy their work since their children depend less on them	-0.35*	-0.37*	-0.38*		-0.35*
Since I reached the age of 50 my professional life has begun to take major relevancy due to the fact that my personal (family) charges allow it to me	-0.47**	-0.47**	-0.46**		-0.35*

Notes: * - level of significance is $<.05$; ** - level of significance is $<.01$

These factors may have specific relations and potentially causal relations with burnout, anxiety and depression levels of elder employees.

Conclusions

The pilot study has shown that notwithstanding the hitherto advantageous position on the labour market elder employees are not happy with the way they are treated in organizations and tend to be concerned about the future. While they consider organizational restructuring and changes as having a high importance, they perceive and react to them in a rather negative way. They worry about often perceived little use of their experience and skills, but are reluctant to professional training and acquisition of new skills. Knowing that finding a job as good as their current one is difficult they apparently get less career advice from their supervisor, while thinking that it will be easy for their employer to replace them if they left.

Older persons estimate supervisor's role in implementing changes differently from the younger employees, and their co-workers' role as more positive, but don't feel they can or maybe should ask for help from their colleagues. At the same time, they don't see their special situation as being stereotyped or prejudiced. Yet, they agreed more than young employees with the statement that elder people can better enjoy their work since their children depend less on them.

Elders tend to have higher level of anxiety than their younger colleagues and certain factors out of the mentioned above appear to be related to the levels of burnout and depression among elder employees. These and the impact of companies' changes on elder employees' deserve a deeper examination.

5. Spain national seminary summary

The national seminar was held on the 6th of October 2010 at ESADE premises in Barcelona. 8 out of 11 persons who confirmed their participation attended the seminar. Considering the special interest of social partners (mainly trade unions) in knowing the results of the pilot study, to which they contributed in the form of contacting companies for gathering data, these results remained in the focus of the seminar. The following topics were presented by Rebekka Vedina:

- presentation of the project and actions;

- presentation of the results of the national survey ELDERS (see Chapter 4), followed by a debate;
- presentation of some results from Finland and UK;
- presentation of the relevant results of the study among nurses conducted by IEL and those of the National Survey on Work Conditions conducted by The Spanish Institute of Health and Safety at Work (INSHT) (the latter part presented by Xavier Suriol).

Analysis of the latter large dataset, which is representative for Spain has shown the similar distribution of the data in focus, in particular, the level of burnout, stress and physical health state of the respondents. This allows us to conclude that the findings of the pilot study that in general, elder employees don't have a higher level of burnout and depression follow the general trends in the society. However, the specific connections of these states with certain change- and restructuring-related perceptions found in the pilot study and reported in the previous chapter, such as co-workers assistance and support and being well-informed, allow us to suggest that these factors will have an effect on the physical and mental state and perceptions of elder employees in the context of company restructuring on a larger scale.

The presentations were followed by debates, in which seminar participants raised following issues:

- legal framework drawbacks – the obligatory retirement age. Yet, there are many well-educated persons, who continue working in consultancies or as volunteers;
- low level of vocational training of most elder employees;
- the passive general attitude of elder workers towards lifelong learning.
- the policies of training of elder employees that some companies haven't been valued enough;
- perception of work as a punishment, a load, something to escape from by many people. This may be changed by giving people a material and incentives for deep consideration, motivation to continue working;

- yet, there are professions, where it is not possible to continue working after certain age. This bring us back to the question of (re)training;
 - it should be considered that not all the results of the studies conducted before and during the economic crisis in Spain can be compared. The current situation on the labour market, when most people, including elder employees have a fear of loosing jobs changes their perceptions and ways of dealing with the issues;
 - it has also been agreed upon that despite many crises that Spain in general and companies in particular have had, there used to be respect for elder workers. Many companies had successful strategies in this sense;
 - yet, the change from industrial sector to service sector is especially difficult for elder employees who are used to work in industries;
- Overall, it has been agreed upon that the issue is very topical and deserves further examination.

6. Recommendations for policy makers and managers

The analysis of the Spanish legal framework, other secondary sources, interviews and the conducted pilot study revealed that the situation of elder workers in the context of changes and company restructuring is closely related to their general situation and perceptions on the labour market. Therefore, our recommendations consider both aspects.

Recommendations for policy makers

There is a need for a legal framework, which would be favourable towards elder workers and stimulate their stay in active working life. It should be flexible with regard to labour activity entrance and exit and eliminate the age barriers to be able to continue contributing and so improving the future pension.

A special attention should be given to the regulation of the forced retirement, which can be established by collective agreement according to the law (law no.

14/2005), because age discrimination is not constitutional and is against the EU Directive 2000/78 (Recio, 2007).

On the other hand, early retirement opportunity can impact negatively on the willingness to remain in active life. The possibilities to stay in active labour life depend to a large extent on the mentality of the negotiating parties of collective agreements. This may encourage premature retirement as an instrument for company restructuring, as well as the attention paid to diversity management.

Recommendations:

- develop and disseminate information campaigns directed to workers who are in the age of potential early retirement, informing them of the potential negative consequences, especially those related to the effects of inactivity on health (physical and, more important, mental) and life expectancy;
- develop and disseminate communication campaigns for a society in general emphasizing how important it is that persons with experience continue working, contributing to private business and public administration, to social security system and tax collection, thus saving retirement pensions for social security;
- eliminate incentives for early retirement and especially completely remove the transfer of early retirement costs for society (costs supported by social security system);
- design, launch and support incentives for the extension of active life beyond the retirement age established in collective agreements or company's individual contracts and in different regulations controlling the retirement in case of public sector servants;
- eliminate or reduce for forced early retirement;
- establish incentives for companies to keep and hire persons of 50 years old and older, with additional benefits with regard to women;
- establish incentives for employment and human resource agencies with the aim of reaching a certain proportion of elder workers, promoting the preferential treatment of this group in these agencies;

- envisage a differential treatment and consideration of elders as hitherto disadvantaged group in the public institutions of employment;
- disseminate via appropriate channels the necessity of elaborating career plans in private business and public administration, which would contemplate ageing of employees by planning their labour progress with regard to responsibilities, functions, working hours etc., thus avoiding dismissal and early retirement on account of the age;
- eliminate the concept of retirement on account of age because of its discriminative character and favour by all means the liberty of individuals to make their retirement decisions, and establish systems, which would in each separate case guarantee physical and mental ability to maintain their labour activity.

Recommendations for managers

A system of compensations adapted to personal circumstances is an important aspect to adapt the elder employees to labour life. Perceptions of the physical state and the adaptability of elder employees for specific types of work, such as those of industrial workers facing the need to move to the service sector, can be as important as the objectively considered health state (Recio, 2007, 23).

Elder employees elaborate strategies to compensate their disabilities: to choose a job, which corresponds to their possibilities, to avoid making physical efforts, to predict future decisions, to participate in experiences, which do not oblige to load their memory, to share tasks, to combine professional experience with their personal one (cf. Ibid., 23).

Recommendations:

- eliminate or at least soften the direct (e.g. age limits in job descriptions) and indirect (e.g. requirements of skills, which could have been obtained only in recent years, thus excluding persons with the training received earlier) age discrimination at work, when younger workers are preferred;
- age management in organizations should consider the fact that the decrease in functional capacities does not happen uniformly and differs greatly across individuals. Only through the analysis of concrete situations one can secure the

efficiency and ability of elder workers to adapt to the changes and restructurings. In addition, improvement of working conditions will not only be beneficial for the upholding of elder workers, but, since such improvement impacts also the younger employees, it will help to avoid their premature health decline;

- relate salary increase with improvements in productivity/training/function instead of relating it to the tenure, which hitherto made elder employees having less competitive advantage and contributed to their anticipated expulsion from the labour market;
- develop specific plans and programmes to train elder employees;
- make possible adaptation of working hours (flexible working hours, part-time employment);
- develop measures for functional mobility for elders to be able to take the most adequate positions for their capacities;
- improve working conditions for elders (less physical efforts, monotony and pressure);
- assign to elder workers specific functions, which are different from what they have done before and in which they can make a better use of their capacities and situation (e.g. relations with customers also of an older age);
- involve elders in work teams with younger employees (for generational balance);
- include age management in the social dialogue (including trade unions).
- include pro-age measures in collective agreements;
- establish job-related physical and mental capacity control and maintenance measures;
- develop special treatment of elder employees with some mode of disability associated with ageing;
- develop special measures of risk prevention (for avoiding accidents and reducing absenteeism);
- establish measures for geographical mobility for elders to be able to take the most adequate positions for their capacities.

When the company plans restructuring or other types of changes, the role of information sharing and ways to communicate them to employees is of crucial importance. Employees should get information not only about how it will impact their job, but also about the general goals and the current state of the changes. They should be involved in the process and be provided necessary support, career advice and reskilling training.

In addition, the collegial atmosphere should be created in the company, when elder and younger employees work in teams and can ask for each other's advice and support. Knowledge and experience should be valued in organization.

The pilot study survey respondents have suggested the following for improving well-being at work or to reduce sickness absence:

- flexible working hours, better work-life balance ('conciliation');
- avoid the pressure stemming from hierarchy ('from the upper to the lower levels');
- less pressure for obtaining (only) the objectives; better clarity in explaining the future entity;
- improve work climate; improve human aspect in labour relations;
- softening the system of morning-day-night shifts;

Suggestions for managers who are considering implementing a major organizational change:

- appreciation of human resource available in the organization and its psychological and economical motivation;
- really involve the employees using fair and correct incentives.

Thus, the generalizations of the age-based differences in labour activity should be considered with a lot of precaution. With a more adequate work organization many aging problems can disappear. Upholding work capacity is a problem shared by both organization and workers themselves (CEOMA Estudio Basico, 2006).

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Part VI

The United Kingdom

1. Introduction

This chapter reviews the impact of organisational restructuring on UK older workers. It is based on three sources of information:

- a review of public policy documents from government bodies, including the Health and Safety Executive (HSE), Department for Work and Pensions (DWP), Equality and Human Rights Commission (EHRC) and Advisory, Conciliation and Arbitration Service (ACAS);
- interviews with representatives of the Age and Employment Network (TAEN), Employers' Forum on Age (EFA), Trades Union Congress (TUC), Confederation of Business and Industry (CBI), ACAS and the DWP;
- data from an online survey of older workers who are facing organisational restructuring.

Compared to continental Europe, the UK has a high levels of older worker participation. As of 2005, it was one of only five EU Member States to have met the Lisbon target of at least 50% of its 55-64 year old population in work. Workforce participation of people 65 and over is around 7-8%. Labour force participation of older workers fell markedly in the 1980's, particularly amongst low skill-high wage blue collar workers, although increased somewhat in the 1990's, particularly amongst female and part-time workers.

The UK is typified as both a liberal residual welfare state and liberal market economy. As such, relative to their counterparts in other EU member states, British older workers have low levels of job security, and depend on personal

savings and occupational pensions in order to finance their retirement. The State Pension replaces only 43% of earnings, one of the lowest levels in Europe and particularly leaves women who have taken career breaks at risk of retiring in poverty. That said, unlike other parts of Europe, the State has not sponsored early retirement incentives for older workers to ‘make way’ for the younger unemployed since 1989. State programmes to help older workers back into employment are mainly focused on the low paid and those on Income Support.

The older workforce in the UK has been described as that of ‘two nations’: those who have a large amount of control over both their work routines and retirement plans, and those who are either pushed out of the labour market or are forced to stay in because they lack savings and pension to fully retire. Numerous studies have shown that qualifications, job status; gender; generations; and health all impact on older workers’ labour market position.

The UK regulatory approach is generally ‘light touch’ (a phrase used in the consultation over the Age Regulations), giving employers wide discretion over hiring and firing workers, including older ones. Employers’ attitudes to employing older workers is mixed. On the one hand, older workers with sought after skills, particularly company-based knowledge, can be looked on favourably by employers. This partly explains, as discussed below, the relative stability of older workforce participation levels throughout the recession. Employers have also expressed a willingness to retain older workers where there is a business case reason for doing so. On the other hand, employers are less willing to recruit older people than they are to retain their own older staff. Further, while managers have some positive views on older workers generally (such as perceiving older workers as being more loyal, conscientious and experienced), they also have countervailing negative perceptions (such as perceiving older workers as being less willing to take part in training, being resistant to change, and being too expensive) which place older workers at a disadvantage when seeking employment. Management decisions which impact on older workers’ employability tend to be made at the workplace level, leaving many decisions

over retirement, extended work, flexibility and job change to individual accommodation between line manager and employee.

In sum, the UK can be seen to be on the least regulated end of the European spectrum in terms of older workers participation and retirement. With fewer incentives to leave the labour market and less institutional barriers than found in other parts of Europe, British older worker participation has been comparatively high (although not as high as the even less regulated United States). However, there are few institutional social protections for older workers both in terms of job security and retirement income. As a result, there is a high level of stratification within the British older labour market.

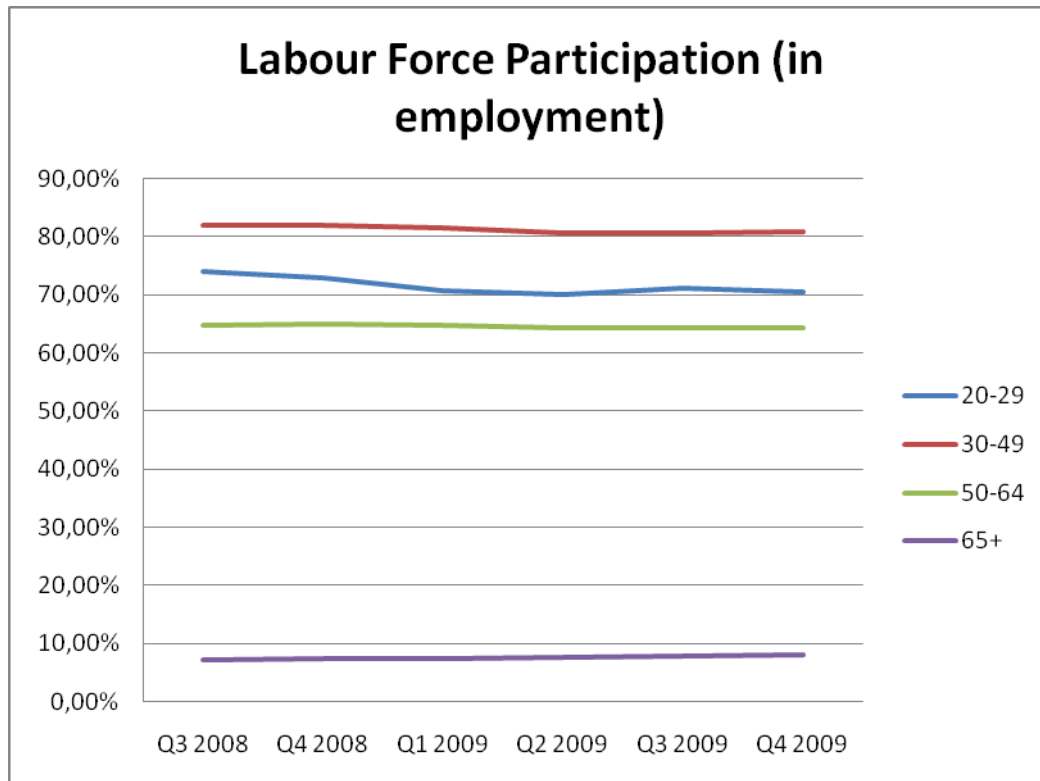
2. Labour market context

From January 2009 until January 2010, the UK has been in recession. Although the economy has been moving out of recession for most of the year, GDP growth has been slow (.4% in 2010 quarter 1 and 2% in quarter 2). During the recession, approximately 1.3 million jobs had been lost. Unemployment and inactivity currently stand at 8% and 21.5% respectively. Employment rate, which had peaked at 75% in Q1 2008 now stands at 72%³⁶.

Labour Force Survey data indicates that the recession mostly hit younger rather than older workers. The employment rate of people 50-64 had changed modestly from 64.81% in Q3 2008 to 64.25% in Q4 2009. The participation rate of people 65 and over had actually increased from 7.23% to 7.98% over the same period. By contrast, the participation rates of people 20-29 had dropped significantly from 74.08% in Q3 2008 to 70.46% in Q4 2009. Young unemployed with low or no skills have been hit the hardest, as organisations have been scaling back recruitment. As the TUC representative noted, research and analysis show that those young people will have a permanent scar as for their job opportunities for

³⁶ In www.statistics.gov.uk/cci/nugget.asp?id=12.

the rest of their lives if they cannot access training or job opportunities at this stage.



Previous recessions have seen extensive use of early retirement to reduce headcounts (Kohli, 1991). To illustrate, according to UK Labour Force Survey data, during the third and fourth quarter of the 1990-1992 recession, employment rates for people 18-22 were 63.2% and 53.1% during the third and fourth quarter of the 2008-2009 recession. By contrast, employment levels for people 55-59 are only slightly lower during the same period of the 2008-2009 recession (60.1%) compared with the 1991-1992 recession (62.0%). The impact of the recession is very different from previous ones.

There were various views on why older workers participation rate had not fallen in comparison with previous recessions. Changes in pension systems had been considered a significant factor. The proportion of workers in defined benefit pension schemes has fallen from 5.4 million in 1999 to 3.5 million in 2004 (page 52). Although DB schemes have, for the most part been closed to new (predominantly younger) recruits, some high profile employers, such as Barclays

Bank, have closed their DB pension schemes to existing members. Further, closure of DB schemes have impacted on older workers who had made mid-career transitions, particularly women returning from career breaks. The impact on retirement income of transferring from a DB to DC scheme is significant, with Prudential estimating a loss of around 25% of pension income. This is further exacerbated by recessionary economic conditions, as retiring at a time when share values are low results in low annuities.

Respondents from the TUC and CBI noted that many older workers who had been planning to retire have instead chosen to remain in work in order to delay cashing in their pensions, as well as generating extra income before retirement. According to the CBI, the combined value of DC pension schemes fluctuated from £452 billion, reaching a nadir of £300 billion and returning to around £400 billion by the end of the year. During that period, older workers were sought to avoid retirement. According to the CBI respondent, employers had generally responded positively to older workers' requests to delay retirement. Employers have been responding to job attrition through flexibility measures, such as allowing employees to take sabbaticals and extending flexible working hours arrangements to staff with and without caring responsibilities. The CBI itself has lobbied government to relax employment regulations to allow for 'Alternatives to Redundancy' such as temporary layoffs and pay reduction. Retention of older workers was seen as one measure which employers are taking to manage job attrition. It was noted by the CBI representative that older workers have fewer training needs than younger ones and those who are approaching retirement usually want to stay for a limited time. Employers are therefore retaining older workers as a way to avoid the expense of training and the long term commitment of employing large numbers of new recruits.

'Why would you want to get those people in when you could have older workers who have worked with you or with another company for many years who know what they are up to and have the expertise who are also very hard to sack because they are very costly particularly if they are on the old staff and final salary schemes, very, very hard to get rid of'.

As the TAEN respondent noted, however, the ‘older worker as a source of flexibility’ paradigm can only be successful when job attrition is expected to be temporary. Economy started to recover in January 2010 and the government is planned substantial cuts in public services in order to reduce a £159 billion deficit, starting with a £6 billion cut in the public sector in June 2010. CIPD estimates that 50,000 public sector jobs will be lost in this financial year. This is expected to have a disproportionate impact on older workers. First, older workers have a larger representation in the public sector than younger people. 36% of workers 50-59 are employed in public services compared to 29% of people 20-39. Public sector workforce participation drops off after the age of 60 owing to public sector pension rules which allow for retirement at the age of 60. Second, it is expected that the public sector job cuts will fall disproportionately on managerial jobs in which older workers are employed.

The TUC respondent noted that, during previous public sector cuts, government departments offered older workers the opportunity to retire early on generous pension terms. This may still occur, however, early retirement routes have been scaled back sharply in public sector pension schemes. For example, both teachers’ and police pension schemes have raised the minimum age for full pension entitlement from 55 to 60. Early retirement routes through incapacity have also been scaled back as well. In the local authority pension scheme, an employer who dismisses someone on incapacity grounds is required to fund the amount required to top up her/his pension fund to allow for drawing a full pension. While public sector bodies may still use early retirement as a means to reduce headcount, this is likely to take place through redeployment into positions in which there are difficulties in recruiting. For example, one of the largest local authorities, Glasgow City Council, has started to implement a large scale programme of redeployment from backroom to front-line services. The council has included an intensive training programme as part of the redeployment. However, the TUC representative noted that public sector workers who have chosen to work in backrooms may have difficulty adjusting to the stress of working directly with the public. The TAEN respondent noted that public sector workers will also need to

adapt to ‘doing more with less’, which will result in added work responsibilities. As he noted,

‘You can only ask people to do so many other people’s jobs who no longer exist in the organisation. So, if there are three managers and one goes you can divvy out the work between the remaining two’.

Finally, it was noted that both parties in the Coalition government have committed to transferring public sector work to both the private and third sector. Employment regulations such as the Transfer of Undertakings Protection of Employment Regulations, as well as government procurement rules provide a certain amount of protection for public sector workers whose employment is transferred to outside employers. However, it was noted that previous experiences with public sector contracting out has resulted in a deterioration of job security and often job quality for transferred employees. In particular, research on privatisation suggests that privatised public sector workers are vulnerable to blocked career routes, limited opportunities for progression, and redundancy. The case study organisation which will be discussed below involves privatised employees.

3. Public policy context

Because of the impact of the recession on younger workers, UK government labour market initiatives have focused on this group, particularly ‘NEET’ (not in education, employment or training). Government employment programmes focused on older workers have been targeted towards the low paid and those on incapacity benefits. For older employees, the DWP has put in place financial incentives and support for unemployed and inactive workers to re-enter the labour market. The DWP’s ‘New Deal 50 Plus’ programme, for example, combines support for job-seeking with in-work income support and the training programme. It is an extension of the New Deal programme which has largely and initially targeted workers under 25 (DWP). The programme is only open to those who

have been unemployed for six months, which has proven particularly difficult for older workers who find a return to work after long-term unemployment especially difficult. Although £322 million was spent on New Deal programme costs in 2007, the vast majority was dedicated to the under 25's. Spending on the New Deal 50+ programme peaked in 2001 to £82 million, but as of 2007, is a paltry £242,000 (DWP, 2008). Nevertheless, DWP claims that approximately 167,000 older people have been supported in returning to work since the programme started in 2000 (DWP, 2007).

The UK government also established a 'Working Tax Credit' for 50+ year old low paid workers. The annual tax credit is £1185 in addition to £1730 paid to all low paid workers. The tax credit is intended to offset loss of social benefits that economically active people would lose by returning to work. Nevertheless, compared to the £320 million the government has invested in the New Deal programme for the under 25, there is cursory investment in the equivalent scheme for older unemployed and inactive.

In the UK, there is no specific regulation on workplace stress. However, the 1974 Health and Safety at Work Act (HSWA) does oblige employers to provide a safe working environment for employees. The Health and Safety Executive (HSE) has the responsibility for both enforcing health and safety regulations as well as promoting good practice in regards to healthy work environments. Under the Disability Discrimination Act 1995, a disability does not need to be clinically recognised. It can therefore cover stress or anxiety, placing the onus on the employer to make reasonable adjustments to accommodate employees who are subject to stress.

The HSE issues Approved Codes of Practice to employers. These are practical guides, often based on existing good practice conducted by employers and on which national stakeholders are consulted. The Codes of Practice are legally enforceable and failure to comport with them can be used in evidence in court. The HSE has not issued a code of practice on stress, claiming that there is no single prescriptive approach for employers to deal with workplace stress.

The HSE has however issued a good practice guide for employers on work-related stress. The guidance is framed as an action plan which organisations should follow in order to identify and mitigate risk factors. Employers are advised to identify risk factors to different groups of employees; evaluate the risks; develop an action plan to reduce the risks; and monitor and review the action plan. This is a standardised approach to address health risks, and requires employers to conduct the process collaboratively with trade union appointed health and safety representatives. The HSE recommends that employers focus on six broad areas:

- the **demands** of workload on individuals;
- the **control** employees have over the way in which they carry out their work;
- the **support** employees receive from managers and the organisation;
- the **roles** employees take, their understanding of them and any potential conflicts;
- how organisational **change** is communicated with employees and its impact on individuals;
- **relationships** between employees and their managers, work colleagues, customers, and the organisation as a whole.

ACAS has also issued guidelines to employers, focusing on six indicators of a healthy workplace:

- line managers are confident and trained in people skills;
- employees feel valued and involved in the organisation;
- managers use appropriate health services (e.g. occupational health where practicable) to tackle absence and help people to get back to work;
- managers promote an attendance culture by conducting return to work discussions;
- jobs are flexible and well-designed;
- managers know how to manage common health problems such as mental health and musculoskeletal disorders.

ACAS guidelines are more focused on the team rather than organizational level, identifying measures which line managers can take to address stress and other well-being problems which could occur in the workplace.

CIPD notes that interventions can take place at the organizational, managerial and individual levels. It also classifies interventions according to primary, secondary and tertiary interventions. Primary interventions include risk assessment to identify systems, workplaces or individual roles which could be subject to stress; secondary interventions help to respond to and mitigate the impact of stress. Tertiary interventions deal with the impact of stress. Below is a table summarizing the interventions which can take place:

	Primary	Secondary	Tertiary
Organisational	Identifying hotspots of stress; risk assessment of the impact of organizational change on individuals' well being	Stress policy and implementation; organization wide communications on the reasons for and processes involved in change	Occupational health interventions; programmes to deal with stressful situations such as organizational restructuring
Managerial	Team risk assessment; management training	Managing conflicts within work team or between team members and external actors Team based communications	Team or task restructuring to mitigate risk
Individual	Cognitive behavioural approaches to deal with stressful situations	Counseling; managing lifestyle choices	Return to work

As with the HSE, CIPD recommends that organizations take a systematic approach to managing workplace stress, starting with clear organizational policies on mental health and well-being which are disseminated to managers through training and development. It recommends that organizations monitor workplaces through interaction with employees. Both the HSE and CIPD provide tools such as questionnaires and guidelines for focus groups.

In the UK, attention has been given to the Finnish Workability Model. However, few organizations have adopted comprehensive systems. This may be attributed to the UK liberal market system which provides for small returns for the high level

and long term investment needed to implement early interventions to maintain work longevity. The external labour market system also works against collaboration between employees and their employers to address health and well-being needs. This is especially the case during organizational restructuring. For example, a large multi-national employer had implemented a large scale healthy living programme in its continental workplaces. According to the head of occupational health, the company chose not to implement the programme in the UK. He explained that the British workplace was in the process organizational change which was resulting in redundancies. Employees, mostly blue-collar workers, were expected to be unwilling to share health concerns with their managers because of their precarious work contexts.

Other health and safety regulations include protection of workers against risks associated with heating, lighting and ventilation at work; the safe use of computer screens and keyboards; handling heavy or awkward loads; rest breaks; and personal protective equipment. The UK government has also implemented the EU Working Time Directive, restricting working hours to an average of 48 hours over a four week period. However the regulations do not apply to managing executives or people in roles in which they can set their own working hours. Workers can opt out of the working hour limit if they do so in writing. There is some evidence to suggest that some workers are subject to pressure to sign opt-outs.

Certain workers with caring responsibilities who have completed 26 weeks of continuous work have the right to request flexible working hour arrangements. Originally the right was limited to workers caring for children six and under, or a child up to 18 who has a disability. However, in 2006, the right was extended to people with caring responsibilities for elderly relatives. The coalition government has pledged to extend the right to all employees. Where requests for flexible work are refused, employees have the right to appeal within the organization and, in limited circumstances, to an employment tribunal. Evidence to the Department for Business Innovation and Skills indicate that 80% of the requests are granted. However, it has also been noted that people who are certain that they will be refused do not make a formal request.

Turning to training and development, the Government has recognized that skills development is essential for individuals adaptability in changing work contexts. However, only around 1% of public funding is dedicated to older people's education, and publicly provided learning for 50+ individuals is limited to basic skills and vocational qualification. Evidence has been presented to government of long-term impact of low-skills on individual workers resulting in cumulative disadvantage throughout their working lives. An influential report to the Department of Business Innovation and Skills recommended a rebalance of public sector education focus from one which is essentially front-end to a life long learning approach. This would include mid-life skills reviews and a more diversified menu of learning opportunities for post-50 workers in order to maintain their employability. A second study for the Government Office of Science noted that learning in later life can stave off dementia and allow older people to stay productive both inside and out of work.

Evidence on employer provided training suggests that provision is also targeted to younger people. 30% of employees 20-29 had received on-the-job training within the past three months. This figure falls to 22.1% for workers 55-59 and 15.4% for workers 60-64. However, a large proportion of training is 'induction' training, including legally required provision, such as health and safety training. An analysis of Labour Force Survey data indicates that low levels of older worker participation in training can be attributed to both employer lack of provision and the reluctance of workers themselves to participate. Research for Nuffield indicates that over three quarters of older workers consider themselves to have the right level of skills for their jobs, with another 20% feeling their skills exceed the requirements of their jobs.

Older workers' reluctance to ask for training may in part be attributed to a perception that requesting training exacerbates perceptions of declining ability. Older workers have been shown to adopt compensatory techniques to hide skills needs. In the UK, a major union initiative by the TUC, known as Union Learning Reps (ULRs) was initiated in 2002 in order to help identify workplace learning needs. ULRs are centrally trained union representatives tasked with promoting the

importance and value of training and development to employees, by raising awareness of the need for continuing vocational and professional development in order to enhance employability. ULR's also provide analysis of workplace skills needs in order to guide training policies. The TUC representative noted that ULR's can act as an important line of communication between employers and those employees who are unwilling or unable to discuss their training needs with their managers. The programme is partly government funded and ULRs have statutory right to paid time off for union activities.

There are two pieces of regulation which directly offer some job security protection for workers who are facing an organizational restructuring. First, the Employment Rights Act 1996 and the Trade Union and Labour Relations (Consolidation) Act 1992 provide workers some protection when their employers announce a collective redundancy. Where twenty or more employees are expected to be made redundant within a 90 day period, the employer has a duty to consult with the trade union with a view towards reaching an agreement on the selection criteria for redundancy. Selection criteria must be transparent and fair. The Age Discrimination regulations (discussed below) significantly restrict popular criteria such as 'last in/first out' which have a high likelihood of indirect discrimination. Voluntary measures, such as financial incentives for older workers to take early retirement are not prohibited by law. However, as noted above, many of the public sector pension schemes have restricted such exit routes. Employees with at least two years continuous service are also entitled to statutory redundancy pay which is based both on length of service and age. Redundancy payment is calculated by multiplying years of service (up to a maximum of 20) by a multiplier: 0.5 for workers under 22; 1 for workers 22-41 and 1.5 for workers over 41. When the Age Discrimination regulations were drafted, the government had considered leveling payments, but ultimately decided that the existing system was justified by the fact that older workers have greater difficulty than younger ones in finding re-employment.

The second set of regulations is the Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE). Broadly, TUPE ensures that, where a

workplace is transferred from one employer to another, the contracts of employment of the staff in situ, as well as their continuity of service, are protected. TUPE also obliges the transferor to consult with the recognized union with a view towards reaching an agreement. It does not directly cover pension entitlements. However, government advice has indicated that loss of pension rights as a result of transfer could constitute unfair dismissal.

Beyond these two sets of regulations, since 2004, employers have also been required under the Information and Consultation of Employees Regulations (2004) to consult employees on measures which affect the way they work. However, arrangements for such consultation have created a relatively high bar: 10% of employees in a workplace (no less than 15, up to a maximum of 2500) must formally request an information and consultation agreement which would provide the framework for consultation. This has meant that few non-unionised workplaces have formal consultation arrangements.

Perhaps the most significant piece of legislation to impact on older workers was the 2006 Employment Equality (Age) Regulations, known also as the Age Discrimination Regulations. This was a transposition of the 2000 EU directive with the same name. It prohibits both direct and indirect forms of age discrimination in the workplace. Age related management decisions are permitted where they are proportionate and meet a business objective. When the 2006 regulations were drafted, the government had issued a consultation paper seeking views on abolishing mandatory retirement. The TUC, CIPD and age advocacy NGO's jointly campaigned for abolition; while the CBI sought to retain the status quo. In the end, the government opted to retain a default retirement age of 65. An employer can also set a retirement age below 65, but would face what the government called a 'tough test' (Age Positive Campaign, 2006) for objectively justifying the lower retirement age. Although employers are allowed to compulsorily retire employees at 65 (or in some cases even younger), the Age Regulations do impose a 'duty to consider' (DTI, 2005) requests to delay retirement. So long as the employer follows the procedure set out in the Age Regulations for informing and consulting the employee on the decision to retire, it

can compulsorily retire the employee without needing to justify its decision. The then-Labour government pledged review the default retirement age, with a view towards abolition, by 2011. This review was subsequently moved forward to 2010. However it was not completed before the election. The Coalition government has pledged to continue with abolition, although on an extended timetable. Evidence gathered for the DWP suggests that employers are primarily leaving decisions on whether employees can stay in work past retirement age to their line managers, with few guidelines on how such decisions should be made.

In 2010, Parliament is expected to amend the Age Discrimination regulations (as well as other anti-discrimination laws) to 1) prohibit age discrimination in the provision of certain goods and services; and 2) enable employment tribunals to deal with claims of double discrimination.

The EFA respondent noted that the extension of anti-discrimination laws to goods and services could have a significant knock-on effect on older workers' employability, particularly in the retail sector. Companies have tried to match the profile of their workforces, especially front-line employees, with those of their customers. Major retailers have already taken measures such as abolishing their mandatory retirement ages and conducting targeted recruitment campaigns to employ older people.

After the age regulations were passed, the CIPD and TUC jointly published a guide for HR managers and union officials on age diversity. The guidance recommended that employers focus on the following areas:

- retirement: Introducing phased retirement options for workers, and preparing older workers for retirement;
- recruitment and promotion: Extending career development opportunities across the lifecycle;
- pay, benefits and pensions: Basing pay on performance rather than length of service;
- appraisals, performance management and training: Developing tools to measure performance rather than using proxies such as mandatory retirement; extending learning opportunities across the lifecycle;

- health and safety: Early interventions to address risk factors which could lead to early retirement;
- redundancy and termination: Developing selection criteria based on organisational need rather than age or length of service;
- harassment and victimisation: Developing policies to address direct and latent forms of age harassment within work teams.

The joint guide sought to present business case reasons for employers to introduce age neutral HR policies, arguing that such approaches would lead to better use of employees' skills across the lifecourse. Likewise, the UK government has sought to develop a 'light touch' approach to implementing the age regulations. The centrepiece of its approach is the DWP Age Positive campaign which features guidelines, statistical information, and case studies of good practice to encourage employers to develop age neutral approaches to HR management.

Overall, UK public policy has had a limited focus on older workers. Government intervention, particularly during the recession, has primarily focused on younger people. Measures to push or pull older workers out of work in order to 'make way' for younger people have not yet materialised. However, public sector cuts may have a disproportionate impact on older employees, especially those in managerial positions.

Although older workers' labour market participation has not significantly dropped during the recession, UK employers and government still seem to regard older workers as a contingent rather than integral part of the workforce. The CBI in particular emphasised the flexible nature of employing older workers. Government and employers remain however resistant to investing in older workers in terms of training and health and well-being interventions to enable extended working lives.

In the next section, the outcomes of a survey of older workers who face organisational restructuring will be discussed.

4. Case study

The Elders questionnaire was distributed to people 50+ in a range of workplaces which had been privatised during the late 1990's and early 2000's. Most of the respondents are former civil servants employed as IT professionals, managers, administrators and support staff. They had transferred to the private sector under various government programmes such as Competing for Quality, Private Finance Initiative and Public Private Partnerships. Since privatisation, some of the workplaces have been transferred between more than one employer as public sector contracts have been retendered and moved between service providers.

TUPE has applied to the vast majority of public sector transfers. However, over the span of time, such employment protection becomes eroded. Employees gradually voluntarily move off their transferred conditions of service to their new employers' contracts. Pension entitlements are also protected, and most of those surveyed continued to contribute to defined benefit pension schemes which are 'broadly equivalent' to the Civil Service pension scheme.

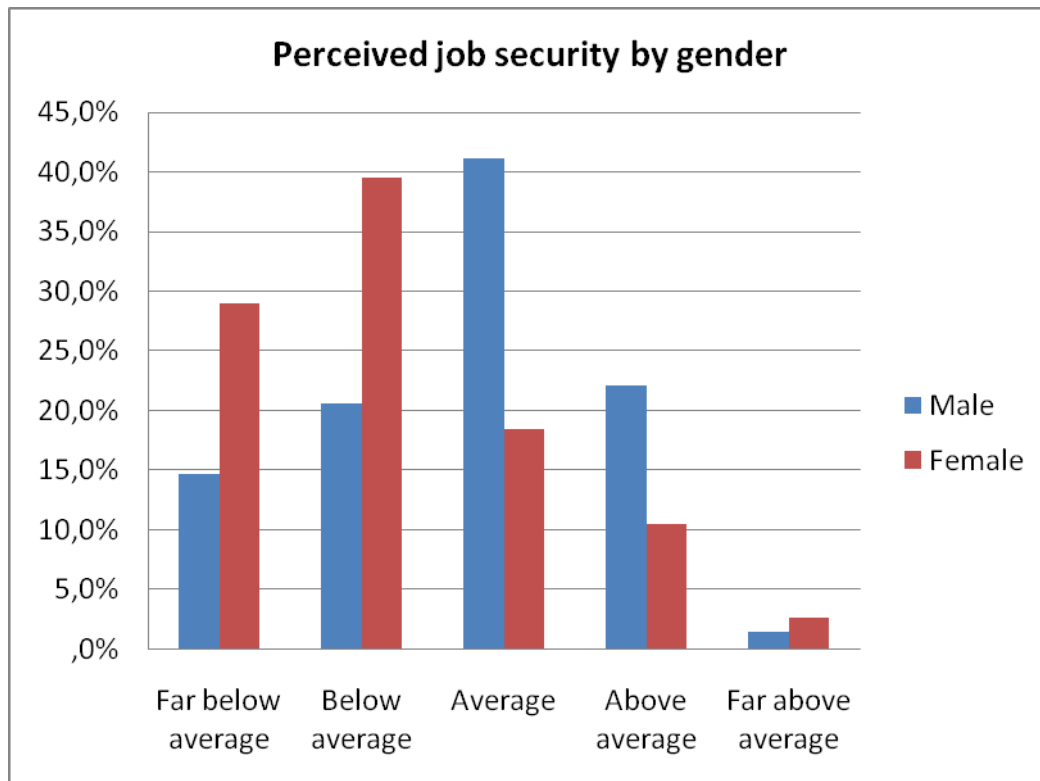
The questionnaire was distributed with the help of the Public and Commercial Services Union. Union density is mixed in the commercial sector, with some workplaces retaining over 90% membership and others with much lower density.

In the international report, certain causal factors were identified which link organisational restructuring to deterioration of health and well-being. In the next section, these factors will be explored using the dataset which was gathered with the help of PCS. 115 responses were gathered from four worksites. All but six of those surveyed said that they had experienced at least one organisational change.

Job change

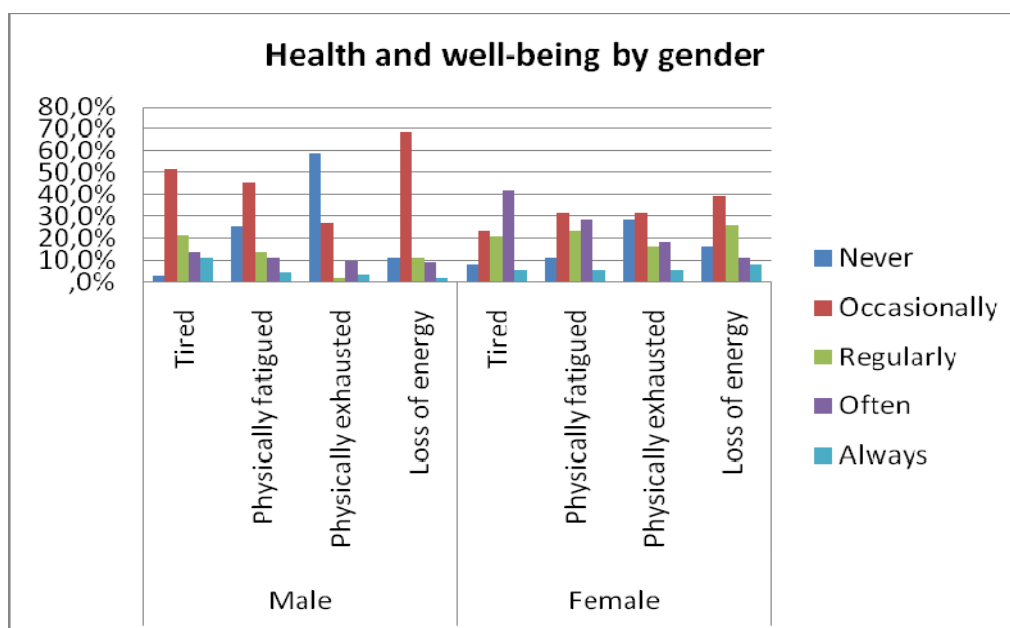
Although most of the respondents had experienced an organisational change, only half had experienced a loss of job at some point in their careers as a result of redundancy, early retirement, dismissal or taking on caring responsibilities. Respondents who had experienced job loss were more likely to feel their salaries, job quality and job security were lower than those with equivalent skills levels

and occupation. This was especially the case with women who had taken long career breaks. This seems to reflect previous studies noted in the international report which identify the cumulative effects of job dislocation on position, satisfaction and sense of security.

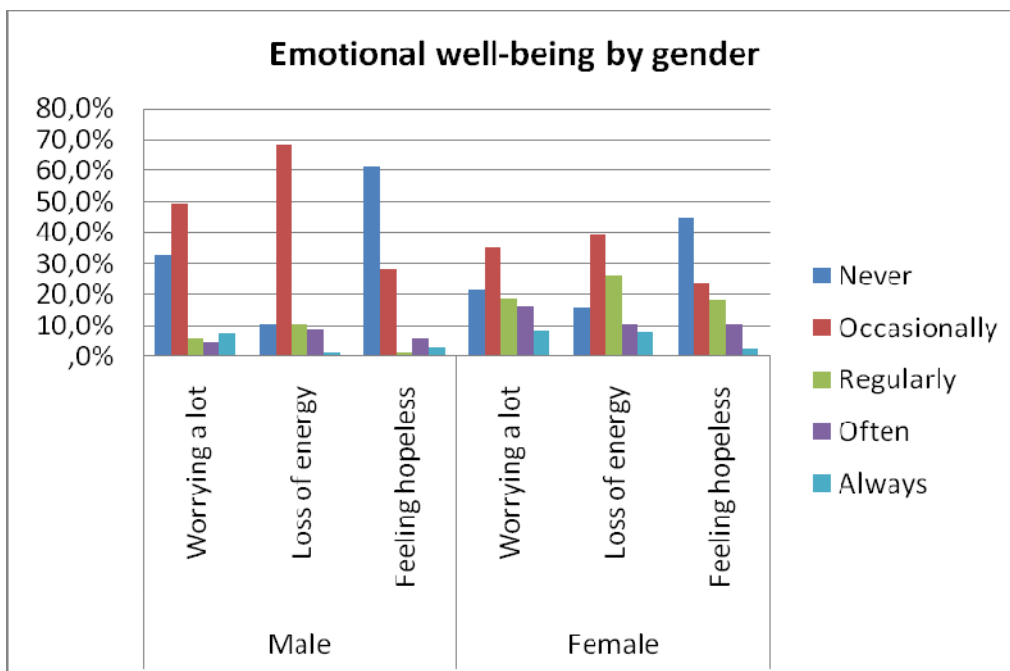


Gender

Women in the sample were more likely to feel job insecurity than men. They were also more likely to be impacted negatively in terms of physical well-being than men. Women were more likely than men to have a majority of caring responsibilities which were negatively related to physical well-being.



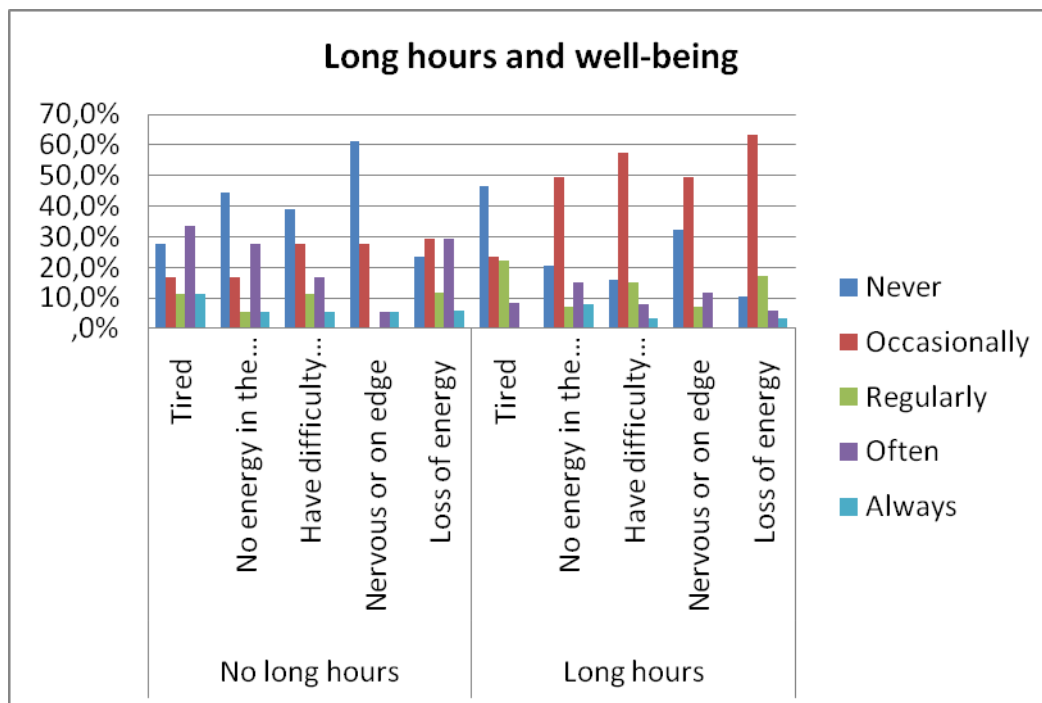
Differences in levels of emotional exhaustion were not statistically significant. However, women were more likely to worry about their work and feel a loss of energy.



The use of support mechanisms did not seem to differ by gender. Women were no more likely than men to report having relied on the support of colleagues when experiencing job change.

Long hours

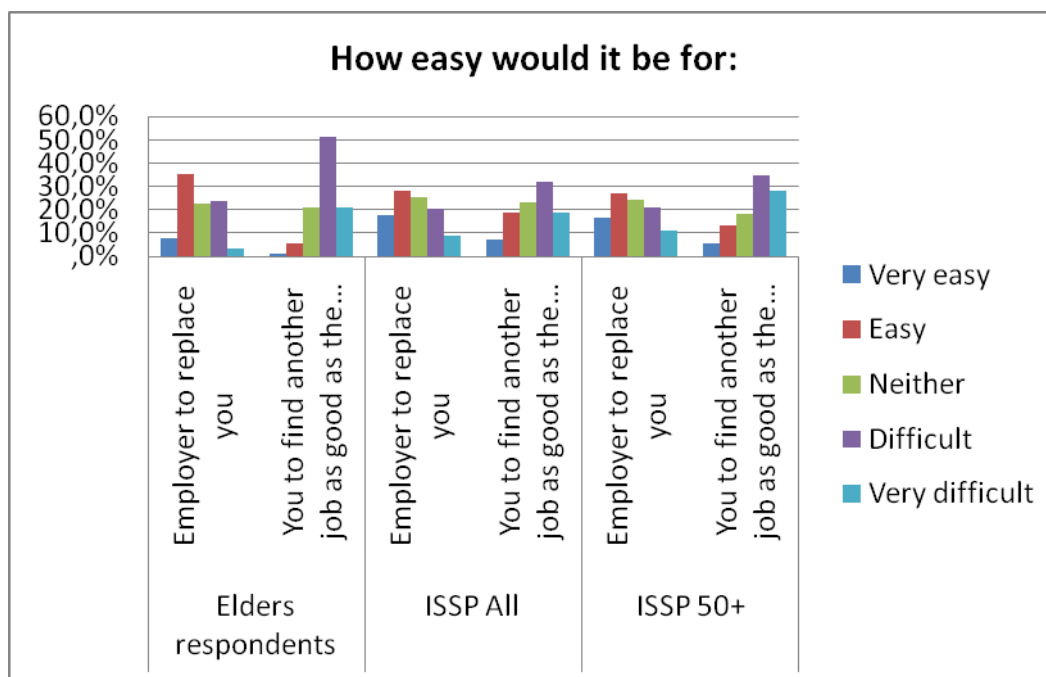
Not surprisingly, people who worked either long hours or atypical hours such as shift work were more likely than those who did not to often feel tired at work. They were also more likely to feel a loss of energy throughout the day and have difficulty in concentrating at work.



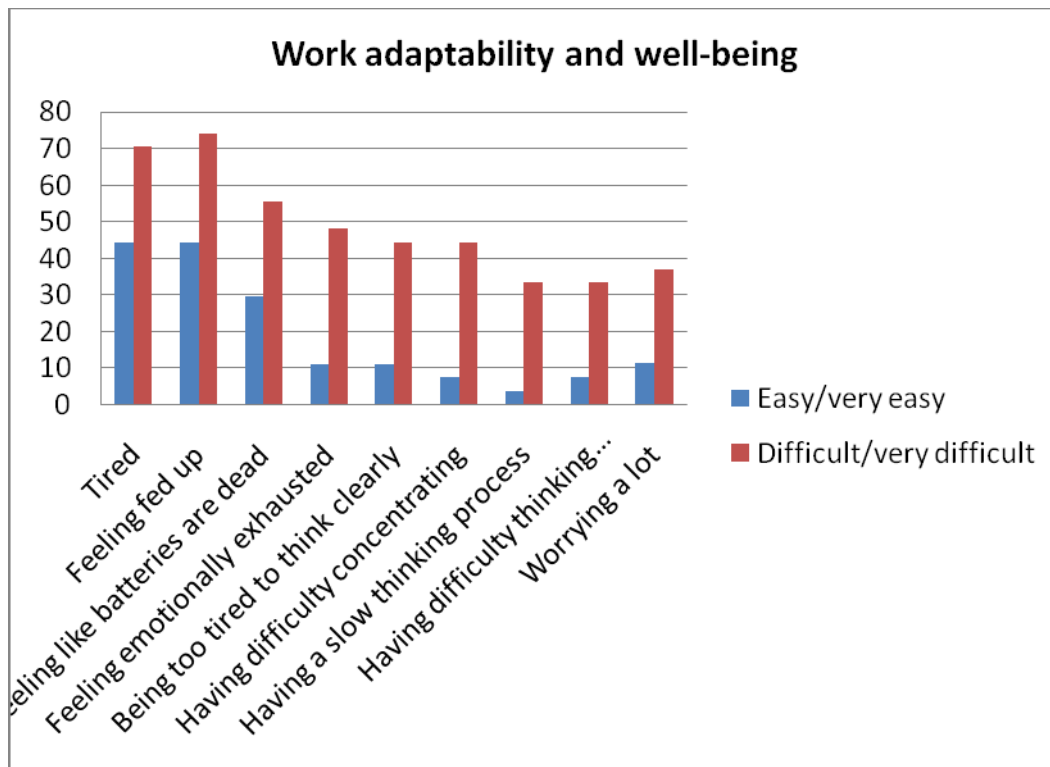
Job control

Respondents were asked how easy they felt it would be 1) for them to find another job if necessary; and 2) for their employers to replace them if necessary. Outcomes from the survey can be compared with a national dataset gathered as part of the International Social Survey Project (ISSP, 2005). Both the Elders respondents and ISSP respondents over 50 were more likely than the entire ISSP sample to report that they would find it difficult or very difficult to find another job which is as good as the one which they presently occupy. When asked about

how easy or difficult it would be for their respective employers to replace them, older respondents were more likely than the general population to say it would be difficult or very difficult for their employers to do so. Elders respondents were however more likely than either of the ISSP groups to say that their employers would find it easy or very easy to replace them.

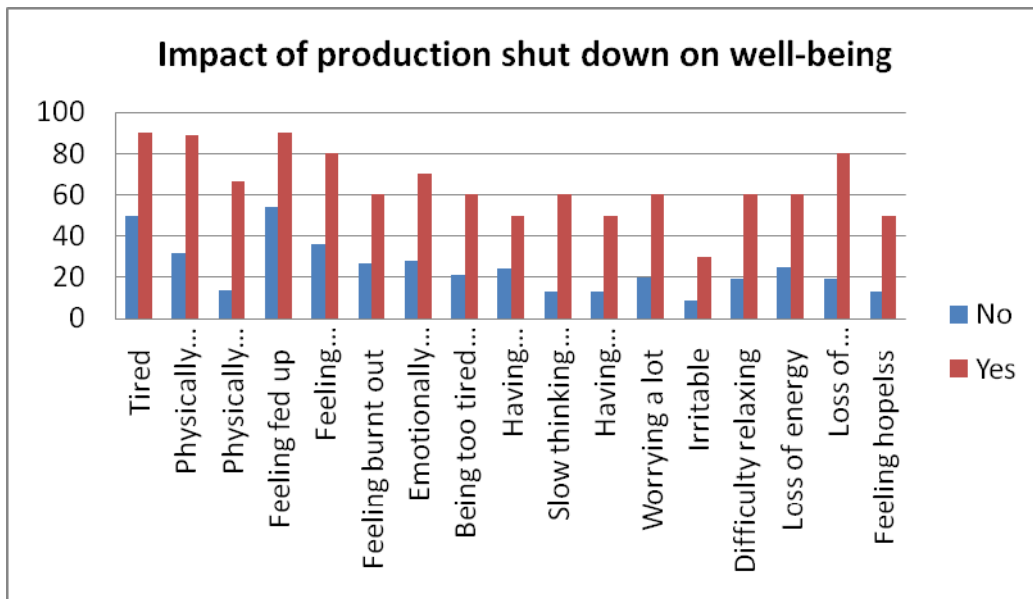


Elders respondents were also asked how easy or difficult it would be for them to be able to stay in their current jobs. The percentage of respondents who said it would be *difficult or very difficult* (30%) is similar to that of those saying it would be *easy or very easy* (31%). We were then able to compare respondents' perceived job security with health factors. Respondents who said that they would find it difficult or very difficult to stay in their jobs until retirement also reported to regularly, often or always feeling tired, fed up, like their batteries are dead, emotionally exhausted, being too tired to think clearly, having difficulty concentrating and worrying.



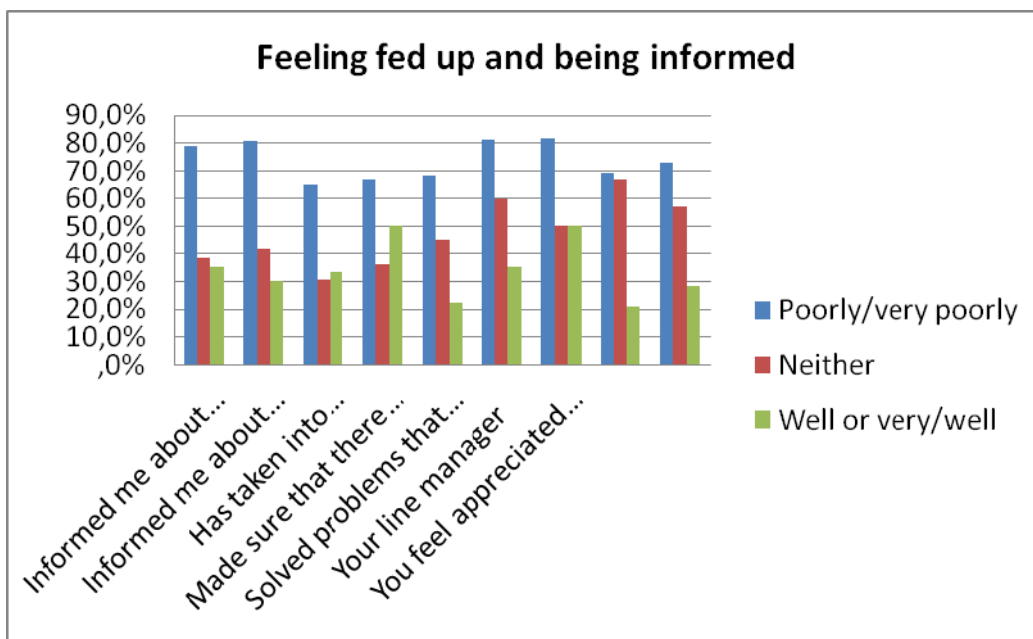
Organisational change

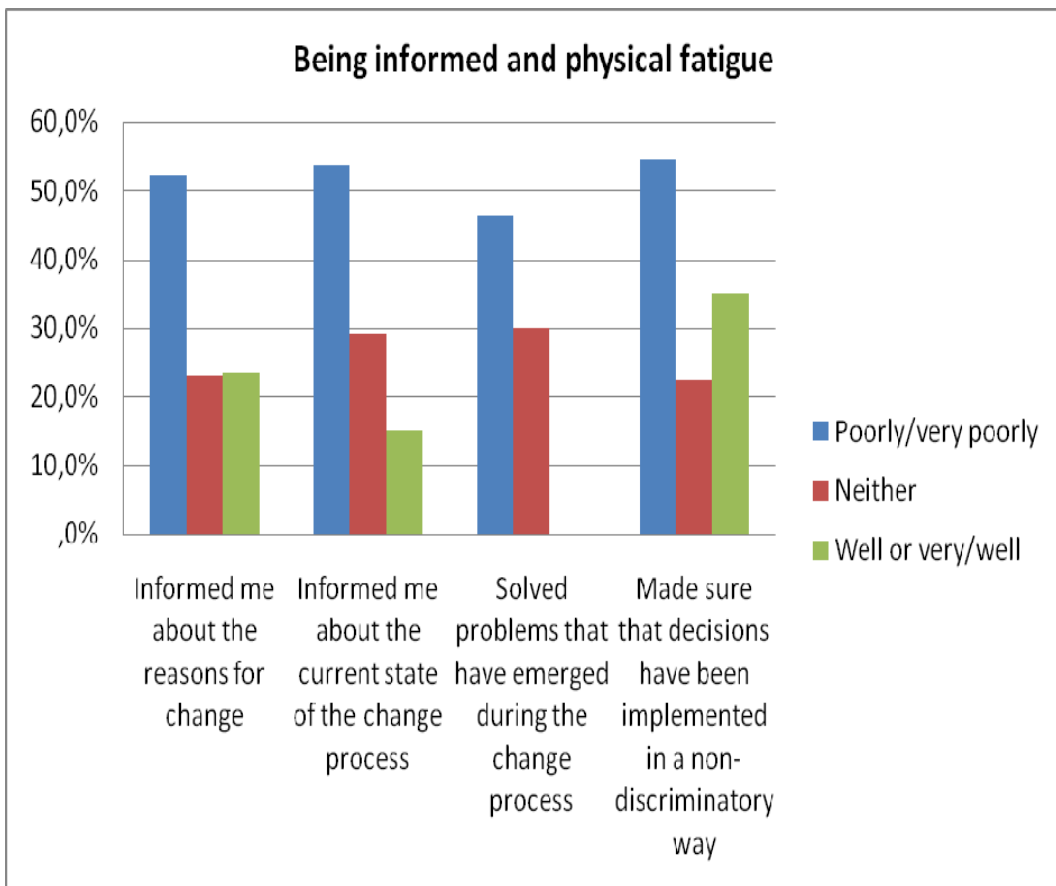
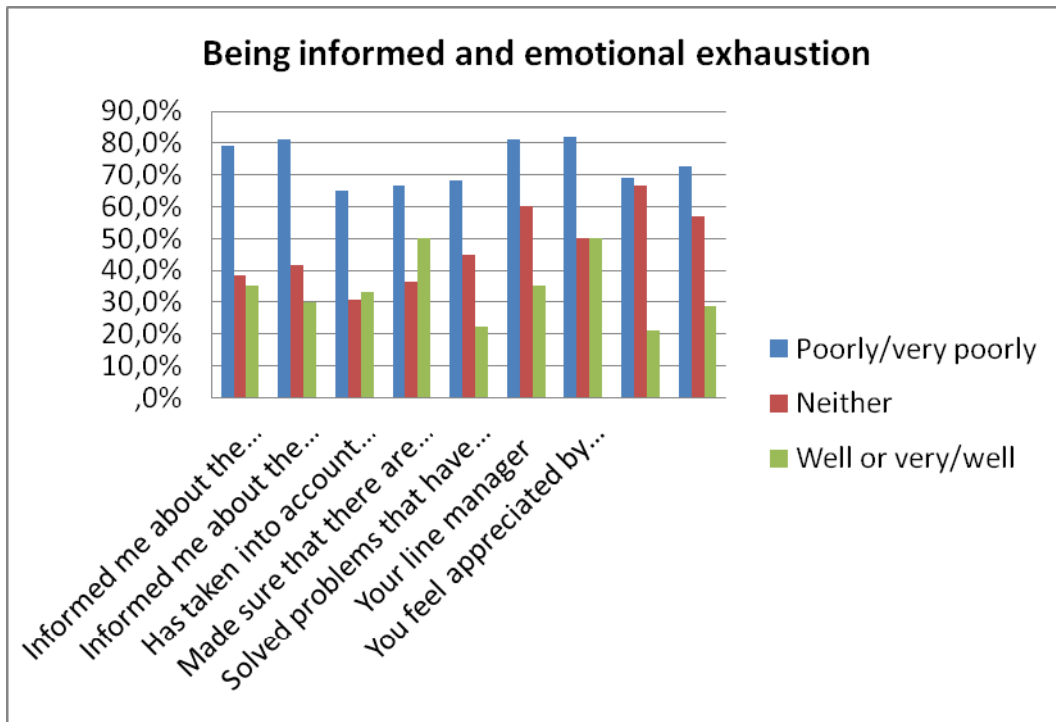
Respondents were asked whether they had experienced a number of different types of organisational change within the past two years. These enterprise transfers, workplace mergers, production shutdowns and changes in the management systems. We were then able to look at the relationship between such organisational change and health and well-being. Those who experienced organisational change were more likely to experience well-being problems in work. For example, those who had experienced a transfer of undertaking were more likely to feel nervous or on edge (21%) than those who had not (3%). Likewise, those whose departments had change employers were more likely to say that they felt a loss of confidence or constant feeling of worry. Below is a chart showing the relationship between well-being and experience with production shut-down.



Communications

Respondents were asked how well change had been communicated to them. Poor communications was associated with workers feeling fed up, emotionally exhausted and physically fatigued. For example, those who were poorly or very poorly informed about the reasons for organisational change were twice as likely as those who were well informed to have experienced a negative impact of work on their health and well-being.





5. Good practice

The survey suggests that job insecurity associated with organisational change has a great impact on older workers' health and well-being, which is reflected in the immediate impact of job loss; the cumulative effect of deterioration of working conditions; and the negative impact on older workers' sense of control. In this section examples of approaches which organisations have taken to mitigate the negative impact of organisational change on older workers' health and well-being will be discussed.

The DWP Age Positive campaign catalogues examples of good age management practices. The Employer's Forum on Age, a membership organisation of employers interested in age management, also collects data on innovative HR practices which their members are adopting. In addition, EUROFOUND collects examples of good age management practices across Europe. The examples cited here come from two pieces of research carried out for the DWP and the Economic and Social Research Council.

Many of the organisations which were investigated in both studies were undergoing some process of organisational change. This included not only job attrition, but also changes in work routine and introduction of new technology. A local authority, for example was introducing a new IT system. The HR director noted that the new system was meant to replace paper based data collection which more experienced (not necessarily older) workers had become accustomed to. A training programme had been scheduled for roll out. However, there was some resistance from longer serving employees to participate in the training, preferring instead to continue with the paper based system. Employees had told their managers that the training would be disruptive to their work routine, and some older employees lacked confidence in their IT skills. In response to employee feedback, HR modified the training programme to include an on-the-job element. This reduced the amount of classroom learning and enabled employees to apply their experiential knowledge to using the IT platform. According to the HR

director, more experienced employees felt more confident in learning how to use the system than they would have with a purely classroom context.

A small print company had used older workers' skills to help the firm through organisational change. In this case, the transition was expansion of the business rather than restriction. The company, a family owned business, required a marketing director, but was unable to hire one full time. One of the family running the business had learned that marketing director of a manufacturing firm had retired but was interested in consultancy work. He was subsequently employed on a part-time basis for the firm. According to the business owners, within the first few months, the director had increased the firm's business to the equivalence of twice his annual salary.

Several employers from a range of sectors noted that they operate either formal or informal mentoring schemes. Such schemes were thought to be particularly popular with older workers who are transitioning into retirement, as it is a way for older workers to gradually reduce their working hours. A regional newspaper had a formal scheme in which employees in its printing department spend the last three months before retirement helping to train their successors. A construction company similarly employed older builders to help with its apprentice scheme. According to the HR director, the mentoring scheme was important to the company as a way to retain in-house knowledge. It was also valued by the older workers as it provided them with the opportunity to reflect on the skills they had developed throughout their careers.

A refinery in a large steel company had managed organisational change through an extensive union-management programme which was referred to as the Journey. The company had in previous decades undergone a volatile period of management restructuring in which hierarchies were virtually eliminated. As a result, blue collar workers had few opportunities for promotion and lacked incentives to upskill. Management undertook a restructuring of the company starting with one refinery in order to introduce progression steps and encourage employees to learn new skills and adapt to changing technology. It worked with union representatives at the workplace level in order to assess the skills that were being used and skills

that would be needed in the future. According to the HR director, the local managers and trade union representatives were jointly responsible for managing the change process and reporting outcomes to senior managers and union officials. Union involvement was seen as critical in order to encourage employees to participate in the process.

Good practice was also demonstrated by trade unions, particularly in terms of learning and skills development. The UK union movement, as mentioned above, has had some success through its Union Learning programme in identifying workplace skills needs and helping management rectify them. The steel workers union, the Community Union, has developed an extensive training programme to help members who are facing job loss to find work in other sectors. The name Community Union was introduced during a 2004 merger in order to, in part, reflect the union's strategy of representing members through local communities.

Finally, a large retailer took an innovative approach to helping displaced workers back into the labour market. The company had sought to open an outlet in an urban regeneration area which featured a large amount of unemployment and inactivity. As part of its recruitment strategy, the company partnered with a local NGO to train and recruit local people who had been long-term out of work. New recruits were trained with both technical and self-management skills. After the outlet opened, advisers employed by the job agency remained on site to help workers with problems they had in order to prevent them from dropping out of work. According to the store manager, the scheme was successful for the company as the vast majority of employees stayed with the company after a year's service.

6. Conclusion

The survey indicated that there is a relationship between organisational change, job security and health and well-being. Those who had experienced job loss or experienced a negative workplace change were more likely to report physical or

emotional problems at work. Women and workers with atypical contracts or long working hours were also more likely to report problems.

The survey also confirmed the positive relationship between job control and adaptability on the one hand and positive health and well-being on the other. Those who worried about their ability to remain in their jobs until retirement or their ability to find a new job if necessary also reported health and well-being problems at work.

Finally, good communication and support strategies seem to be positively associated with healthy work environments. Those who felt well-informed in work also reported feeling more secure in their jobs as well as less physically and emotionally fatigued.

Currently, public policy is primarily focused on getting young people into work, rather than maintaining older workers' adaptability. Data so far indicate that the younger workforce, especially those without skills, have been most displaced by the recession. However, public sector cuts are likely to have a disproportionate impact on older workers, and it is not yet certain how many will be displaced as a result of early retirement initiatives. Public sector cuts are also likely to negatively affect public sector older workers who are able to stay in employment, but who are redeployed or see an increase in workload.

The TUC respondent noted that unions are expecting the new Coalition to scale back employment law over the next few years, particularly in terms of enforcing anti-discrimination and health and safety laws. Unions are preparing for period in which there will be a strong reliance on negotiations with employers to promote healthy working conditions. This survey provides some indication of the priorities in regards to older workers' well-being:

- Enhanced adaptability, particularly in terms of learning opportunities
- Communication and support during periods of organisational change
- Flexible working and reduction in long working hours
- Age neutrality in terms of career development, learning and support.

7. UK National Seminar Summary

The UK national seminar was held at Middlesex University, London, on June 7 2010. There were some 30 people in attendance. Three presentations were given, including a summary of the draft UK report. These are summarised here.

- *The Management of an Ageing Workforce: A Comparative Multi-level Assessment of Organizational Policies and Practices in Germany and the UK*, presented by Professor Michael Muller-Camen and represented research done by him with other colleagues.

Abstract: demographic developments will force organizations to change their youth-centric HRM approach. However, it is unclear whether one model of age management will emerge or whether this will differ between countries. Based on qualitative multi-level case study analysis of four matched pairs of British and German organizations, we found that the commitment, scope, coverage and implementation of age management differ due to country specific institutional factors. It appears that the need to abandon youth-centric HRM is more urgent in Germany due to stronger pressures by internal labour markets and higher dependencies on State pension systems.

- *Older workers as vulnerable workers in the new world of work*, presented by Professor Malcolm Sargeant on behalf of himself and Dr Andrew Frazer of the University of Wollongong, Australia.

Abstract: the paper aims to identify whether older workers as a group are particularly vulnerable in the contemporary and emerging labour market – especially given their tendency (and desire) to take part time work, and the increasing and lengthening labour market participation of older workers. This is part of a larger project which examines the context and effectiveness of anti-discrimination law in dealing with employment discrimination against older workers. The research aims to identify the nature and extent of the problem in two countries: the United Kingdom and Australia, which have significant similarities and differences in terms of history and legal systems. We aim eventually to extend

our research to New Zealand because it has some particularly high levels of older worker participation.

- *Elder employees during restructuring: stress and well-being*, presented by Dr Matt Flynn on behalf of the UK ELDERS project.

Abstract: Matt Flynn provided a summary of the UK strand of the Elders project research. He began by noting that there are three ways in which a link between organisational restructuring (and associated job insecurity) has been linked with health and well-being: First, there is a job-loss model which focuses on the ‘shock’ a worker might feel in either losing her/his job or finding it in jeopardy. Interventions might include a social safety net or counselling to mitigate the loss. The model is important, but can overlook the cumulative effect of persistently poor or insecure working conditions. For example, some studies have suggested that casual workers are less likely to have health problems during a redundancy situation than permanent ones. An alternative approach is to look at the balance between effort and reward. High effort for little reward will lead to health problems. Insecure workers may work longer hours, take fewer breaks and perhaps cut corners in terms of safety in order to stay demonstrably productive. This model takes into account both immediate and persistent job security, since low job security is reflected in low job reward. Interventions might include improving both extrinsic and intrinsic rewards in work, including flexibility and learning. Finally, there has been a body of research which focuses on the impact of job insecurity on workers’ sense of job control, and the impact of ‘helplessness’ on physical and mental health. Interventions to mitigate the impact may focus on employability, training and adaptability.

The UK has a relatively weak employment regulation structure, leaving responsibility on stress and job security to employers. The Health and Safety Executive has produced a guide, but not a code of practice on stress, and there is limited job protection for workers. Education and training opportunities, both in terms of employer and state provision are focused on younger people.

As part of the research, a survey was conducted of workers 50+ who had experienced workplace transitions. These were civil servants whose workplaces

had been privatised over the past decade. The survey found support for all three models described above. Workers who had experienced job loss over the previous five years were more likely to experience stress and fatigue, as were those who described their job security as low. Respondents who felt it would be difficult to find alternative employment if necessary or to stay in their jobs until retirement also suffered from work associated physical and mental health problems including fatigue, stress and feelings of hopelessness.

8. Recommendations

The UK is a liberal market economy and liberal residual welfare system. Compared with those elsewhere in Europe, older British workers have limited social protections to insulate them from job loss during organisational change. However, there are also few institutional barriers to prevent older workers to seek or stay in work. The most notable institutional barrier is the default retirement age (DRA), codified in the Employment Equality (Age) Regulations 2006 which allows employers to compulsorily dismiss employees at the age of 65 solely for the reason of retirement. However, the DRA is scheduled to be abolished in 2011. Older worker participation rates in the UK are high relative to Europe and have been sustained throughout the 2009-2010 recession. However, older workers are made vulnerable by both flexibilisation of work (especially after the age of 65) and erosion of occupational pension rights. Regulations to oblige employers to address risk factors associated with stress and job security are relatively weak. Evidence from a survey of privatised employees shows that job insecurity has an impact on older workers health and well being. Both the immediate threat of job loss and the cumulative deterioration of working conditions can impact on older workers' sense of well being, both mental and physical. Further, job insecurity can lead to a loss of sense of control over one's own career.

UK employers and trade unions are developing innovative approaches to helping older workers manage the transition processes. These include initiatives to

encourage older workers to participate in training, mentoring programmes to enable older workers to make good use of their experiential knowledge, and flexible working to allow workers to transition into retirement.

The case of the UK suggests that the following areas would benefit from management and union partnership:

- enhanced adaptability, particularly in terms of learning opportunities;
- older workers have fewer opportunities to train and update their skills than their younger colleagues and are reticent in asking for training. Through its Union Learning programme, the union movement has been successful in promoting the idea of lifelong learning. Evidence from UK based research suggests that better qualified older people can better control their careers and transitions into retirement;
- communication and support during periods of organisational change;
- evidence from the UK Whitehall II study suggests that the stress associated with anticipation of an organisational change can be as harmful as the loss itself. The UK has few institutional mechanisms in place to allow employees' voice and representation and, particularly in non-unionised workplaces, the uncertainty of organisational change can have negative implications both in terms of workers well-being and the change process itself;
- flexible working and reduction in long working hours.

Evidence from a number of studies suggest that organisational change can lead to a deterioration of health and safety. As employees work harder and longer hours, employees can be in greater risk of accidents. Older workers in the UK have shown a willingness to delay retirement if given the opportunity to reduce working hours.

- Age neutrality in terms of career development, learning and support.

Although employers generally profess positive attitudes toward older workers, age discrimination is still common in the UK, particularly in terms of development opportunities. Line managers have the bulk of responsibility on HR decisions which impact on the career longevity of older workers. The

implementation of good practices at a local level can ensure that innovative HR policies are implemented in the workplace.

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Section III

THE ROLE OF SOCIAL DIALOGUE, INDUSTRIAL RELATIONS AND COLLECTIVE BARGAINING: A COMPARATIVE PROSPECT

Part I

The Support of Social Dialogue for Older Workers

1. Definition and phases of Social Dialogue and the role in the European policy

Social dialogue at a national level has become an important factor of good governance in many countries. Tripartite social dialogue in economic and social policy meetings has a fundamental role to play in furthering democracy, social justice and a productive and competitive economy. Economic prosperity and social progress cannot be achieved by governments, employers or workers acting in isolation. Social dialogue provides social partners and other stakeholders the opportunity to take part in defining their future. In this sense the primary goal of social dialogue is to promote consensus building and democratic involvement among main stakeholders in the labour market.

The European social dialogue has resulted in a variety of outcomes and forms, ranging from joint opinions to guidelines, codes of conduct and agreements. These instruments can cover all possible subjects in the area of social affairs: working conditions, equal opportunities, health and safety at work, training, information and consultation of workers, etc. At European level, social dialogue takes two main forms: a bipartite dialogue between the European employers and trade union organisations and a tripartite dialogue involving interaction between the social partners and the public authorities. Concertation can be informal or institutionalised and often it is a combination of the two. It can take place at the national, regional or at enterprise level.

It can be inter-professional, sectoral or a combination of all of these.

In particular tripartite social dialogue in economic and social policy-making has a fundamental role to play in furthering democracy, social justice and a productive and competitive economy and there are the four strategic objectives of the ILO. In particular, tripartism and social dialogue are two of the founding principles of the ILO reflected in the Declaration of Philadelphia. Tripartite social dialogue is practised by the ILO at international level through the International Labour Conference and its Governing Body.

Generally speaking, European social dialogue refers to the EU-level dialogue between the representatives of management and labour and it is an instrument of governance in the employment and social area in the European Union (EU) but in particular it refers to discussions, consultations, negotiations and joint actions undertaken by social partner organisations representing the two sides of industry (management and labour) at a European level. It is also an instrument through which social partners take part in the definition of European employment policy and social standards but also a powerful instrument for successful anticipation and change management.

There is no universally agreed definition of social dialogue. There are, indeed, wide-ranging differences in the use of the term. The 2008 ILO's definition of social dialogue was very broad including «all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy [...] social dialogue processes can be informal or institutionalized, and often it is a combination of the two [...], social dialogue is to promote consensus building and democratic involvement among stakeholders in the world of work». In short, social dialogue is both a set of practices and a strategy for achieving certain goals.

The ILO acknowledges that the definition and the concept of social dialogue varies from country to country and over time.

This is a recent definition but the concept of 'social dialogue' has evolved alongside the process itself.

Over the past 20 years many different definitions of ‘social dialogue’ have emerged and influenced the political and academic debate. Some definitions have been broad in their scope, including consultations between European institutions, autonomous debates and negotiations; other definitions have been narrower, focusing simply on formal negotiations.

At the beginning, social dialogue were simple and informal consultations and cooperation between Commission expert committees and *ad hoc* sectoral committees, then in 1974 the Standing Employment Committee was set up institutionalising social dialogue at a European level. In 1985, the President of the Commission, Jacques Delors, officially launched the European social dialogue with the Val Duchesse agreement and European cross-industry social partners have been in a permanent dialogue. Then in 1986 the Single European Act was passed and the Maastricht Social Protocol was developed in 1991. This was then integrated in the Amsterdam Treaty in 1996. The Maastricht Treaty, which came into force in 1993, recognised the social partners’ right to negotiate binding Europe-wide framework agreements, which are either formalised into EU legislation as Directives, or implemented ‘autonomously’ by the partners at European and national levels. Since 1985, sectoral social dialogue committees have been set up in 35 different industrial sectors. The European social partners have adopted over 40 cross-industry and almost 500 sectoral joint texts.

During the first period 1985-1991, the bipartite activities mainly led to the adoption of resolutions, declarations and joint opinions without any binding power, whereas in the second period, thanks to the Social Protocol of 1991 the role of social dialogue became increasingly important. From this moment onwards, all agreements negotiated between European social partners could be given legal force through a decision of the Council which would then be transposed into the legislation of each Member State. In the same period the agreement of 31st October 1991 was integrated into articles 138 and 139 of the Treaty of Amsterdam, and led to the implementation of three agreements through Council directives.

Article 138 of the European Community (EC) Treaty gives the Commission the

role to promote social dialogue, it acknowledges the importance of social dialogue at European level and obliges the Commission to consult the European social partners twice before submitting proposals in the employment and social policy field.

The consultation process on any new social European initiative and the role of social subsidiarity is defined in article 154 of the EC Treaty. In particular, article 154 provides details for the consultation of social partner organisations at European level on a range of issues concerning employment and social affairs set out in article 153 of the Treaty.

In the second period three agreements have been implemented by Council Directives: on parental leave in 1995, part-time work in 1997 and fixed-term contracts in 1999 (but also the sectoral agreements on working time in sea transport in 1998 and civil aviation in 2000).

The third period started in December 2001 when the European interprofessional social partners presented a 'joint contribution' to the Laeken European Council. This phase is characterised by the growth in independence and autonomy of the European social dialogue and three autonomous agreements have been implemented: on telework in 2002, work-related stress in 2004 and harassment and violence at work in 2007 together with two frameworks of action on lifelong development of competencies and qualifications in 2002 and gender equality in 2005. These agreements are important even if they are not legally binding but they form part of the social *acquis* as referred in the implementation provisions to Article 139. According to Jacobs and Ojeda Avilés the text of article 139 EC suggests that binding force will vary depending on each Member State's provisions, the underlying aim is to ensure that European agreements receive treatment equal to those concluded at national level. They note that it is customary in Europe to consider a collective agreement more than a mere recommendation to the affiliate membership and rather as a binding legal agreement; this prompts national actors to incorporate European agreements directly into their everyday activities and practice, with regard to collective bargaining.

2. Forms, stakeholders of social dialogue and relationship with industrial relations

Process of social dialogue is characterized by a two-stage consultation procedure: in the first stage the Commission consults social partners on the possible direction of an initiative, whilst in the second stage the focus is on the content of the initiative. This process enables European social partners to directly influence the drafting of social proposals; in particular, during this phase, social partners may suspend the Commission initiative and decide not to enter into negotiations. If neither stage of the consultation results in the social partners' decision to enter into bipartite negotiations, but the Commission still considers this Community action as desirable, the Commission will undertake the preparation of a legislative proposal. According to article 154 these types of consultations are limited to representative social partner organisations.

The actors in the European social dialogue are the organisations representing workers and employers at European level. Social partners play a particular role in the area of employment and social policy, due to the interests they represent on the labour market.

The European social partners draw their legitimacy from the mandate they receive from national trade unions and employers' confederations. The representativeness of European social partners is verified by the Commission and independent studies.

There are two levels of social dialogue: cross industry and sectoral level.

Stakeholders in cross-industry social dialogue are six: European Trade Union Confederation (ETUC), Confederation of European Business (BUSINESSEUROPE, formerly UNICE), European Centre of Employers and Enterprises providing Public services (CEEP), European Association of Craft, Small and Medium Sized Enterprises (UEAPME), Eurocadres, European Confederation of Executives and Managerial Staff (CEC).

The autonomous bipartite dialogue takes place in social dialogue committees: social dialogue committee (SDC) which is formed 64 members (32 employers, 32

workers) either from European secretariats or national organisations. It was set up in 1992 and it meets 3-4 times a year to discuss employer/worker views on various topics, adopt texts negotiated by both parties and plan future initiatives.

The form of social dialogue is simple and linear. For important issues like labour market challenges, reconciliation of working and family life, etc the SDC sets up technical working groups to discuss and to start the negotiation phase. If employers and workers decide to enter into negotiations on an issue, each side prepares a negotiation mandate (which must be approved by the respective decision-making bodies) and appoints a negotiating team. All meetings are chaired by an independent mediator. The results of the negotiations are adopted by the SDC and approved by the signatories' decision-making bodies, the SDC being usually responsible for following up the implementation of negotiated agreements.

In this process the role of social dialogue summits is also important. They are high-level meetings chaired by the president of the Commission and aimed at giving fresh impulse to social dialogue. The summits take the form of plenary meetings gathering representatives of European employers, workers and affiliated national organisations.

The importance of social dialogue in Europe is great and it is a unique and indispensable element of the European social model, with a clearly defined basis in the EC Treaty and it is also fundamental for a better governance. The Commission aims at promoting and improving the contribution of European social dialogue to a better European governance, i.e. to reach a greater involvement of all actors in decision-making and also in the implementation process.

The European social dialogue could constitute a tool for economic and social modernisation in relation to many issues, such as the organisation of work, active ageing, promoting equal opportunities, vocational training, etc. On these issues social partners are in a position, at European level, to mobilise a wide range of tools, from opinions to exchanges of best practice, from putting in place coordinated operations to the negotiation of agreements. They need therefore to make better use of the European bargaining area by concluding agreements

incorporated into Community law or implemented in accordance with national procedures.

Since the entry into force of the Social Protocol in 1993, the social partners' right to be consulted on proposals in the social field and their option to request that matters be dealt with by agreement rather than legislation brought them to the centre of the European social stage. The social partners are therefore called upon to give the work of the Social Dialogue Committee a new lease of life.

Social dialogue may be very inclusive in terms of participants and comprehensive in terms of content but also very superficial. The weakest dialogue would include the communication of information while a bit more profound would be that of consultation. An example would be the European Works Councils which are set up for the consultation and information sharing - the latter being more frequent than the former.

In this context, the relationship between global social dialogue and industrial relations is very important. There are also a lot of studies which demonstrate implication between global social dialogue and industrial relations.

In particular, according to Kaufman, whether industrial relations contain social dialogue or they are just another term for it, or a subset of it, it depends on how one defines the terms. Not only. He believes that social dialogue can be considered as a subset of industrial relations since the latter may not involve regularized dialogue nor aim to be deliberative or consensual. In this sense social dialogue is a cooperation between participants to recognize each other's legitimacy to solve conflicts and establish policies through dialogue rather than force.

3. Definition and principles of collective bargaining

The 1926 ICLS Resolution defined the collective agreement for the purposes of statistics as: «1. [...] a written agreement concluded between one or more employers or an employers' organization on the one hand, and one or more

workers organizations of any kind on the other, with a view to determining the conditions of individual employment [...]». This Resolution only required statistics on the number of agreements in force and it was the basis the Promotion of Collective Bargaining Convention, (1981) No. 154. In particular article 2 of this Convention defines collective bargaining as follows: «all negotiations which take place between an employer, a group of employers or one or more employers' organizations [...] and one or more workers' organizations [...] for (a) determining working conditions and terms of employment».

Generally speaking, collective bargaining is the process of workers' organizations and employers' organizations or individual employers to negotiate on all areas relating to wages and terms of employment. For workers collective bargaining helps to convey their voice to ensure decent pay and working conditions but also to gain a share in the benefits of economic progress and for employers, collective bargaining is a means to maintain social peace and prosperity.

On the definition of collective bargaining the positions and contributions of Webbs and Flanders are particularly important.

According to Webbs the collective bargaining is one of three main methods used by trade unions to achieve their basic aim of improving the condition of their members' working lives. Not only. For Webbs collective bargaining was the collective equivalent of individual bargaining and when possible workers preferred to bargain as individuals with their employers since it enabled them to secure better terms of employment by controlling competition amongst themselves.

From another perspective, Flanders criticized the position and view of Webb about collective bargaining. According to Flanders the individual bargain «provides for an exchange of work for wages and [...] adjusts for the time being conflicts of interest between a buyer and seller of labour».

A collective agreement, on the other hand, does not commit anyone to buy or sell labour «It is meant to ensure that when labour is bought and sell, its price and other transnational terms will accord with the provision of the agreement».

Theoretical contribution towards our knowledge and understanding of collective bargaining is offered by Chamberlain and Kunn. In 1965 they studied collective bargaining and the position of Webbs and Flanders and stated that collective bargaining could be considered from three perspectives which represent three different stages in the development of collective bargaining. They are a means of contract for the sale of labour, a form of industrial government and a method of management.

Collective bargaining takes many different forms and takes place at different levels, making country-specific collective bargaining coverage data difficult to compare. The peculiarity is that collective bargaining coverage not only reflects the number of collective agreements but also how administrative regulations and labour law interact with the collective bargaining processes. If countries have collective agreement extension mechanisms, the coverage rate increases to include those who have not participated in actual collective bargaining negotiations in a particular sector. This differs from country to country.

The level where collective contracts are negotiated and formally signed is one of the most obvious dimensions of the bargaining structure. In the empirical literature three levels are usually distinguished: firms and workers may negotiate over terms and conditions of employment at the level of the individual enterprise or establishment; at the other extreme, national unions and employers' associations engage in interindustry bargaining at national level, covering the entire economy or most part of it; finally, most continental European countries have traditionally favoured "intermediate" forms of wage negotiation, mainly at branch or sectoral level.

In Europe there are different levels of bargaining. The distinction is between single-employer-bargaining (SEB) and multi-employer-bargaining (MEB). MEB can be national, regional, local or whatever and in the same way, SEB includes bargaining at the firm, establishment, plant, etc. level. Moreover, these levels are not necessarily mutually exclusive: different issues can be taken up at different levels.

We observe a big difference between countries in both the scope and diffusion of these two types of bargaining, which coexist in many European countries (for example in Italy and Belgium bargaining is multi-level and SEB is always additional to MEB, while in Spain and the UK one type of bargaining excludes the other). Not only. In countries with a tradition of “corporativism”, trade union confederations often negotiate national wage agreements with central employer organisations and sometimes enter into additional agreements with governments establishing wage or incomes policy guidelines.

Generally speaking, the goal is to agree upon rules to facilitate compromises between conflicting interests over the terms and conditions of employment but also to create institutions to improve the bargaining position of workers which has historically been an important impetus to collective bargaining. The goal is to introduce an element of industrial democracy into the workplace.

In this respect, Italy, for example, is characterised by a system of collective bargaining at three levels which, following the usual distinction, are: economy-wide, branch and firm and industrial unions that negotiate industry-wide agreements by region.

Multi-employer bargaining may also facilitate modernisation and restructuring. While multi-employer bargaining may be used as an instrument of wage restraint aimed at protecting employment or attracting investments, in some cases a general high-wage policy has been used to trigger economic restructuring. For example, one argument in support of the Swedish “solidaristic” wage policy is that it encouraged labour to move away from firms with low productivity, and thereby raise the productivity of the exposed sector of the economy.

The level at which bargaining takes place and the way in which different levels interact is also crucial. The details of each country are set out in the individual country sections, but it is worth pointing to some of the variants on offer.

There are some countries where national level agreements set a framework for negotiators at lower levels. This is the case of Belgium, where there are both industry and company negotiations. In Norway too there is a clear hierarchy of negotiations, from confederation to individual unions to company level, although

confederations do not always take the lead. However, this pattern seems to become less common. In Finland, the pattern of national agreements making recommendations to lower level negotiators, which had lasted for almost 40 years, ended in 2007 when employers refused to negotiate a new national agreement. Similarly in Ireland the system of national agreements which have set pay increases, among other things, for more than 20 years, seems to have broken down under the pressure of the economic crisis.

In other countries, it is the industry level bargaining that provides the framework. In Sweden and Denmark, for example, industry level bargaining provides a basis for bargainers at lower levels. And these lower level bargainers have substantial scope for improvement. In particular in Denmark, only 17% of all private sector employees have their pay entirely set by the industry level collective agreement and in Sweden it is only 6%. The Italian situation is very similar, with industry level bargaining providing increases which keep pace with inflation, while productivity gains are to be compensated at company level. However, new bargaining arrangements, which have not been agreed by the largest Italian confederation CGIL, give potentially greater weight to company level bargaining. There are then some countries where industry and company level bargaining both co-exist and are not directly linked. In Cyprus, the Netherlands and Spain for examples most employees are covered by industry level bargaining – normally at provincial level in Spain – but some employees, particularly in larger companies, are covered by company level agreements. In Luxembourg, company bargaining is key in some sectors, industry bargaining in others. Finally there are the countries, like the UK and most of the countries of central and Eastern Europe, where industry bargaining has largely disappeared, at least in the private sector, and company level negotiations predominate.

Table 1

	Main characteristics	Relationship between intersectoral/sectoral and company bargaining
Austria	Dominance of sectoral bargaining; company bargaining is limited to very few companies.	Collective agreements can provide 'delegation' or 'opening' clauses for bargaining at company level.
Belgium	Three-level bargaining system with dominance of bipartite intersectoral bargaining, and complementary bargaining at sectoral and company level.	Intersectoral agreement provides a framework for maximum wage increases. Normally the latter cannot be exceeded at sector or company level except for specific reasons laid down in the intersectoral agreement.
Cyprus	Dominance of company bargaining, with sectoral bargaining in some sectors.	A company-level agreement can include lower terms and conditions of employment than agreed at sector level.
Denmark	Multi-level bargaining system with dominance of sectoral bargaining and complementary bargaining at company level.	Some sectoral agreements are more open than others regarding the issues to be negotiated at company level; for instance, some 'minimum-wage' agreements provide for wage negotiations only at company level, though more usually at both levels, while 'normal wage' agreements provide for wage negotiations only at central sectoral level.
Finland	Three-level bargaining system with a dominance of tripartite intersectoral bargaining and complementary bargaining at sectoral and company level.	Higher-level agreements define the issues for company bargaining and may determine the conditions under which companies can diverge from standards collectively agreed at intersectoral or sectoral level.
France	Parallel existence of sectoral and company bargaining with no dominant bargaining level. Intersectoral agreements on some specific issues.	Agreements signed at sector and company level can only in exceptional circumstances dilute the benefits obtained at a higher level (sectoral or interselation).
Germany	Dominance of sectoral bargaining; with some company bargaining in certain sectors or companies.	Most sectoral agreements contain 'hardship' and 'opening' clauses, according to which companies are allowed to diverge from collectively agreed standards under certain defined conditions and on certain defined issues.
Ireland	Three-level bargaining system with a dominance of tripartite intersectoral bargaining and complementary bargaining at sectoral (though agreements at this level are few) and company level.	National tripartite agreements establish guide-lines on minimum and maximum wage increases. They also include provisions for deviation from the national norm company (or sector) level regarding both 'above the norm' pay deals as well as 'inability to pay' arrangements, whereby company agreements may provide lower wage increases than agreed at national level.
Italy	Two-level bargaining system with a dominance of sectoral bargaining and complementary bargaining at company or territorial level.	The two bargaining levels are essentially coordinated, by the provisions of an intersectoral incomes policy agreement as far as wage dynamics are concerned, and by the prevalence of sectoral over company bargaining, since the former sets the

		framework rules that define the scope of the latter. A limited number of sectoral agreements also contain opening clauses that allow for divergence at company level in certain cases, notably when company restructuring is under way. These clauses do not apply to wages.
Malta	Dominance of company bargaining with sectoral bargaining in a very few sectors.	
Netherlands	Dominance of sectoral bargaining with some company bargaining, in particular in larger companies.	Sectoral agreements may contain provisions that allow or oblige employer and works council to negotiate.
Poland	Dominance of company bargaining with sectoral bargaining in a very few sectors.	Bargaining parties can agree on a suspension of an agreement or parts of the agreements if the company has difficulties. A 2002 amendment to the Labour Code gives employers the opportunity to suspend the application of an agreement in the face of financial hardship.
Spain	Collective bargaining is structured at several levels: workplace, company, local, county, provincial, inter-provincial, regional, inter-regional and national	The greatest number of workers are covered by provincial sectoral agreements, followed by national sectoral agreements. In principle, lower-level agreements can improve or worsen standards agreed at higher levels. Many sectoral agreements include opening clause for company bargaining.
Sweden	Two-level bargaining system with dominance of sectoral bargaining and complementary bargaining at company level.	Sectoral agreements usually define scope for company bargaining. In principle, company agreements can worsen standards in comparison with the sectoral level. However, in practice, this is very rarely the case.
United Kingdom	Dominance of company bargaining; with sectoral bargaining in a very few sectors (e.g. construction and public services).	In the case of sectoral agreements, there is usually also complementary bargaining at company level.
Norway	Multi-level bargaining system with dominance of sectoral bargaining and complementary bargaining at company level in some sectors. In the private sector, intersectoral bargaining plays an important role, in the sense that all agreements between the NHO employers' confederation and the LO and YS union confederations are often negotiated at the same time in a coordinated way. There are also basic agreements at national level that set a certain framework for sectoral and company bargaining.	Sectoral agreements may contain opening clauses that give the bargaining parties at company level the opportunity to depart to a certain extent from the standards determined at sector level. In practice, however, these opening clauses are rarely used and play a minor role.

Source: Rielaboration dates EIRO, Changes in national collective bargaining systems since 1990, Dublin, May 2005; European Industrial Relations Observatory Online, Changes in national collective bargaining systems since 1990, Dublin, 2005; European Commission, Industrial relations in Europe, 2006, Bruxelles 2006 and Adapt (www.adapt.it).

Collective bargaining in Italy: framework

In the European context, Italy is characterised by a system of collective bargaining at three levels which, following the usual distinction, are: economy-wide, branch and firm. Economy-wide bargaining is limited to framework agreements, national protocols, and social pacts, which do not take place at regular intervals, but rather at any time the social partners consider them useful.

Traditionally in Italy collective agreements in the biggest industries are negotiated by national industry union and employer association.

In particular, the Italian Constitution specifies that trade unions should be registered at local or central offices. Furthermore registered trade unions can sign collective agreements, which are binding on all persons who belong to the industry sector the agreement relates to.

For political reasons related to the effectiveness of trade union representation, the procedure contained in the Constitution was not implemented. Consequently, in Italy, trade unions do not need to be registered (see below) and collective bargaining agreements are not binding on everyone. They are nothing more than a private contract, binding only on the contracting parties. This means that collective agreements are only binding on those subjects who belong to the trade union or those who have made specific reference to the collective agreement in an individual contract of employment or through constant and concrete application of the terms of the collective agreement.

As collective agreements are just private common law contracts, every type of collective agreement is theoretically possible (for example, nationwide or regional, for all industries or a specific industry, and company-level agreements).

The most common types of collective agreements in Italy are :

- national multi-industry agreements (Accordo interconfederale): the highest level of agreement, signed by Union Confederations and Employers' Associations at national level;
- industry-wide national collective agreement (Contratto collettivo nazionale di lavoro): the most common type of collective agreement that regulates most of the

terms of the employment relationship (for example, minimum salary, job descriptions and levels, holidays, notice period, sickness etc.);

- company collective agreements (*Contratto collettivo aziendale*): these normally regulates matters which are not negotiated at a higher level or matters that require special regulation (for example, bonuses, working conditions, information rights etc.).

In Italy, the most commonly applied collective agreements at national level are:

- for executives (*dirigenti*): trade sector, industry sector, bank sector.
- for white and blue collar workers: engineering industry sector, trade sector, tourism sector, bank sector, insurance sector, chemical industry sector, journalists, agriculture, textile industry.

In Italy, as well as in other countries, the 1990s have been an important period for the negotiation system. In various European nations a remarkable renaissance of centralized collective bargaining took place. Centralized bargaining arrangements have reemerged (or, in some cases, emerged for the first time) in countries as diverse as Finland, Ireland, Italy, Portugal, and Norway. Over the course of the decade, similar attempts to institutionalise centralized regulation in the form of so-called “social” or “employment” pacts, have also been launched (although less successfully, so far) in Belgium, Germany, and Spain. In virtually all other European countries -United Kingdom being the most notable exception- experiments involving bilateral or trilateral consultation among peak socioeconomic actors are under way. These centralized pacts seek to combine, in a period in which monetary and fiscal policies are highly restrictive (also due to the particular conditions in which European monetary unification is taking place), centralized control over nominal wage increases, with more supply-side policies aimed at creating new jobs and promoting investments and competitiveness.

The best-known social pact of the last twenty years was signed in 1993 and it consisted of a tripartite agreement between the peak associations of unions and employers’ organisations and the government.

Before the 1993 protocol, decentralised bargaining could take place at firm or plant level or at local level for groups of small firms, but the relationship between

centralised and decentralised bargaining was complex, with many possibilities of conflict.

The protocol radically reformed the system of collective bargaining. It restructured the links between industry and company level bargaining and drew up new bargaining timetables. The 1993 agreement also laid the basis for a new system of workplace representation (see section on workplace representation) and finally it completed the system of pay indexation – linking pay to prices – the “scala mobile”.

The protocol established that national sectoral bargaining, that is automatically extended to all workers regardless of their union affiliation, should determine general wage increases linked to a target rate of inflation to be set by the government every year (and referred to during the following three years). Wage increases over and above the minimum agreed at national level can be bargained at firm level only if related to the performance of the firm itself (profits, productivity, etc.). Bargaining at firm level is not compulsory and it cannot define wages lower than the national minimum.

Thus, while all workers in a branch will be covered by a national contract, some of them (independently of union membership) will be covered, in addition, by a firm-level contract.

The new framework of collective bargaining with Agreement of 22 January 2009

There are no official statistics on the coverage of collective bargaining, but the OECD (Organisation for Economic Co-operation and Development) estimated it as over 80% in 2000. However, this figure relates only to coverage through industry agreements. Bargaining at company level, to improve or complement the national agreement, as specified in the July 1993 agreement, is much less common. Recent estimates suggest that only 30-40 percent of the workforce is covered by company level agreements.

The bargaining framework has come under pressure in recent years. The employers’ association, Confindustria, has called for bargaining to be made more

decentralised, giving greater importance to company level bargaining. CISL also accepts that lower-level bargaining, underlining the importance of district as well as company level negotiations (UIL takes a similar position). CISL argues that it is fundamental to make the system more flexible so that it can better respond to the very different positions that individual companies face. CGIL, however, takes a different view, arguing that the main problems in recent years have been the long delays in reaching agreements – these are often signed months after the old agreement has run out, and the fact that inflation, particularly forecasted inflation, is often underestimated.

On 22nd January 2009, Cisl, Uil and Ugl without CGIL signed an outline Framework Agreement with the employers and the government on a new system of collective bargaining. In April they also signed the Interconfederal Agreement of 15th April 2009, a more detailed agreement specifying the rules for the new system in the industrial sector.

Also on this occasion CGIL did not sign both agreements and did not recognise the new system.

There are many differences between old and new agreements. First of all, industry agreements now run for three years, covering both pay and conditions, rather than the two years for pay and four years for conditions set out in the 1993 framework. There are also other important provisions. Pay increases in industry agreements are no longer linked to the forecasted inflation rate, but to the European consumer price index for Italy, called Ipca (Indice dei Prezzi al Consumo Armonizzato per i Paesi dell'Unione) and which excludes energy consumption. Any differences between forecasted and actual inflation should be made up for within the three-year period of the agreement. Productivity improvements are now only taken into account during company level bargaining, encouraged by the government through tax incentives. Where there is no company-level agreement, employees should receive extra payments through a “wage guarantee element” (“elemento di garanzia retributiva, EGR”), to be agreed jointly by the two sides, and paid at the end of the three year period.

The negotiating timetable has also changed: unions must submit their claim six months before the end of the agreement and the employers must respond within 20 days; strikes will be prohibited during the last six months of an agreement and in the month after it runs out.

New agreements are not definitive but they are introduced on a trial basis for an initial period of four years.

In this time, a committee comprising all parties has the task of evaluating the effects of the new bargaining agreement. This provision emphasises further cooperation between employers and unions and goes beyond what there was in the past.

4. The role of collective bargaining in transfer of undertakings and in collective dismissals in Italy

Within the Economic European Area (EEA) there is a core legislation on transfers of undertakings that applies to all member states. This derives from an EU directive agreed originally in 1977 and set out in Directive n. 2001/23/EC. The legislation was first introduced because the single market was expected to undergo restructuring both at a national level and trans-national level and, in particular, that there would be an intensification of mergers and acquisitions. The directive aims at protecting the position of employees in such circumstances.

The general framework confirms that the Italian legislation provides sufficient flexibility to undertakings to manage human resources in critical stages of their lives.

Collective bargaining has frequently been used to control the effects on workers involved in transfer operations, sometimes to specify or increase the protection they are entitled to, as established by artt. 2103 and art. 2112 of the Italian Civil Code (amended by art. 32 legislative decree n. 276/2003), in particular to maintain contractual benefits acquired even after the expiry of collective agreements; to insert guarantees of stability beyond those provided by law (for

example the 2003 in S. Paolo IMI agreement concerning management of the Bank of Naples overbalance); to guarantee continuity in supplementary pension contributions specified in company agreements.

In particular, the transfer of an undertaking (or part of one) is regulated by article 2112 of the Italian Civil Code and by law n. 428 of 29 december 1990, which amended the above-mentioned article of the Civil Code, ensuring its conformity with European directives. Legislative decree of 2 February 2001, n. 18, which implemented Directive n. 98/50/EC, modified both regulations. To implement law n. 30 of 14 february 2003 the Italian government passed legislative decree n. 276 of 10 September 2003. Article 32 changed the Italian practice on transfers of undertakings by modifying article 2112 of the Italian Civil Code which was then further modified by article 9 of legislative decree n. 251 of 6 October 2004, which introduced joint liability between the transferor and transferee and the transferor enters into a service agreement with the transferee involving the transferred branch of the undertaking. This lasts two years after the end of the service agreement as for salary and social security contributions due to employees.

According to Italian law a transfer is defined as any operation which, by means of a transfer of contract or a merger, transfers the ownership of an undertaking (or a part thereof) regardless of the type of legal procedure or legal act by which the transfer is made, including ‘usufruct’ or ‘lease of the undertaking’. In particular article 2112, paragraph 5, of the Italian Civil Code defines an undertaking as «an organised economic activity, with or without the aim of profit, which existed before the transfer and keeps its identity after the transfer». Even if there is the definition in the Code, Italian courts have introduced some criteria through which it is possible to identify a transfer of undertaking and the consequent application of the above-mentioned law. First of all, there is a transfer of undertaking when the undertaking (or part thereof) presents itself as an independent organised economic entity; a functional link exists between the activities carried out and transferred, and these are likely to produce an economic result; the undertaking continues to retain its identity as an organised economic entity after the transaction.

Of course, the above-mentioned criteria are only indications and further assessment must be conducted on a case-by-case basis taking into account what is required by law.

When the transfer of the undertaking is completed, there is an automatic transfer of the employees belonging to the undertaking, or part of it, to the transferee and in this situation the employer does not require the consent of the employee to transfer the employment contracts to the transferee. So employees who are employed at the time of the transfer automatically become the employees of the transferee from the moment of the transfer and they keep the same conditions of employment (such as salary, fringe benefits, etc) as they had with their former employer. In this situation and after the transfer, the transferee must apply to the economic and legal treatment set out under the national, territorial and company collective agreements applicable to the transferred employees in force at the time of the transfer until they expire, unless they are substituted by collective agreements applied by the transferee. If the transferor and the transferee apply different collective agreements, the above-mentioned provision permits a change from the collective agreement (of the same level) applied by the transferor to the one applied by the transferee. According to the case law that is normally cited, substitution takes automatic effect at the time of the transfer. However, certain older case law states that the substitution becomes effective only after a collective agreement has been reached during the information and consultation procedure (the so-called 'accordo di ingresso' or 'di armonizzazione'). Another important issue is the fact that the transfer of an undertaking does not constitute a reason to terminate an employment contract. If the transfer is the only reason for the dismissal, the dismissal will be considered unfair. However, a dismissal which is carried out for economic reasons before or after the transfer, but done in accordance with the Italian law and not based on the transfer, will not be considered unfair.

In this process communication is important and Italian law has evolved alongside EU regulations governing transfers of undertakings, including the obligation to consult workers (art. 7 EC Directive n. 23/2001). Art. 47 of law n. 428/1990,

recently amended, specifies that the transferor and transferee are to be given written notification of any planned transfer (even of a branch of a company) at least 25 days before the transfer deed is signed or a binding agreement between the parties is reached, if this is prior to the former. Notification must be sent to the respective RSUs or to the RSAs in the production units involved, as established by art. 19 of law 20 May 1970 n. 300. It must also be sent to national-category unions that stipulated the collective agreement in the enterprises involved in the transfer. The obligation to provide information and to consult trade unions and/or work councils must be fulfilled, even if the decision relating to the transfer has been assumed by another controlling enterprise or by the parent company. If the controlling enterprise or the parent company does not supply the employer with the necessary information, this will not justify the non-fulfillment of the information and consultation obligations (about participation of workers in the case of undertakings restructuring see § 5). Furthermore, during the consultation, the transferor, the transferee, the work councils and the trade unions must discuss the legal, economic and social consequences of the transfer with regards to the affected employees. Parties have no obligation to enter into an agreement and no specific provisions regulates how the parties must discuss with each other. However, according to general principles, parties must act in good faith.

In this context, there is an important rule of consultation also in the case of collective dismissal. Even recent rulings against Italy by the ECJ (for example ECJ 6th November 1985, C-131/84; ECJ 8th June 1982, C-91/81; recently, ECJ 16th October, 2003, C-32/02 regarding the field of application of collective dismissal regulations to non-entrepreneurial employers) in 1991 (Law no. 223/1991 and subsequent additions) and 2004 (legislative decree n. 110/2004) provisions were enacted to implement EU directives regarding collective dismissals. The regulations govern the procedure of collective dismissals and, as in the transfer of undertakings, require unions to be informed and consulted.

Procedure is regulated by arts. 4 and 5 of law n. 223/1991, which require an employer with more than 15 employees to give prior written notification to the RSA (now called RSU) and worker-category associations belonging to the most

representative confederations of the technical and organisational reasons for reducing staff numbers.

An important role is played by collective bargaining in identifying the criteria used to select workers for dismissal. The conflicting legally established criteria (technical, production-related and organisational reasons, number of family members, seniority) only intervene in the absence of alternative criteria introduced by the collective agreement.

According to a Constitutional Court ruling, such agreements take *erga omnes* legal effect as they represent proceduralisation of the powers an employer is entitled to exercise (see sentence C. Cost. n. 268 del 1994, in *FI*, 1994, I, 2311, states that «il problema dell'efficacia *erga omnes* del contratto collettivo si pone per i contratti normativi, non per quelli del tipo ora in discorso (i.e. quelli gestionali) la cui efficacia nei confronti dei singoli lavoratori [...] si fonda sulla legge che ad essi rinvia».

In the same context of industrial relations and collective bargainings there are participative models. These forms have always been very common in North and Central Europe.

5. Transnational collective bargaining in industrial restructuring: the role played by European Works Councils

Over the last 20 years, there has been a growing interest in labour regulation research in the processes, effects and challenges of what is often broadly referred to as “Europeanisation” of companies and industrial relations. The European integration and the establishment of a single market, led various enterprises to cooperate at European level to create a scale economy to face competition of non-EU, American and Japanese, companies. This phenomenon took place through the creation of great companies like the unique legal person having headquarters in one of the Member State and branches in other Member States or through the constitution of groups of transnational undertakings, of a Community-

scale where the strategic decisions have been taken at the level of the parent company and implemented by subsidiary companies respecting the industrial policy decided by the centre. The europeanisation created the need to set up structures which would help bridge the gap between corporate decision-making and the workforces throughout Europe that are affected by these decisions. Within the European Economic Area, European Works Councils (EWCs) have often been regarded as one possible instrument for that. As the European Commission specified in the explanatory memorandum accompanying its 1994 draft, the principal reason for proposing a Directive on the establishment of a European Works Council (EWC) or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees was the impact of the EU internal market: «The accelerating pace of transfrontier economic restructuring associated with this process, involving an increase in mergers, takeovers, transfer and joint ventures, will result in more and more employees being subject to corporate decisions taken outside the country where their establishment or undertaking is located. As a result of changes in the structure of undertakings, the procedures for consulting and disclosing information to employees are often no longer consistent with these new structures».

The importance of these structures grew over time as a result of increased competition, continuing redefinition of global value chains as a consequence of rapid technological development, and not least, the constant search for the lowest labour costs. The EWCs, represent therefore an answer to the process of europeanisation of companies and industrial relations but also to all the developments which push enterprises to innovate. Initiatives aimed at restructuring companies, especially in this critical social situation, need to be conceived through a constructive dialogue and possibly jointly envisaged decisions. From the industrial relations perspective, the key aspect is the effect of restructuring on employment.

The European Union has adopted several directives on employees involvement, to guarantee minimum legal protection in the event of restructuration.

The effective exercise of information and consultation rights represents the key element for constructive and effective industrial relations, based on dialogue and cooperation, and a collaborative approach between business and workers' representatives is highly needed in the critical economic situations we are currently facing. More concretely, the employee involvement procedures at European level should play a relevant role in the correct management of crisis measures.

Now more than ever, considering the difficulties Europe is going through, strengthening workers' information and consultation rights, and in particular the rights of European Works Councils, is certainly the correct approach to tackle the negative impact of the economic crisis. Workers need effective information and consultation as an opportunity to influence management decisions in order to anticipate and manage structural change in socially acceptable directions. In its Communication of 15th January 2002, *Anticipating and managing change: a dynamic approach to the social aspects of corporate restructuring*, the Commission emphasised that one of the key factors for a successful restructuring, in terms of strengthening the competitiveness of businesses and from the workers' point of view, is the guarantee of good practice in involving workers' representatives: involvement on an ongoing basis in the general running of the business, but also effective and therefore anticipatory involvement in relation to the possible emergence of changes that could have an impact on employment.

The Directive represented a very important target on a scenario of European industrial relations. In the current economic context EWCs represent the ideal instrument to promote social dialogue, which is the real driver for innovation in industrial relations: it provides a decisive contribution to a relationship between the parties based on solidarity, mutual respect of roles and the recognition of needs of all the parties involved.

This was the final goal of EWCs as it is clearly specified in the ideas expressed in the introduction of Directive 94/45: ideas which explicitly recall the founding principles of the European Union and the structures and procedures necessary to bring those principles into practice. Above all the fundamental principle was that

of social dialogue, which is one of the pillars on which the construction of the European social model is based. It comprises a series of phases: consultation, discussion, negotiation and the implementation of common initiatives by the organisations representing employers and employees.

The role of EWCs is particularly crucial for the increasing number of transnational company restructuring measures over the recent years, that originated from various types of operations including mergers, take-overs, relocations, etc. For many years, the European Commission has focused on the process of company restructuring. On the basis of different researches promoted in this field, there is one very important aspect: the restructuring has become more and more a matter of collective action. While the Fordist production model of restructuring was based on costs reduction and therefore oriented to the management of manpower surplus, the Post-Fordism undertaking is characterized by strategic process of vertical disintegration. But in order to criticize and confront them, we also need some strategic forms of anticipation like collective decisions shared by economic and social actors. They play an important role especially in relation to the information practices between employees' representatives of different countries. It is just on these occasions that employees' representatives can verify the added value of information transferred within the EWCs that could serve to solve conflicts at local level, to assume information from another national reality and to know directly the intentions of the central management of the transnational undertaking. Well functioning EWCs have often proved to be capable to work in terms of "strategy": although too often only short term measures are on the table, full and effective information and consultation of EWCs are the path to follow in order to keep into due consideration not only the long-term economical implications but also the social consequences of the severe economic situation.

Like other projects focusing on the involvement of employees of transnational undertakings, the spirit of the Directive 94/45/EC was to provide the strategies that have balanced the dynamic of market and the logic of benefit of undertakings characterizing a counter-power to oppose to an increasingly more powerful

unilateral power of undertakings. The objective is also to standardize the rules about information and consultation rights in different Member States where various establishments of the undertaking are located, or Community-scale groups of undertakings for the purpose of the assessment of information and consultation procedure to define through the Agreement and only if no Agreement is available, it has to comply with a standard model defined with the Annex of the Directive. The constitution of EWC, replaces in alternative the institution of the procedure for the information and consultation of employees. The role and rights of individual EWCs in the event of corporate restructuring are regulated essentially by the terms of the agreement establishing that EWCs. However, the Directive's annex lays down a number of subsidiary requirements in this area that apply to statutory EWCs, established in the absence of an agreement. Despite the number of statutory EWCs actually established is very low, the Directive's subsidiary requirements are important as they are widely acknowledged to have influenced EWC agreements, often acting as a point of reference and bottom line in negotiations. The subsidiary requirements provide (in Point 2 of the Directive's annex) that, at their annual meetings with central management, statutory EWCs are to be informed and consulted on a list of issues that include transfers of productions, mergers, cutbacks or closures of undertakings, establishments or important parts thereof, and collective redundancies, when they concern the multinational company as a whole or at least two of its operations in different EEA Member States. These items are clearly linked specifically to restructuring, but statutory EWCs are also entitled to be informed and consulted at these meetings on more general matters that might relate to restructuring, such as the progress and prospects of the company's business; its structure, economic and financial situation; the probable development of the business and of production and sales; the situation and probable employment trends; investments; and substantial changes concerning organisation.

In addition to this regular information and consultation process, the subsidiary requirements specify (in Point 3 of the annex) that the statutory EWC's Select Committee or, where there is no such committee, the EWC itself, has the right to

be informed in exceptional circumstances affecting the employees' interest at a considerable extent, particularly in the event of relocations, the closure of establishments or undertakings or collective redundancies. The committee/EWC has the right to meet, at its request, central management (or any other more appropriate level of management within the multinational with its own powers of decision), so as to be informed and consulted on measures significantly affecting employees' interests. EWC members representing the establishments and/or undertakings directly concerned by the measures have the right to participate in the meeting organised with the Select Committee. The information and consultation meeting must take place as soon as possible on the basis of the report drawn up by central management (or any other appropriate level of management), and an opinion must be delivered at the end of the meeting or within a reasonable time. This meeting shall not affect the prerogatives of the central management.

The general notions about the right to information and to consultation are introduced in this Directive. Particularly, the information has to be understood as «the exchange of opinions and the instauration of a dialogue» (article 2, lett. f); a symmetric definition of the information is still missing.

The basis of the Directive is the obligation of the central management of the Community-scale group of enterprises or of the leader enterprise of the Community-scale groups to negotiate with a special body that works as the negotiating representative of the employees. This obligation is enshrined in Article 4 of the Directive and underlines the relative responsibility of the central management in the «creation of conditions and instruments necessary to the institution of EWCs or the information and consultation procedure». So a contractual process admits a central position that is emphasized by the duty given to the parties to «negotiate in a constructive spirit with a view to reaching an agreement on the detailed arrangements for implementing the information and consultation of employees» (Article 6.1).

The information provided by the management of the multinational company to the EWC represents a starting point for discussion with employees' representatives and for the creation of a network between employees' representation of different

countries for the purpose of acquiring information about different national situations. The main effect of a EWC is the circulation of information between the central management and the EWC but also between the central management and the local management and between these two and employees' representatives. These are important dynamics in the case of restructuration and represent the heart of the function of EWCs, with the purpose to promote information and consultation of employees and their representatives when decisions affecting their conditions are taken in a Member State other than that in which they are employed.

What the Directive does not indicate is whether these practices of information are propaedeutic to the negotiating activity or to the instauration of forms of employees' participation to decision-making process. The lack of a legal framework for collective transnational negotiations resulted in the absence of a contractual function of the EWC. Despite these legal problems, the number of joint texts negotiated between management and EWCs on matters other than the constitution and the functioning of EWCs has increased. Negotiating functions are used in a very pragmatic way: a meeting with the management of the undertaking can be closed with a common appeal or with the joint texts or suspended between the common appeal and a written agreement. Despite this generally unpromising formal context, a number of EWCs have developed a negotiating role.

Since the enforcement of the EWC directive in 1996, 940 companies have established an active EWC covering up to 15 million workers. Certainly EWCs are currently the only relevant employee institution capable of living up to the challenge of transnational restructuring and industrial change, they have therefore an essential role to play in anticipating and managing restructuring operations.

The majority of EWC agreements actually include issues such a mergers, transfers of production, closures on the list of topics employees' representatives are to be informed and consulted on. It seems that on paper EWCs are well equipped to be informed and consulted regularly on restructuring-related issues. EWCs are found useful by the large majority of worker representatives, who, however, want a stronger and more reliable role for the EWCs. According to a recent research with

EWC members, however, the information and consultation on crucial issues, like restructuring, mergers or take over, took rarely place before decisions were implemented; employees were usually not consulted or only after the decision was already made public. This is an extremely critical aspect if we consider that European companies, especially those forming part of major industrial groups, are involved in incisive and rapid restructuring programmes with direct consequences on the conditions of employees and for the stability of the relationship between management, employees representatives and employees. The anticipation is crucial for socially responsible changes. The earlier employees representatives receive information on restructuring measures planned by management, the less costly the economic and social consequences of restructuring are bound to be.

The Revised European Works Councils Directive

The recognition of the limits of Directive 94/45 and the deficient application by companies who were obliged to follow its provisions, together with the need to strengthen transnational representation of employees led to long-lasting discussions between Trade Unions, Employers and the EU on how best to revise the Directive. Revision of Directive 94/45, a possibility included in article 15 of the Directive itself, has been repeatedly called for by the European Economic and Social Committee (EESC), the European Parliament (EP), the European Confederation of Unions (CES). UNICE (now *Business Europe*) was opposed to any revision of the Directive.

In July 2008, for example, the European Commission put before the European Parliament a precise request to amend Directive 94/45 through a new directive, to allow EWCs to fully carry out their functions in order to enable the development of authentic transnational dialogue. Furthermore, the Commission stated that the current situation was making EWC's transnational rights of information and consultation ineffective. After the decisions of the European Council in December 2008 and subsequently of the European Parliament, the EWC directive was substantially strengthened on a number of points.

First of all, it is particularly important to consider the objectives reported in the preamble that points out that the reading of this text proves to be rather disappointing. The objective of this new Directive, is, first of all, «to ensure the effectiveness of employees' transnational information and consultation rights»; further reported objectives concern «increasing the proportion of European Works Councils»; «solving the problems encountered in the practical application of Directive 94/45/EC and remedying the lack of legal certainty resulting from some of its provisions or from the absence of certain provisions»; «ensuring that Community legislative instruments on information and consultation of employees are better linked».

The first new element concerns the determination of the EWCs competence that shall be explicitly considered to be «transnational issues». Other elements «concern the Community-scale undertaking or Community-scale group of undertakings as a whole, or at least two undertakings or establishments of the undertakings or group situated in two different Member States.». This is a narrow definition (which introduction depends on the acquired position, with regard to *Business Europe*) that does not make it possible to recognize the EWCs' components about the national issues that have an impact at transnational level; a possibility, this last one, provided for in the preamble of the Directive, which is a major opening. On a basis of point 16, for this purpose, matters which concern the entire undertaking or group or at least two Member States are considered to be transnational (like repeat Article 1, point 4) but also those «important for the European workforce in terms of the scope of their potential effects or which involve transfers of activities between Member States». The narrowest definition in the text appears to be coherent with the definition of the Directive about relations between EWC and bodies of employees' representatives at national level and about a provided coordination between the rights to information and to consultation of employees of the first ones and the second ones (Article 6 (2) (c)). On the basis of the institutive agreement of EWCs that shall define the modality of the coordination between the information and the consultation of the committee and the organs of national employees' representatives «in regard of the principles

of Article 1 (3)» (in regard of the rule of EWC's limitation and competence that concern just transnational issues), the Directive divides the competences of the structures of employees' representatives at national and transnational level (EWC). The delimitation of the competence ranges doesn't seem appropriate if we consider that to make information and consultation practices more fluid, the competences of national as well as transnational representatives should be well developed both at national and international level.

The second new element concerns the definition of information and consultation. In the original version of the Directive about EWCs, there is no definition of information and the definition of consultation has only a laconic meaning without a chance to remove a possible problem in the decision-making process in undertaking. The Directive 94/45 has defined this last one as follows: «an exchange of views means either the introduction of dialogue between employees' representatives and central management or any more appropriate level of management».

On the contrary, in the Directive 2001/86 (on the involvement of employees in a European Company, SE), 2003/72 (on the involvement of employees in a European Cooperative Society, SCE), and 2002/14 (establishing a general legal framework for information and consultation rights for employees) the procedures for information and consultation must be implemented in a timely manner and, in certain specific cases, may be implemented by employees' representatives themselves, so that they may play an active role in the company's decision-making process. In this way the procedures for information and consultation are intended not only to inform employees' representatives about the decisions the company has already made on its own behalf about significant measures such as transnational restructuring of company but above all to actively involve those representatives and to allow them to exert influence on those very decisions.

At the time of Directive 94/45/EC's adoption, the Union did not dispose of other norms about employees involvement. The Directive 2001/86/EC (as well as the Directive 2003/72/EC), states that the consultation took place «in dependence on time, method and contents and that it allows all employees' representatives to

express, on the basis of the information received the opinion - that concerns the measures provided by the relevant body – they can develop during the decision-making process»; and therefore the notion of consultation means the effective involvement of employees during the decision-making process of undertaking.

The definition of information establishes, on the other hand that information has to occur «according to time, method and contents and allowing employees' representatives to proceed for a valuation of the eventual impact and in the case consultations with competent bodies should be organised». Consequently a sequence of participative moments is constructed where the first segment – that regards information – can be developed following the same features of consultation segment, since it's potentially better able to affect the decision-making process of undertaking.

These are two definitions included in the Directive 2009/38/EC. Probably this is the most appreciated element of the Directive 2009/38/EC which the Italian Legislative Decree, that is the transposition of the Directive of 1994 (Legislative Decree n. 74 of 2002) must take into account in adopting the most concise definition of consultation included in the 1994 Community text; while as for information, the legislative decree n. 74 of 2002 introduced a very minimal definition in terms of «supply of data, and new elements». The adaptation to a new community legislation will surely impose an amplification of both notions to enforce the rights to information and to consultation.

The relationship between the EWC and the trade union organisations

One difference between Directive 94/45 on EWC and the directives on SE and SCE is concern formal recognition of trade union organisations. In the last two directives, unlike that on EWC, employees organisations enjoy full legal rights to participate in negotiations. This element was at the centre of proposals to amend Directive 94/45, as well as in the framework of the most recent agreements on renewing EWCs. If trade unions today are aiming to achieve a more extensive impact on the process of transformation of the global economy, they should be actively involved in such a process of transformation. It means that trade unions

should accompany structural change while shifting responsibilities and supportive capacities from the national to the European level, while integrating European structures and activities within a wider range of trade union practices. The EWCs themselves prompted national trade unions to adapt and europeanise their structures and strategies. Trade unions could undergo internal structural changes such as the extension of international departments; the setting up of new European departments; the establishment of cross-departmental EWC task forces and projects. These developments can initially be taken as indicators for a general pro-European strategic re-orientation of national trade unions. However, the establishment of new institutional arrangements or the strengthening of already existing ones does not in itself suffice to speak of an emerging europeanisation of national trade union agendas.

The local trade unionists could also use the information obtained at European level through the EWC to further their national or even plant-centred interests. Instead of becoming a pan-European vehicle for employee and trade union cooperation in order to combat competition, the EWCs themselves become one of the major carriers of a new competition regime. It is unclear, however, whether employee representatives use the information obtained at European level at the national level to pursue national egoistic objectives, or whether the national arena is merely still the only place in which they can and do use such information, since the EWC has yet to develop into a negotiating platform.

Particularly in the more advanced developmental stages of an EWC, trade union support needs to assume a more explicitly political role in helping to shape EWC policies vis-à-vis management. However, there are important discrepancies between trade unions' ability to provide technical and organisational assistance during the foundation period of EWCs and their ability to sustain regular support at later stages of the EWCs' work.

It's also true that unions increasingly see the usefulness of the EWC as a source of information and, at times, as a place of coordination. Indeed, the union organisations may need the information that is provided during the meetings with the management and also the information on the union situation in other countries.

Furthermore, the EWC can help them organise the European-wide union actions, as has happened for instance, in the case of Ford, General Motors and Fiat where the unions - in this case the European Metalworkers Federation - called industrial action in response to the strategic choices of the central management.

It's mainly the European Metalworkers Federation that is developing a policy aiming at consolidating the rule of trade union in the EWCs, encouraging the cooperation between this one and the European Federations. It cannot thus be excluded that the European trade union federations, in cooperation with the national unions, may attempt to use the EWC more effectively in order to conquer a European- level bargaining function, above all within the scope of restructuring processes. Hence, by recognising the potential of this new representation instrument at European level some unions have started to change their strategy towards the EWC by investing more in this new body.

6. The “season” of participation in Italy

The new Directive 2009/38 encourages management and labour to reflect upon the participation value in a moment in which Italy is also developing a participatory inclination of industrial relations. An example of that is the signing of a joint advice on participation, signed on 9th December 2009 but also in the issuing of a Code of Participation. Through the common notification, the social parties left the Ministry of Labour and Social Policies the task to introduce a normative framework, to monitor good practices of participatory experiences and to draw a first Code of Participation that the Italian Minister of Labour and Social Policies himself has diffused.

For the first time parties have agreed on a common and valuable platform to promote the economy of participation, a solution that can «conciliare la solidarietà tipica del modello sociale europeo con l'efficienza richiesta dalla competizione globale». The economy of participation that appears on the background of these interventions shall be characterized by the simultaneous presence of undertaking

models attentive to the value of the person, trade unions that are active players of the development and entrepreneurs that consider the diffusion of welfare an added value for productivity growth.

The Code of participation is a result of a common vision and will intervene on a matter considered essential for «la solidità competitiva del sistema produttivo e del rispetto e della valorizzazione della persona che lavora». It is an open document that includes a reasoned collection of current norms, not just in Italy, and of some good practices in the area of participation. The participation shall be understood in general terms, including both the rights to information and to consultation of employees and the financial participation.

As for the rights to information and to consultation, the common notification that wants to reinforce it laid the foundation for the implementation of a new Directive 2009/38. On June 7th, the Italian trade union confederations CGIL, CISL and UIL wrote a joint letter to CONFINDUSTRIA calling for a meeting to deal with the text of the new directive in order to define, if possible, a common position on its implementation by the deadline of 5th June 2011.

In reality, the national collective contracts apply the community law interpreting the subsidiarity to improve transposition laws. This can also be seen, for example, in engineering contracts where the parties agree on the opportunity to build a Working Group that analyses the discipline (the Directive 2009/38) on the purpose of supply a valid contribution to confederations during the phase of implementation. As for the contract of the sector of telecommunications a competent forum for participation will be set up.

These ideas fit in a virtuous context. On the basis of the Italian legislation 46 EWCs have been established. The ratio between the number of Italian undertakings that go under the Directive about EWCs and the total number of agreements, is above the European average. In Europe, the undertakings that could potentially be included in the Directive are about 2.200 but at the moment result established about 940 EWCs.

Data show that Italy is a virtuous model, close to French and German standards. However in some undertakings, the EWC has never been established because of

the difficulties to sign constitutive agreement as in the case of Telecom and Intesa S. Paolo. In other situations the EWC has been established but then weakened after the sector crisis and the successive restructurings due to non-collaborative management behaviour.

A brief review of the most virtuous recently signed agreements is useful because it demonstrates the evolution of the right to information and to consultation in the undertakings with an Italian parent company, strengthening the idea that social dialogue is a key factor.

One of the agreements of the last generation that better interpret the relevance of the EWC is the one establishing the EWC Enel, signed in 2008. In this case «the Enel company philosophy provides for high-quality industrial relations [...] with a view to seeking possible points of convergence between the Parties, while respecting their respective roles and related responsibilities».

In the Enel agreement, the willingness to insert the European employees' representation into the picture of industrial relations and the social strategy of the Group is extremely important. This agreement presents again the definition of information and consultation included in the Directive 2009/38 and it also «enables employee representatives to express their opinions».

The consultation phase is characterized by verbal management and communication, both in competition, and by employees' representatives activities successively approved by the Management and the Select Committee. A positive judgment must be expressed also in the case of the Unicredit Group. The agreement, signed on 26th January 2007 is widely considered one of the best in force in Italy and it recognises the rights of the approximately 147,000 employees of the Group to enjoy constructive dialogue and exchange of views with the Group Management on a range of issues including the restructuring of Group activities across Europe which is currently taking place and which will be accelerated in the coming months. In the preamble to the agreement UniCredit Group commits itself to adhere to the culture, principles and values of Corporate Social Responsibility, an issue that was absent from EWC agreements stipulated before 2009. The preamble cites the agreement on Corporate Social

Responsibility signed with Italian Trade Union Organisations (16 June 2004). Also in the preamble UniCredit expressly recognises the importance of spreading good social practices within the Group. This is an absolute innovation for Europe, and particularly important for a group like UniCredit, which operates in many countries where social protection legislation is still insubstantial or weak.

Moreover, the agreement includes definitions of information and consultation which are far more precise and carefully analysed than those contained in the other agreements in force in Europe and in Directive 94/45 itself.

These agreements concern the rights to information and consultation which establish a modality of participation to the undertaking life. As stated above, Italy is experiencing an intense period of change of another participation typology, the financial participation, that requires the economic involvement of workers to the undertaking destiny. While in other European countries the legislation regarding financial participation was introduced some time ago, in Italy there is not an organic legislation yet. The topic of share ownership by employees is still regulated by outdated laws that have been supplemented by a few sporadic provisions lacking the organic features that legislative regulation should possess. However, a number of bills have been presented in Parliament, during the XVI legislation that tries to fill this gap from a different perspective. The Parliament Procedure was blocked. Precisely, in September the Minister of Labour has opened a negotiating table in order for social partners to reach an agreement on a joint advice where the guidelines were introduced to develop a legislation favorable to workers financial participation. It was not easy to obtain an immediate result. Particularly because the financial participation interferes with numerous issues, among which the most problematic is its link to participation in decision-making processes. The Italian confederation of employers, Confindustria, doesn't accept the opportunity for shareholding employees to take part, with voting power, in shareholders' meetings, and the inclusion of their representatives in the company boards.

In this way social partners through Joint Advice of 9 December managed to obtain a more complete work platform. Through the emanation of the Code it should be

possible to reason on the basis of the legislation in force and the best Italian practices that must be increased.

Among several examples there is the case of Gucci that deserves particular attention. The Gucci group, a famous Italian textiles and garment company specialising in the production of purses and other leather products, has a major economic importance for the Florence area and has a long tradition of participative industrial relations. On 28th February 2000, the Gucci management, the commerce and textiles sectorial organisations affiliated to the Cgil, Cisl and Uil trade union confederations signed an Employee Share Ownership Plan (ESOP) agreement, defining the terms of workers' participation in the ownership of Gucci. Under the agreement, all Gucci employees, including homeworkers, could purchase the company's shares using their end-of-service allowance (*trattamento di fine rapporto*, Tfr, – a part of pay set aside and paid to the employee at the end of the employment relationship) and a portion, or all, of their performance-related pay. The agreement also establishes the introduction of an employee shareholder association (membership of which will be obligatory for those purchasing shares), legally recognised by the ownership as representing its members and having the necessary qualifications to represent them during general meetings of shareholders. Thanks to the new agreement, the Gucci group has reacted to the take-over of another undertaking avoiding consequences of the restructuration.

Then there are also some cases of financial participation schemes which have been introduced in connection with the process of privatization of public enterprise.

In Italy the interest in the topic has grown during the last years thanks to impulse of the European Community, on the basis that new productive models require a high level of the involvement and employees' cooperation. These best practices and the dynamism of social partners about the participation issues prove that the current moment is favorable for the introduction of legislative changes about EWCs, and at the same time to the financial participation. It means that changes due to the new position of the social partners targeted to the construction of more

collaborative industrial relations. The involvement of the employees is fundamental to reach this goal.

7. Good practices and policy recommendations

EWCs represent an important element in the European social architecture. Research about good practices shows that in some cases, «EWCs encourage a collaborative style of company management that benefits from the institutionalised organisation of labour voice at trans-national level»¹ and they are recognised as an integral part of the corporate structure that is essential for the successful and sustainable management of a company. We can consider that the most competitive undertakings are those that are able to anticipate changes. The current crisis has a global dimension and company restructurings cover more and more a very wide area and include all major changes taking place within the company that have important effects on working conditions and often, involving job losses. It is easy to guess how the bodies representing employees at trans-national level must be organized in an effective way to have an impact on working decisions. High quality and timely information is the most tangible achievement of the European Works Council: the possibility to receive timely information from companies across Europe, means they are able to negotiate more, irrespective of the level at which these subsequent negotiations are taking place.

Moreover, it is widely recognized that the employee involvement leads to more social harmony and higher production. The experience demonstrates that employees are willing to make a positive contribution to change management if they are pro-actively informed and also consulted about management decisions of the management and relative social measures.

(¹) Cfr. S. Vitols, *European Works Councils: an assessment of their social welfare impact*, Working Paper 04/2009, ETUI.

We saw that EWCs still represent a weak point at a normative and practical level and it's obvious that this instrument has to be developed, especially making good use of the new Directive.

The potential role of an EWC is based principally on the relevant provisions of the agreement establishing that EWCs but, there is not necessarily a direct link between the quality of the agreement and the working of EWCs.

The analysis of the practice of EWCs must take into account the complex and interdependent relationship between the development of EWCs and the variety of external and internal factors impinging on this process. The constitution of EWCs is the result of the dynamic interplay of EWC: internal interaction process and the related actions of other actors (management, national representation structures and trade unions) which take place in a specific set of structural framework conditions. The typology of EWCs is based on their capacity to act as the result of the dynamic interplay of the fields of interaction. On this basis, it is possible to identify four ideal types of EWCs: the symbolic EWC, the service-oriented EWC, the project-oriented EWC and the participation-oriented EWC. These ideal types represent different developmental stages ranging from a symbolic EWC which merely exists on paper to a participation-oriented EWC which shows the strongest signs of internal cohesion and is recognised by management as an autonomous actor.

However, it should be noted that the different ideal types are presented as analytical tools in order to categorise the observed modes of operation of EWCs, but do not represent a strict linear sequence of developmental stages. A number of EWCs have in fact been able to ensure that employment and social aspects are taken into account in restructuring proceeding in the direction of participation orientation without having first been a project participation-oriented. On the one hand the different types are based on the process of the EWCs' constitution and on the other hand they are based on the interests and the behaviour of the actors involved in the interaction processes of the EWCs. The fundamental factors for the development of more proactive EWCs are the company history and company

industrial relations along with the influence of national industrial relations and in particular experiences with company employee representation.

As stated above, the restructuration became the principal field of action of the EWCs. In this field some EWCs have demonstrated to be an instrument of a social dialogue that is essential to get acceptable working conditions, and have come to take on a negotiating role, often with the support of the trade unions. They have thus become an aspect of good business management practice and have acquired a crucial position in the architecture of companies. Thanks to a joint effort by all parties involved in EWC activities, social relations have been stabilised, particularly at the most difficult times such as restructuring, relocation and plant closures associated with these developments. By reading joint texts, declarations, or agreements between the management and EWCs, it can be observed what the most advanced expression of EWC involvement in company restructuring is, underlining that EWCs can be used as a forum for the negotiation of mutually beneficial solutions to the problems raised by restructuring. One of the best practices that caused a great stir in Italy, concerning EWCs' performance in restructuring, is the Electrolux-Zanussi case, a Swedish multinational company which, in February 2008, announced restructuring plans involving the closure of a plant in Italy near Scandicci to concentrate production. The Group has developed over the years an industrial relations system based on a number of specific information and consultation procedures. An uncommon feature of these procedures concerned an "investigative procedure" phase, during which the company showed its willingness to consider alternative use for the closure of the plant. The number of meetings held between the parties, and the quality of information and dialogue, are believed to have favoured an agreement on the management of the restructuring process to ensure the largest possible re-employment of redundant workers. The Trade Unions also facilitated the agreement with Energia Futura, a company operating in the alternative energies sector, which guaranteed employment of 370 workers previously employed by Electrolux, the maintenance of the conditions stipulated by the collective agreement for the metalworking sector, the continuation of previous wage levels.

For the other workers who were not re-employed, Electrolux, created an outplacement service available to help their re-employment.

Another fitting example about the efficacy of EWCs that represents a good consolidated practice, is the EWC General Motors, which is today affected by drastic workforce cuts reflecting the general problems faced by the car manufacturing sector. GM Europe began restructuring its European operations «in the light of an increasingly competitive environment in Europe and decreasing market shares, as well as over-capacities and profitability problems». These operations could be considered as cost-cutting strategies consisting in setting-up new production plants in Eastern Europe and increasing competition between the different plants. In December 2000 GM Europe told the GME – European Employees Forum (the EWC of GM's European subsidiaries) of plans to cut 6.000 jobs across Europe. Management violated both the EWCs Directive and the General Motors EWC Agreement which require timely and complete information to be given to the EWC. The incomplete and late information delivered to the EEF did not allow for a meaningful information and consultation procedure. With the aim of securing a framework agreement covering all sites, the EEF closely cooperated with the European Metalworkers Federation (EMF), as well as with local unions and works councils called a “Day of Action” to put pressure to management to come to the negotiating table, mobilizing 40.000 workers from many different GM plants (UK, Germany, Belgium, Spain and Portugal). With plans for more industrial action in the pipeline management agreed to negotiate and a framework agreement on restructuring was signed. The EWC presented a list of demands which included: no closures or forced redundancy; transferred workers to maintain all their benefits; job cuts only on the basis of voluntary agreement or early retirement; improved productivity through product and sales campaigns; all existing agreements to be honoured.

Another European Framework Agreement concerning restructuring was concluded in December 2004. The agreement consists of, on the one hand, basic rules and norms to be taken into account in the implementation process, and on the other hand, a code of conduct setting the way in which both parties should

proceed with this implementation. Both the EEF and EMF recognized in this agreement the economic problems faced by GME and in general support the need for the restructuring, but «the agreement reaffirms the ‘no forced redundancies’ and ‘no plant closures’ principles of the previous agreements signed at GME. The burden of restructuring is to be shared by all the sites and restructuring is to be constantly negotiated with representatives of the employees». The framework agreement could not prevent job cuts from being implemented, but it guaranteed that the restructuring process would be managed in such a way to avoid plant closures and forced redundancies used as a last resort, outsourcing and by making use of various national schemes which allow workers to receive training or other help to find new jobs.

As the European framework agreements signed with management show, the EEF has adopted a very pro-active approach in tackling these restructuring plans showing its capacity to centralise workers’ interests beyond national borders into a common platform. But such a degree of cohesion could not have been reached without a close collaboration with the trade unions involved in GME, under the umbrella of the EMF coordination strategy.

It’s no coincidence that among the key indicators of good EWC practice, there is a strong labour relations culture and active trade union involvement in EWC, which also includes support from sectorial trade union organisations and their involvement in the development of concepts and strategies regarding EWC agenda and policy. It’s also important the embedding of EWC practice in local industrial relations structures and institutions, and a participative management culture and active involvement of management representatives in EWC practice, for example through joint preparation and feedback meetings.

Best practices show that the actions and the potential of EWCs are more efficient when integrated into a comprehensive trade union strategy, encouraging the various players, of all levels, to cooperate in the various stages of the process of transnational corporate restructuring. This requires the integration of EWCs into wider industrial relations networks, for the creation of truly European systems of industrial relations. There is a shared community of interests between the

company and its employees. It is the achievement of this harmonisation between individual and collective interests which must be the principal objective of EWCs: on one hand, there is the company as an entity in itself and also as an integral part of the society in which it operates and on the other hand, the employees who are the fulcrum of that society. And the activities which EWCs pursue must be creative, innovative and designed to reach agreements which facilitate the development of social dialogue.

Section IV

CONCLUSIONS: A SET OF CASE STUDIES, GOOD PRACTICES AND POLICY RECOMMENDATIONS

Part I

Prevention Management for Elderly Workers:
Organisational Implications and Stressors Detection

1. Work-related stress prevention

It is generally recognized that work-related stress prevention is a key challenge. Preventing work-related stress can include various measures which can be collective, individual or both. Measures for work-related stress prevention should involve a strong emphasis on the partnership between employers, employees and their representatives who need to develop effective and practicable solutions relevant to their particular organisation. These measures may be intended to prevent or eliminate identified stress factors or they can be part of an integrated stress policy that includes both preventive and responsive measures.

There are several actions that can be taken in order to prevent work related stress, in line with the requirements of the EU framework directive and of Article 152 of the Treaty of Amsterdam and the European framework agreement on work-related stress signed in 2004 by European social partners and implemented at national level (European social partners, 2004).

Approaches and initiatives dedicated to work related stress prevention are presented in the following paragraphs.

2. Preventive approaches to work related stress

Organisational measures aimed at work related stress prevention

Organisational measures and initiatives can be very effective in preventing work related stress. For instance, organisational change and job redesign, aiming at enhancing the degree to which individuals have discretion and choice in their work and avoiding over or under workload can be very effective in reducing the impact of stressors (Health and Safety executive, 2003). Other approaches which have proven to be successful consist in doing analysis aimed at identifying the incidence, prevalence, severity and trends of work-related stressor exposures and their causes and health consequences in a specific organisational context, devising effective recruiting and job placement strategies to match individual profiles with job position (also in relation to potentially stressful situations) or to provide support with the transition into a new work environment; increasing employees participation to decision-making processes, implementing specific training programmes, informing employees when introducing a stress management / prevention programme in order to motivate individuals to participate; promoting reward or possibilities to career development, more flexible working hours... (Health and Safety executive, 2003).

A list of actions that can be undertaken in order to prevent stress related to work are reported below (European Commission, 2002):

- giving enough time to employees to satisfactorily carry out the assigned task and allow for recovery from especially demanding physical and mental task;
- giving the employee a clear job description in order to avoid conflicts with responsibilities;
- rewarding the employee for good job performance;
- providing the employee with the possibility to take part in the decision process and to complain and be seriously considered;
- Tasks should provide meaning, stimulation, a sense of completeness and be an opportunity to use employee's skills;

- harmonising employees' responsibility and authority;
- clarifying the organisation's goals and values and, if possible, adapting them to the employees' own goals and values;
- promoting the worker's control over the end product of his or her work;
- promoting tolerance, security and justice at the workplace;
- Opportunities for social interaction, including social support and help between fellow workers should be provided;
- eliminating harmful physical exposures;
- Ambiguity regarding job security and career development should be avoided; life-long learning and employability should be promoted;
- identifying failures, successes, and their causes and consequences in previous and future health action at the workplace; learning how to avoid failures and how to promote successes, for a step-by-step improvement of occupational environment and health.

The framework agreement on work-related stress mentioned above (European Social partners, 2004) introduces also some provisions to facilitate the enforcement of such measures. The agreement specifies that "when the required expertise at the workplace is insufficient, competent external expertise can be called upon, in accordance with European and national legislation, collective agreements and practices. Once in place, anti-stress measures should be regularly reviewed to assess their effectiveness, if they are making optimum use of resources, and are still appropriate or necessary".

The development of organisational measures aiming at reducing stress may also be supported, particularly in SMEs, by providing direct or indirect economic incentives for prevention measures. Such incentives could include a possible reduction in social contributions or insurance premiums depending on the investment made in improving the working environment and/or reducing accidents; economic aid for the introduction of health and safety management schemes; introduction of health and safety requirements into procedures for the award of public contracts (European Commission, 2007).

Finally, it is documented that enterprises investing in active prevention policies to protect the health of their workers obtain tangible results: reduction in costs arising from absenteeism, reduction in staff turnover, greater customer satisfaction, increased motivation, improved quality and enhanced company image. These positive effects can be reinforced by encouraging workers who work in a healthy environment to adopt lifestyles which improve their general state of health (European Commission, 2007). Moreover, these measures can be beneficial for the community surrounding the company, since there are successful examples of stakeholders involvement on organisational efforts to prevent stress at work. “Experiences with such interventions are generally very positive, not only for the employees and in terms of stress, health and well-being, but also for the function and success of work organisations, and for the community” (European Commission, 2002).

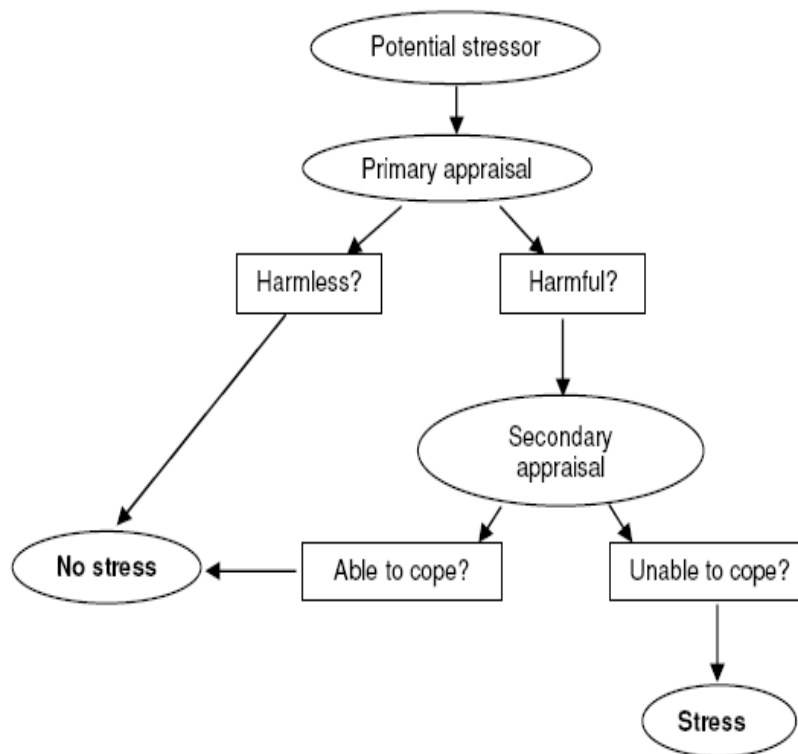
Individual coping strategies

Individual approaches to work-related stress prevention are often defined as **coping strategies** by the relevant literature. In the Anglo-Saxon context, people declare “they are coping”, meaning that they are able to deal with a perceived situation successfully. Cox (Cox, 2000) defines coping as ‘the cognitions and behaviour adopted by the individual, following the recognition of a stressful transaction’.

Lazarus and Folkman developed a model of individual coping strategies, which pinpointed the fundamental role of appraisals in order to cope with stress. Appraisals might be primary and secondary and influence individual reactions to stressors. Through primary appraisals employees assess whether a situation is harmful (in this context stressful) or not. Secondary appraisals are connected to the perception of one’s own capability to cope with the perceived stressor.

If the individual believes that he or she can deal with the potentially harmful event or situation, it will not experience high levels of stress. If, however, the individual believes he or she cannot cope with the situation, then this person will experience stress.

Figure 1: Appraisal model of stress and coping



There are several coping strategies which individuals can undertake. According to some research on health and safety at work promoted by the European Commission (European Commission, 2002), person-oriented or individual coping strategies may include: physical exercise and/or relaxation techniques, medication, counselling, and stress management. Relaxation techniques focusing on breathing and muscle calming activities to release tension, enable individuals to rationally adopt appropriate coping behaviour and take control of emotional behaviour (Health and Safety, 2003).

Also physical exercise and regular meditation have been reported to reduce stress, anxiety, tension and insomnia. Cognitive-Behavioural Therapy aiming at decreasing irrational thoughts by improving cognitive skills attempts to change individual thought processes to accept unpleasant experiences without trying to modify, prevent, or control them (Health and Safety, 2003). Training in time management may also be extremely beneficial for individuals, since it supports the development of skills in delegating, negotiating, goal setting and confronting

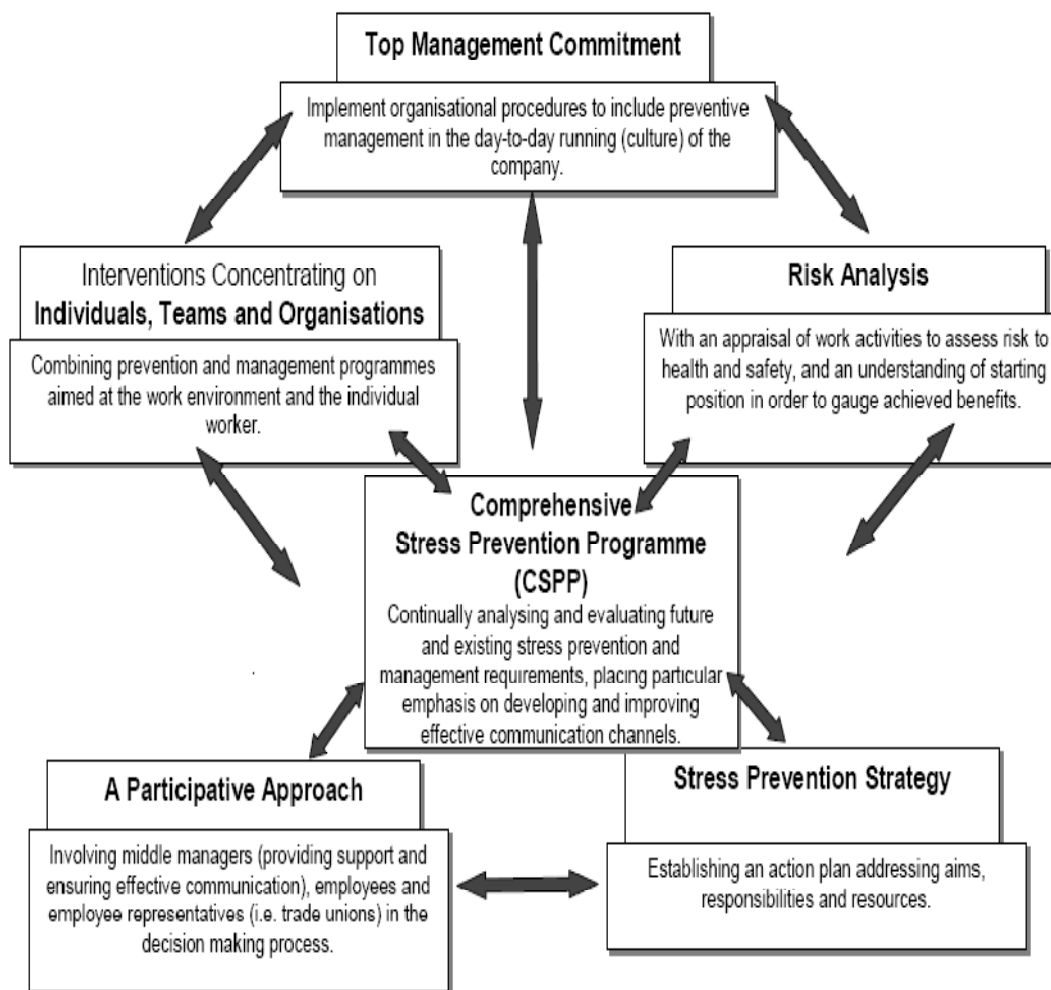
(Cartwright and Cooper, 1997). Biofeedback is usually combined with other interventions in order to provide participants with some information regarding the effectiveness of a stress management programme. Individuals learn to recognise and respond to measured data such as muscle and skin activity (Health and Safety, 2003).

3. The Good Practice Model in Stress Prevention

Based on the assumption that tackling work-related stress is a key challenge for both employer and employee, organisations as well as the UK Government and Health and Safety Executive (Health and Safety Executive, 2003) have adopted a partnership approach to tackle work-related stress. This led to the development of guidance and a model aimed at helping organisations to prevent and manage work-related stress.

This model emphasises the importance of effective collaboration between employees, employers, and their representatives in view of devising context-based solutions to work related stress. It focuses on key dimensions of work that, if properly managed, can help reduce work-related stress: top management commitment, risk analysis, stress prevention strategy, interventions focusing on individuals, teams, organisations, comprehensive stress prevention programme, a participative approach. This model is summarised in the following scheme:

Figure 2 :The Good Practice Model in Stress Prevention



Source: Health and Safety Executive 2003.

The key dimensions to be addressed according to this model are described in more details below:

- Senior Management Commitment (implementation of organizational procedures to include preventive management in the day-to-day running of the company).
- A Participative Approach (involving middle managers, employees and employee representatives in the decision-making process; providing support and ensuring effective communication).
- A comprehensive Stress Prevention Programme (continually analysing and evaluating future and existing stress prevention and management

requirements, placing particular emphasis on developing and improving effective communication channels).

- Stress Prevention Strategy (establishing an action plan addressing aims, responsibilities and resources).
- Risk Assessment (With an appraisal of work activities to assess risk to health and safety, and an understanding of starting position in order to gauge achieved benefits).
- Interventions concentrating on individuals, teams and organisations (combining prevention and management programmes in the work environment and for the individual worker).

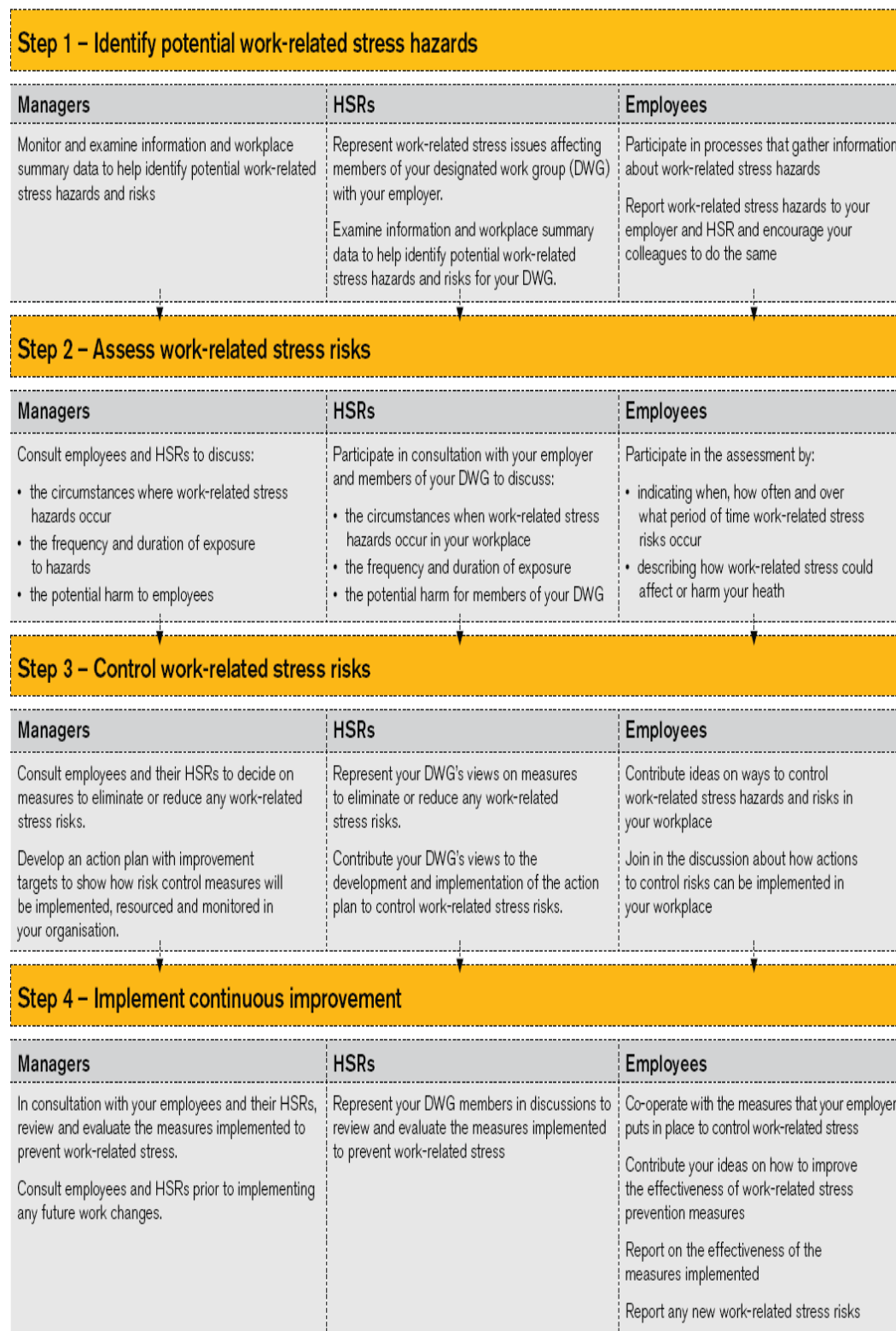
The risk management process

A systematic approach called “risk management process” is recommended for the prevention of work-related stress. (Work safe Victoria, 2009).

Employers must consult employees and must involve health and safety representatives (HSRs) on a range of matters, including hazard identification and risk assessment, when making decisions on how to control stress risks and when proposing workplace changes that may affect employees’ health and safety.

Consultation is essential to each step in the risk management process and each workplace party (managers, HSRs and employees) has an important role. How those roles can be performed is outlined in the diagram presented below.

Figure 3: Risk management process for the prevention of work-related stress.



Part II

Future development: best practices and final recommendations

1. Examples of good practices

The following examples of good practices have addressed the issues of work-related stress, aging workforce and restructuring by acting primarily in several areas, either in combination or separately:

- Preventing, managing and/or mitigating stress at work and related psycho-social issues (as a consequence of restructuring)
- rethinking the organisation of work, the division of tasks, and the use and availability of information technology;
- adapting working time schedules;
- providing adequate training
- informing and consulting workers prior to a restructuring process
- Providing individual support such as coaching or mentoring
- Foster research and policy advice on work-related stress
- Support the implementation of the European Framework agreement on work-related stress.

2. SSAB Tunnplåt: Occupational health and well-being

Background

SSAB Tunnplåt (SSAB Strip Products) is part of Swedish Steel (SSAB) and consists of two steel plants located in Luleå and Borlänge.

SSAB Tunnplåt's interest in ageing employees began over 15 years ago when a research study found that early retired workers had much better physical and mental health than those still working. In this context, the company focused their attention on how to improve health and well-being of older workers.

Company initiatives

SSAB Tunnplåt's initiatives (EMCC 2009) addressed three main areas:

- **Improvements of work environment and individual health check-ups :** Workplace lighting was improved, sight examinations were provided and employees were given spectacles for specialised work. Conference rooms were equipped with hearing loops for the hearing impaired and ergonomically unsuitable working places were rebuilt. Special devices for packaging steel coils and sheets, and for driving overhead cranes were introduced. These measures were combined with rotation at different work stations to avoid overstraining individual workers' muscles, joints and ligaments. Initiatives aimed at improving the general health of employees included individual health check-ups and rehabilitation.
- **Age dependent ability for shift work :** Attention was paid to understanding the different attitudes towards shift work between older and younger employees. Older workers often prefer few night shifts in succession, while younger workers generally have no difficulty with working night shifts. Thus, it is important to create an understanding between the age groups by making younger workers understand the biological differences between young and old, and by informing them about the medical problems that they could face in the future.
- **Union initiatives :** Unions and workers introduced several working teams aimed at constructing a good shift schedule taking into consideration older workers. The schedule was ultimately decided through a democratic process, including a trial run of each proposed schedule, an employee questionnaire, and an employee vote.

How work-related stress for older employees has been tackled

Working time is widely acknowledged in the literature as a potential stressor. This initiative allowed senior employees from the age of 58, to reduce working hours while maintaining their employment. After an initial transition period which might have been source of stress for some employees, they accepted the new working arrangements with a positive impact on their well-being.

Outcome

In addition to the ergonomic optimisation of the workplace, the individual health service, and good shift schedules, the option for older employees, at least from the age of 58, to reduce working hours was recognised as an important measure to keep these employees at work up to regular retirement age and foster their well-being and health. Employers were rather reluctant to reorganise work to allow half-time work but, over time, state regulations grew more flexible and the attitude of the company has softened. As a result, many older employees were able to work up to the regular retirement age.

3. DSM, Netherlands: A comprehensive approach***Background***

DSM (EMCC; 2009) is a large chemical company based in the south of the Netherlands. It is mainly an industrial company producing bulk chemicals. The company is the private successor of the former public Dutch State Mines and operates internationally. The Dutch unit, DSM Limburg BV, is situated in Geleen and, at the end of 2003, employed 5,083 workers, 83% of whom were male. Female employees mostly work in staff, they have administrative and supporting functions, and are under-represented in the workforce at the industrial sites.

DSM's workforce has continued to decrease in size: in 1995, the company employed about 12,000 workers; by 2000, it employed about 8,500 workers. The age profile of workers is rather unbalanced: some 69.2% of employees are over 40 years of age. The company's comprehensive personnel policy consists of

programmes aimed at life course issues, employability, flexible working hours, training and development, and adjustment of work practices, among other things. Social dialogue takes place at various levels of the organisation. In addition to the works councils at the different business units, a central works council at DSM Limburg also exists. Moreover, regular consultation and negotiation with trade union representatives takes place at the External Consultation Committee DSM (CEOD). The CEOD acts as a platform where negotiations on the collective labour agreement take place.

The initiative

In 1995, a significant ageing of the workforce was anticipated, which led to the development of an ‘age-awareness’ personnel policy. This resulted in an agreement between DSM and the trade unions to include a declaration of intent regarding age-awareness policies in the collective labour agreement of 1994–1996. A pilot programme was then initiated, which included various measures focused on changing attitudes and aspects of industrial relations. According to this programme, the projected age of exit from the company should be 65 years. The trade unions and works council were involved in the implementation and evaluation of the pilot programme.

The primary goal of the initiative was that employees should remain employable and motivated until retirement age. Employability over the complete work course was considered the shared responsibility of the employees and management. This policy was explicitly individual in that it recognised that business units have varying work capacities, functions and age profiles, and that the personal attitudes and ambitions of individual employees differ. To enable the CEOD to assess the effects of the policies before their full implementation, a pilot study was undertaken. The pilot consisted of three parts, all of which were based on a life course perspective:

First, all business units were asked to develop an age-awareness personnel policy within six months and to report the results every half year. An instrument to facilitate the development of these policies at business unit level was developed

centrally beforehand. The instrument prescribed that the following steps should be taken: a quantitative analysis of the current age profile of the workforce; an analysis of the future age profile in the case of an unchanged policy; the fixing of goals and required operations; periodical evaluation of the policy effects. A central role was given to career and performance reviews between line managers and employees in the second half of their careers. A comprehensive set of measures aimed at the continued employability of the worker was applied on the basis of these reviews.

Second, a pilot programme called ‘Stay Fit’ was introduced for all workers over 35 years of age. Courses were given to small groups of employees on life course issues in relation to work and private life. An analysis of employees’ attitudes towards work was carried out, to have an insight into their individual capacities and to develop a plan for the future to be discussed with their own line manager.

A third initiative was directed at the company’s fire department. This department faced a double problem of a strong emphasis on shift work and an age profile that was considerably older than that of the company as a whole. Here, individual reviews were made of workload and work capacity, in which the company’s medical service, the fire department chief, a human resource (HR) official and the individual employees took part.

Since the pilot initiatives in the 1990s, age-awareness policies at DSM continued to develop. However, expectations of the various pilot projects were high and, over time, the experiments were modified and aimed at a new policy of ‘streamlining’ careers. Such policies focused on the different phases of the work course (start, career, exit), and on maintaining a feasible balance of workload and work capacity. As before, however, expectations were high and the outcomes of the new policy were less favourable, as it appeared that the support of the workforce was lacking because ‘operators did not want to think about their careers’.

Other policies followed but also failed to succeed. A budget for the education of shift workers, paid for by the reduced shift-work surcharge, did not succeed because the government was not prepared to offer the requested tax facility.

Various streamlining policies also failed to meet expectations. A study conducted in 2000 among 10% of DSM employees showed that, although the number of planned courses was high, participation in these programmes declined among employees over 45 years of age. An evaluation of the pilot initiative regarding career and performance reviews showed that, although the reviews had been conducted, the available instruments were used less than expected. In the following years, a database of internal vacancies matched to internal candidates was published on the intranet. However, the database of candidates was considered to contain only less productive workers. The implementation of the Stay Fit programme was also largely unsuccessful: those who could benefit from the programme were already very demotivated, while workers who had good motivation levels did not take the initiative seriously. At a later stage, the pilot programme on a life course approach to work was also unsuccessful: initially, line managers disliked the 'label' of a policy aimed at older workers; then, when the label was abolished, the pilot was not recognised as being meaningful.

In 2000, a study on the position of older workers (Studieproject Positie Oudere Medewerkers – SPOM) was conducted by HR officials and line managers at DSM and by representatives of the workers. The study resulted in the publication of a report in 2001, which proposed an elaborate set of preventive, curative policies and cultural changes. The preventive policies centred on reviews and the interaction between line managers and employees – derived from one of the original pilot projects. The curative policies were reminiscent of the streamlining policies; while the policies aimed at cultural changes had also been tried before.

Once again, many of the new policies were not fully implemented. According to the expert on age-awareness policies at the Dutch employer organisation, AWWN, this was not due to the substance of the policies themselves: he argued that DSM's policies were among the best in the nation. Two factors seem to have resulted in the lack of success of these policies. First, DSM Limburg is experiencing a process of continuing reorganisation, which has resulted in an ongoing reduction of the workforce. DSM follows a policy that precludes expansion; therefore, it is difficult to consciously maintain an age-awareness policy. This lack of policy

contradicts demographic expectations. By 2012, the majority of older workers will have left DSM; therefore, recruitment and training of new personnel will be increasingly necessary over time.

A second issue relates to the position of human resources management (HRM), which seems to hinder the potential success of personnel policies. At DSM, the individual business units have decentralised financial responsibilities and devised their own personnel policies. HRM is ostensibly a centralised service unit that is not hierarchically placed above these business units. This fact, along with the continuing reduction of the workforce, means that line management at the business units appears to be unwilling to fully implement a personnel policy that contributes to the continued employability of older workers. Thus, HRM did not have the capacity to direct the action of line management in the plants. Nevertheless, the transferability of policies may be increased with the introduction of incentives and obligations aimed at increasing age awareness among line management. This requires, however, a stronger formal position for HRM functions in the company.

How work related stress for older employees has been tackled

This initiative focused on age awareness policies aiming at maintaining elderly workers motivation even in the framework of a continuing reduction of the workforce, in order to smooth the process of early retirement. Motivation is a key enabler (according to the literature and lessons learned from experience) to building individual capacity to cope with stressful situations.

Outcomes

Time and again, it appears that the policies proposed by the company's HRM and the trade unions are not fully implemented at the plants. Although the proposals are based on relatively comprehensive research, a gap seems to exist between policy formulation and actual implementation, something that seems to be related to the strategic position of HRM. This, together with the continuing reduction of the workforce, led to a situation where line management at the business units

appears to be unwilling to fully implement a personnel policy that contributes to the continued employability of older workers.

More recently, in 2005, the recommendations of the SPOM study have been included in the new collective labour agreement. DSM and the trade unions agreed that the policies proposed in 2000 are still feasible today. The full implementation of the SPOM recommendations failed in the past largely because of a lack of support at the plant level, whereas the renewed emphasis on the importance of age-awareness policies, coupled with the broad support that is now given to these policies in the company, may well contribute to their actual implementation at plant level. Encouraging greater support among line management officials, or placing an obligation on them to do so, may further improve policy implementation.

4. Siemens AS: Career mobility and ageing employees

Background

Siemens AS is one of Norway's leading electro-mechanical company and employs about 3,000 people at 26 sites throughout the country. About one third of the employees are engineers or engineering scientists, and 84% of the workforce is male. Siemens AS was established in Norway in 1898 and is a subsidiary company of the German concern, Siemens AG.

Towards the end of the 1980s the company became concerned about the ageing of its workforce. There was hardly any internal mobility. Some parts of the firm were in a steady market situation and employees tended to stagnate. The company wanted more mobility and development of employees, particularly among managerial staff. As a result, the company implemented a new career system in 1987. In order to advance, professionals did not need to take administrative responsibility. Siemens introduced the system of 'Constructive Management Mobility'.

The initiative

The two main programmes initiated by Siemens AS were (EMCC; 2009):

- **Constructive Management Mobility:** The department of Management Development and Training initiated and implemented several actions, including the development of a training programme for ‘Constructive Management Mobility’. This programme was established following advice from organisational psychologists and employee input. Mainly leaders in the 55-64 age group enrolled in the programme. It consists of three two-day meetings over a period of eight months, with a mixture of plenary sessions, group work and individual work. Between the first and second meeting, a four-hour dialogue with an organisational psychologist takes place, focusing on individual interests, options and resources. Between the second and third meeting there is an exchange with the personnel director on alternative job opportunities in the company. Each programme has 12 to 15 participants who belong to one of four small groups, so called coaching groups, throughout the process. The members of each group are recruited from different divisions of the company.
- **TIPTOP - Senior Resource :** In 1993 a similar programme for non-managerial staff was introduced: ‘TIPTOP - Senior Resource’. It consists of two seminars lasting two days each, and three seminars lasting one day each. There are about three weeks between each seminar and the whole programme lasts four months. Non-managerial staff with more than 10 years of experience are invited. Each programme has 12 to 15 participants and focuses on practical challenges at work and in working situations. Its aim is to improve competence and to give encouragement. This programme is not intended to increase mobility.
- **Active Reorientation Process :** In 1996, a programme for all employees, irrespective of age, was started. This is a one and a half-day seminar for all employees, and is part of the effort to create a learning organisation and to develop readiness for change.

How work related stress for older employees has been tackled

Siemens A.S. relied on the support of organisational psychologists and employees' input for its constructive Management Mobility programme. Moreover, a combination of actions have been implemented in order to foster employee's capability to cope with change: meetings with a mixture of plenary sessions, group work and individual work, dialogues with organisational psychologists coaching groups. It can be argued that this initiative focused on a multi-level strategy to prevent work related stress for older employees.

Outcomes

One year after completing the Constructive Management Mobility programme, two thirds of the participants experienced a major change in their job, i.e. they had new tasks or changed job. In some cases they moved to another division of the company. About 10% found a new job outside the company and only 3% took early retirement. Participants reported they have taken more responsibility for their own development, have increased their competence, and have become more open to change. The company considers participants to have improved their ability to work in teams, which they see as important for meeting future challenges. All this is expected to have a positive influence on employees capability to cope with stress.

5. Realkredit Danmark: Recruitment of employees over 50***Background***

Realkredit Danmark is one of Denmark's largest finance institutions with 1,200 employees, having an average age of 40 years in 1995. The firm's market share is 27% and has about 60,000 customers. In 1995, Realkredit Danmark received a prize for the high level of customer service and the high quality of the products.

In recent years, the sector faced an increasingly older workforce. Traditional solutions to solve this problem were based on early retirement and letting go of older employees.

Regulatory changes and low interest rates led to an increased demand in permanent staff. Furthermore, tasks changed over time requiring more direct customer service. Previously, only 30% of the customers were in direct contact with the bank, but with the new financial system about 56% of the customers started contacting the bank directly. Thus, it became important to have a broader age distribution of the staff, as the middle-aged and elderly customers usually preferred to talk with advisors of a similar age profile.

The initiative

Realkredit Danmark (EMCC; 2009) recruited employees aged 50 and over in order to:

- avail of the high level of unemployment within this age group;
- fill the need for more employees in direct customer service;
- increase the age distribution within the firm;
- take on those who would retire ‘naturally’ within a limited time period;
- match the age profile of the customers;
- facilitate more direct contact with customers;
- draw on their previous experience and training;
- gain local knowledge;
- achieve greater stability in the workplace;
- benefit from the employees’ ability to adapt quickly to the job.

After discussing the problem with senior members in the firm, the idea of recruiting workers aged 50 and over was suggested by the managing director. The managing director and the personnel manager planned the recruitment programme and introduced it to Realkredit.

The recruitment programme for employees aged 50 and over included:

- advertising in national newspapers;
- limited demands, special customer service and advice;

- fixed salary;
- recruitment procedure;
- induction period;
- education and training.

How work related stress for older employees has been tackled

The employer reported that the recruitment of older employees has been a success for both younger and older employees. Hard data collected over time corroborate this argument: very few of the 58 senior recruits have left the firm and most are well integrated, with positive impact on their well-being and a reduction of reported work-related stress after the initial transitional period.

Outcomes

About 1,400 applicants responded. The gender distribution was fifty-fifty and one third were not working. A total of 58 persons were recruited. The age distribution ranged from 48 to 59 years of age. After a short period of training they were allocated to 24 local offices throughout Denmark.

In the beginning, other employees' attitudes and reactions were moderate to negative, but after an introductory period attitudes became more positive. The permanent staff saw their new colleagues as very competent and with great ability to solve problems in new tasks.

Primarily the idea was to achieve greater flexibility within the firm. Realkredit Danmark believes that the recruitment of older employees has been a success both for younger and older employees. According to the figures provided by the company, very few of the 58 senior recruits have left the firm and most are well integrated.

6. The Thales-EMF agreement

Background

The Thales Group, headquartered in France, is active in the defence and aerospace industry where technological innovations have an immediate impact on the employability and prospects for career development of its labour force. In this context, in June 2009 the Thales Group and the EMF signed an agreement seeking to improve the professional development of the group's European employees. The group is composed of approximately 70,000 highly skilled workers, 50 per cent of whom are engineers.

The initiative

The Thales-EMF agreement has been reached in 2009 (International Labour Office, 2010). The agreement does not spell out restructuring measures, it functions as a tool for strengthening the future employability of workers within the Thales Group, notably by establishing an annual “anticipation process” linked to future employment prospects. This process includes individual interviews with all 70,000 employees that are organized annually in order to better understand the training needs of staff. A Thales “university” has also been established to provide training for workers to enable them to remain on top of technological innovation. In addition, the agreement includes measures on orientation, on-the-job learning, networking, intra-firm mobility, coaching, and mentoring. It also includes a collection and analysis of a number of advanced experiences in various countries which should guide management in the process of implementation of the agreement. Finally, it assigns monitoring responsibilities to the Thales Group EWC and contains a provision on effective coordination mechanisms between the Group level and the national entities.

How work related stress for older employees has been tackled

The Thales-EMF agreement can bring potential benefits to older employees in terms of reduced stress at work since it focuses on participation of employees to

strategic company choices, individual interviews, measures on orientation, on-the-job learning, networking, intra-firm mobility, coaching, and mentoring.

Outcomes

The Thales-EMF agreement is viewed by both signatory parties as a successful “anticipation” agreement to the extent that both workers and management participate in addressing the future needs of the company and possible labour force adjustments, following the evolution of technologies or market trends. At the moment Thales does not face significant difficulties resulting from the crisis and has not resorted to any retrenchment plan (unlike other companies in the metal industry). However, the agreement does already function as a cushion against any unexpected retrenchment due to the crisis, thus mitigating stress at work associated with the risk of sudden restructuring, particularly in relation to elderly workers.

7. The Prima-EF project

Background

Psychosocial Risk Management - European Framework (PRIMA-EF) is a collaborative project funded by the EC 6th Framework Programme focusing on the development of a European framework for psychosocial risk management with a special focus on work-related stress and workplace violence (including harassment, bullying and mobbing). More information can be found at the following url: <http://prima-ef.org/primaefproject.aspx>

The initiative

The project objectives were:

- Develop existing knowledge in reviewing available methodologies to evaluate the prevalence and impact of psychosocial risks at work and work-related stress;

- Identify appropriate means of collecting sensitive data in relation to these issues;
- Develop indicators on stress and violence at work in order to promote harmonisation in the area of psychosocial risk management and enhance best business practice;
- Develop detailed recommendations and evidence-based best-practice guidance on the management of these issues at the workplace to promote clarity and a unified European approach that will enable stakeholders to put these in practice to improve the quality of working life;
- Disseminate the results of the project to stakeholders and social partners including small and medium-sized enterprises (SMEs) in order to raise awareness and promote understanding, engagement and best practice in relation to the issues of concern.

The project placed special emphasis on high-risk worker groups and occupational sectors and addressed relevant gender issues and key issues relating to the implementation of best practice in the context of different enterprises and in particular SMEs. In addition, and in line with European policy on corporate social responsibility and social dialogue, the project engaged with social partners throughout its implementation and linked the project outcomes to these principles. The results have been disseminated widely with the support of the WHO and the PRIMA consortium. In addition, the consortium worked in synergy with partners in candidate and third countries and national regulatory bodies to ensure a wide impact of the project outcomes.

How work related stress for older employees has been tackled

The PRIMA-EF project developed methodologies to evaluate the prevalence and impact of psychosocial risks at work and work-related stress, indicators on stress and violence at work, detailed recommendations and evidence-based best-practice guidance placing a special emphasis on high-risk worker groups, including older employees.

Outcomes

The results of the project has been disseminated widely through this website, reports, guidelines, workshops, scientific publications, presentations at scientific conferences, to stakeholders and social partners including small and medium-sized enterprises (SMEs). This has been achieved with the support of the WHO and ILO and their associated networks.

The PRIMA consortium has developed international standards, best-practice guidance and awareness campaigns on the subject. This research promoted the translation of knowledge on mental health and psychological well-being into policy and practice, not only across Europe but also internationally. The project outcomes shaped the EC and WHO strategies for the promotion of well-being at work and made a real difference at the workplace level. The specific results of the project were:

- Preliminary Report: Towards the Development of a European Framework for Psychosocial Risk Management at the Workplace;
- Inventory of Best Practice: Interventions for work-related stress, violence and bullying at the workplace;
- PRIMA-EF Guide: Guidance on the European Framework for Psychosocial Risk Management: A Resource for Employers and Worker Representatives. WHO Protecting Workers' Health Series No. 9;
- Guidance Sheets: User-friendly guidelines on ten key areas of the project relating to psychosocial risk management;
- PRIMA-EF Book: The European Framework for Psychosocial Risk Management: PRIMA-EF.

8. CEZ Bulgaria AD***Background***

At the end of 2004 the Bulgarian state-owned electricity distribution and transmission companies, covering the whole of Bulgaria, were privatised as three

partly or wholly foreign-owned companies – EVN, E.ON and CEZ Bulgaria AD – in a drive to improve efficiency and profitability. This case study covers the restructuring of CEZ Bulgaria AD in which equity ownership is now 67% Czech and 33% Bulgarian. The company covers parts of the Yugozapaden region in South-Western Bulgaria, including the Sofia District and the city of Sofia, as well as the town of Pleven in the North-West region of Severozapaden. Redundancies were first announced in October 2006, but the restructuring process is still ongoing. Before restructuring began, the company had 4,700 employees. By 2009, this number had fallen to 3,650 employees.

The initiative

According to the Labour Code in Bulgaria, employers must inform worker representatives and trade unions at least 45 days before any organisational changes take place, and they must also inform the appropriate governmental institutions, such as the employment agency, within three days of the trade unions being informed, and at least 30 days before any redundancies take place. The information presented to trade unions and the employment agency must include the reasons for the restructuring, a description of the proposed new organisation, the criteria for the selection of employees to be made redundant, the timing of the redundancies and the measures the employer intends to take in order to limit the negative impact on redundant employees. Such measures could include the relocation of workers to vacant positions within the company group, outsourcing to external service providers, and training and redundancy payments.

Organizational changes need to be carefully planned and approved by the managing bodies of the companies. Trade union representatives can express their views, and some amendments may result from these consultations, but the employer retains the right to implement the changes they wish to make.

The process of restructuring and the related information and consultation of employees have to proceed in accordance with the Labour Code and the Collective Labour Agreement (CLA). Under the latter, the company must, at the beginning of the year, inform its trade unions about any organisational changes

planned throughout the current year. The role of trade unions in this process is to inform the involved employees and ensure that their legal rights are protected. In addition, consultations with the employment agency must be held.

In this case, the company has, since privatisation, organised a number of ‘road shows’ to inform employees of proposed changes, including the presentation of the new organisational structures, how these will affect the employees, what the effects will be on the workforce, and what measures will be taken to minimize the effects of redundancies.

Prior to any redundancy, all vacant positions within the group were posted on information boards and on the company’s intranet site, and all employees whose workplaces were to be downsized were invited to apply. Recruitment and selection then followed the normal procedure with approved candidates being offered a suitable position within the group.

If training was required for a new job, the company provided it. Additionally, a relocation programme was put in place to provide financial support for 12 months in cases where an employee was relocated to another town. In the case of redundancies related to outsourcing, all redundant workers were invited to apply for a job at the new supplier.

Employees who are made redundant could also choose from a range of training courses aimed at upgrading their qualifications and helping them to find a new job, with BGN 100 (€51 as at 27 April 2009) allocated to each redundant employee for training. This training includes computer literacy programmes, language training and technical skills. Support was provided by the company’s HR personnel concerning the preparation of a CV, how and where to look for a job and how to present oneself at interview. Such ‘job mediation’ is a licensed service according to Bulgarian legislation, so the company was able to act as a recruitment agency, although contacts were limited to the company’s service providers, and to a number of partners in the Czech Republic. The National Employment Agency was actively involved in assisting employees who were made redundant and who registered with the agency. In this respect, it should be noted that, in Bulgaria, it is entirely at the company’s discretion whether it

provides support for workers who are made redundant. Moreover, support of the kind described above is uncommon.

How work related stress for older employees has been tackled

Although no specific measures were undertaken to mitigate work-related stress, it can be argued that a socially responsible restructuring, including training and job search support, as well as financial commitment to smooth transition to a new job can have a positive impact on employees (including elderly employees, i.e. the largest share of redundant workers) well-being.

Outcomes

The loss of jobs as a result of the privatization of the company was widely discussed in the media, and the outcome was generally seen as adversely affecting the company's image. However, the measures taken to reduce redundancies by offering other jobs within the company, and the size of the redundancy payments, were welcomed by both employees and the public at large. No information has been published by public authorities concerning the impact on employees or on the local economy, although it is recognised that, in small towns with high levels of unemployment, such a restructuring measure would have a major impact given the importance of the company as an employer. Information from the company suggests that the majority of the redundant employees found a job elsewhere.

9. Participative restructuring in the Florence leather district

Background

Until some decades ago, the area of Florence was characterized by many artisan workshops where leather goods, such as handbags, wallets, gloves, belts, and straps, were produced (Bagnara, Sebastiano, Carnevale Franco, Capacci Fabio, 2009). The workshops belonged to families that passed skills and businesses from generation to generation. However, over the last 50 years, leather goods started

being produced industrially and workshops were replaced by factories. By the end of the last century, leather factories went through a crisis. Industrial products turned out not to be good enough to justify high prizes, and the Florentine leather factories could not compete with the prices of products manufactured in other countries. A restructuring process involving the whole leather industrial district has been carried out recently in order to regain the evocative strength of the brand and the extraordinary quality of goods and to be again at the top of the luxury segment.

The initiative

Employment started to increase after a period of temporary layoffs. Nowadays, in the Florence area, there are not just a few leather factories, but 2.600 enterprises, employing more than 10.000 people. It is the *Florence leather district*.

Factory closures did not lead to a collapse of working conditions or of the health and safety system. The restructuring process had indeed strong positive effects. The inspections of the local Occupational Health and Safety Services identified unexpected improvements. Working conditions are up to the highest standard and are still improving. Such outcomes are very likely to be due to a side effect of branding policy. For a brand, the level of reputation is very valuable but it is also very fragile. The reputation of a brand may be questioned by lower quality products, or even destroyed if it enters into conflicts with widely recognized values. This is also the case when people become informed through the media that a brand product has been manufactured in unhealthy and unsafe conditions.

The stakeholders of a brand are well aware that the value of the products is highly dependent on reputation, and, for this reason, invest resources and make any effort to improve working conditions and the well-being of their workers. The prioritisation of improving health and safety at work within a comprehensive industrial and marketing strategy of the brand can be understood in the context of pursuing the aim to regain the top segment in the luxury market. For this reason companies applied to the ethical and environmental principles of Corporate Social Responsibility (SA 8000), and are certified for their compliance to them. Those

principles include the issues of health and safety at work and their application was not a mere formality, but rather an operating culture, based on continuous inspections and controls of all types of organisations, down to very small enterprises. The very same system used for quality control is also used for health and safety monitoring and improvement. Cascade restructuring allows the principles of CSR to come into operation at a level where they are very seldom applied. The proactive defence of a valuable brand, monitored throughout the world, led to safer and healthier working conditions. The initiative for the application to SA 8000 has been strongly promoted and supported by local authorities and social partners. Trade unions, while losing direct control at grass root level – because of the pulverisation of the workforce in hundreds of enterprises – entered into the process of policy building and of good practice implementation, playing an institutional role at the level of policy setting and decision making.

All together, the various stakeholders (brand owners, SMEs, SME associations, local authorities, and trade unions) set up a participative model, or, better, a good practice for restructuring that has shown very positive effects both on employment and on health and safety.

How work related stress for older employees has been tackled

A comprehensive evaluation of such a complex large scale restructuring process in terms of impact on elderly employees well being has not yet been undertaken yet. It would certainly be a rather complex, although worthwhile research, since it does not involve a single company but an entire industrial district. However, it should be pinpointed that the actors involved (employers in the first place, but also social partners and local authorities) acknowledged the assumption that people in transition through restructuring (mainly elderly employees, as discussed in the previous chapters of this report) deserve psychological, social and economic support. The participative systemic approach guided by a Corporate Social Responsibility framework presented in this practice allowed for improving

working conditions and controlling them at an unusual level for very small enterprises.

Outcomes

This initiative is rather peculiar for a number of reasons. Firstly, it indicates that restructuring is to be conceived as a prolonged process that may involve a large network or a cluster of SMEs. Secondly, it shows that restructuring can have positive outcomes for both employment, and health and safety. Thirdly, it stresses the critical value of ethics and social responsibility, which can be instrumental in establishing and keeping healthy and safe working conditions. Fourthly, it points out the role of the local administrations and SME associations in setting policies and supporting good practices in restructuring. Altogether, it suggests a participative practice to restructuring.

10. Systematise good practices

According to the PRIMA-EF Consortium (PRIMA-EF consortium, 2008), there are three levels of intervention (primary, secondary and tertiary) which might be considered in order to successfully achieve a preventive approach. These are listed below:

- the primary level should address the root causes of a potentially negative situation (primary prevention).
- the secondary level should focus on providing training to employers and employees in order to reduce or mitigate the impact of a potentially negative situation.
- the tertiary level is targeted to those that have suffered ill health as a result of a negative situation or event, and intends to provide them with resources to manage and reduce their respective effects.

Of course a combination of these levels is not only possible but also desirable, considering that usually preventive initiatives focus on more than one level of intervention.

On the other hand, it is possible to classify good practices on the basis of their focus or according to the issue they intend to tackle. Some of them are dedicated to elderly employees, some others have proven to be extremely beneficial for older workers but are not restricted to an age group. Some good practices focus more than others on socially responsible restructuring. Therefore it is possible to elaborate a matrix with a topography of the good practices presented:

Figure: Matrix illustrating an attempt to systematise the good practices identified

Type of intervention/Focus		Primary intervention	Secondary intervention	Tertiary intervention
Targeted to elderly workers	Socially responsible restructuring	- Realkredit Danmark - Siemens AS	- Siemens AS	- Realkredit Danmark
	Work related stress	- Siemens AS - DSM, Netherlands - SSAB Tunnplåt (Age dependent ability for shift work)	- Siemens AS	- DSM, Netherlands
Non age specific	Socially responsible restructuring	- The Thales-EMF agreement - CEZ Bulgaria AD	- The Thales-EMF agreement	- CEZ Bulgaria AD - Participative restructuring in the Florence leather district
	Work related stress	- The Prima-EF Project - SSAB Tunnplåt (Improvements of work environment) - operational guide for the evaluation of stress at work	- The Prima-EF Project - operational guide for the evaluation of stress at work	- The Prima-EF Project - operational guide for the evaluation of stress at work

Several practices have been included in more than one cell since they represent more than one level or type of intervention: as mentioned above, an element featuring good practices is the possibility to focus on more than one level of intervention and more than one issue at once in the framework of a comprehensive strategy.

It is worth mentioning that the majority of practices focus on primary and secondary intervention, although it is difficult to make a definitive statement since the sample of practices taken into consideration is clearly not statistically relevant. Moreover, although the declared aim of some of the good practices addressed might be primary intervention, they might pave the way also for tertiary interventions.

Part III

From analysis to action: the ELDERS recommendations

1. General recommendations

The analysis and review of national cases and good practices conducted in the framework of the ELDERS project led to the formulation of the following recommendations and priorities of action:

- One of the most evident result of the research carried out is that stress at work is a multi-dimensional phenomenon, including many issues, such as individual attitudes and coping strategies, work organisation (organisational settings, working time and workload management), information, communication and consultation of workers (particularly during restructuring processes), work-life balance, working conditions (workplace ergonomics, enforcement of health and safety provisions). As a consequence, there is not a “one size fits all” solution, and interventions should be as tailor made as possible to the specific context.
- Whereas a wealth of information and research exists on work-related stress, further research should be conducted on the specific impact of restructuring processes on elderly workers, particularly as far as work-related stress is concerned. Research should concentrate on works, practices, policies and case studies of successful stress prevention, management and mitigation of elderly workers in order to provide a baseline to assess improvement paths.
- In accordance with the lifelong learning paradigm formulated in many strategic statements of the European Commission and Member States,

training programmes on socially responsible restructuring with a specific focus on work related stress of elderly employees should be developed. These programmes could be beneficial in order to mitigate the impact of work related stress. Their impact and diffusion could be maximised relying on the support of state-of-the-art technologies.

- There is the need to focus on rewarding, monitoring and enforcing mechanisms, particularly at regional and company level in compliance with the European Framework agreement on work-related stress. The implementation reports elaborated by national and European social partners (European social partners, 2008), demonstrate that the agreement has brought an added value, as it has raised awareness about the importance of dealing with problems of work-related stress when they occur in the workplace. It has acted as a catalyst for action for social partners across Europe and contributed to tackling work-related stress as one of the most serious occupational health problems in the EU. With regard to future steps, European social partners will have to define how an assessment of the practical impact of the agreement can be undertaken jointly.
- The potential of preventing stress for elderly workers experiencing restructuring processes raises exponentially if an initiative is associated with support services, such as training, guidance, personalised counselling and if it is strongly supported by the management of the company, as well as social partners, stakeholders and decision makers, especially at local level.
- In order to ensure that policies and initiatives aimed at preventing, mitigating or managing stress for elderly workers experiencing restructuring processes are beneficial and suited to the individual needs, social dialogue is fundamental. Therefore the target groups and their representatives should be consulted and participate in the planning and development of any initiative from a very early stage. Moreover, it is fundamental to disseminate successful practices on socially responsible

restructuring with a specific focus on work-related stress of elderly employees at European, national and company level. Social partners play a key role in this respect.

- Most of the initiatives and good practices presented in this report and existing in the literature refer to restructuring processes undertaken in large companies (with the exception of the participative restructuring in the Florence leather district). This outcome is not surprising, since large companies can invest in preventive and mitigating measures more easily than SMEs. Nevertheless, there is the need to concentrate policies, innovative practices and research on effective and socially responsible approaches which can ease restructuring processes and preserve employees well-being into SMEs. Also in this case the role of public authorities and social partners is fundamental.
- As for Well-being & Stress Age management not only should a tool be designed to offer specific programmes for older employees (e.g. health programs, further training etc.) – but a broader approach is required to overcome stereotypes with respect to chronological age. As stereotypes are common for young as well as for older employees it is not sufficient to address only the group of older employees.
- As for restructurings: again, age *per se* does not seem to be a specific problem, since all employees irrespective of their age usually report higher stress and reduced well-being during restructurings. Exploratory data show that company communication policies have a big impact with respect to change management. Therefore, it is important that information on the goals of the change management process and the perceived influence on working environments is clearly communicated. Moreover, it is important that employees have the opportunity to bring in their experience as well as to express their wishes for and reservation against changes – i.e. that they are involved as actors and not only as recipients. Additionally with respect to new requirements due to changing working environments and/or tasks it

is important that employees are provided with appropriate offers (e.g. with respect to training etc.) and encouraged to participate.

- Older employees often have a different self-perception. They always justify themselves by saying: “training does not make sense because it is not necessary and/or does not pay off” Therefore, a combination of measures to raise the awareness about the importance and necessity of training, as well as offering reasonable pay-offs for training participation has the potential to increase their willingness to train.
- For most countries national regulations regarding retirement age, the relation between pension and wage before retirement, the general conditions of the labour market for older people etc. seem to have a bigger influence on the labour market participation of older people than their further-training rates. As the experience of Scandinavian countries and Switzerland shows, this does not mean that the efforts to significantly raise further training participation of older people will have no effect.
- The following areas would benefit from management and union partnership: enhanced adaptability, particularly in terms of learning opportunities; communication and support during periods of organisational change; flexible working and reduction in long working hours; age neutrality in terms of career development, learning and support.
- Furthermore, society should offer support for all employees going through restructuring. To improve the current system, it is important to evaluate its functioning: how well it is implemented and how effective it is in facing restructuring.
- Organisations should bear in mind that the way they treat elderly workers now, will affect the way young workers see them as potential employers and whether or not the valuable know-how of elderly employees is transferred to younger workers.

- OHS and other organisations should also evaluate their actions and see how well they are prepared to the challenge of restructuring, and if they have enough knowledge of the support systems.
- Elderly employees, like all employees, should make sure that their own work ability, their health, well-being and know-how is at the sufficient level, so that they can continue working even though the work is changing.

2. Possibilities of prevention for companies

• *Avoid lay-offs*

Companies should consider if downsizing and relocation into another country are really necessary and useful. If there is no threat of bankruptcy, but rather the intention of maximizing profits, the decision should be reconsidered and other measures can be found. Studies show that in many cases, the hoped-for benefits cannot be achieved and therefore such decisions should not be taken too quickly, especially because downsizing can reduce the productivity of the employees who remain in the company for years.

• *Transparent and consistent communication of the current decision processes*

The company's information policy plays a crucial role in times of operational changes. Unclear information contributes to the emergence of rumors and to an increase in perceived job insecurity. Clear and rapid internal information about changes can reduce uncertainty. Downsizing processes are frequently communicated inadequately or even inconsistently. It is also fundamental to inform the staff as early as possible whether or not they will be affected by dismissals. Security, no matter which way it goes, is less harmful than a constant situation of uncertainty.

- ***Comprehensible and fair decisions***

Comprehensibility in the case of staff reductions is very important, e.g. by helping employees understand the economic necessity and the decisions the company has taken. Negative effects of staff reductions can also be reduced by fair treatment of those affected. The involvement of employees in change processes and their feeling that the organisation decides on the basis of fair criteria who has to go and who stays, can have positive effects on the well-being of the affected as well as of those who remain.

- ***Participation: Early inclusion of employee representatives in the decision process***

If employees are involved in the process of downsizing, for example in form of regular information and participation, employees will have a higher job satisfaction and well-being at work than those who are not involved. Through information and greater participation, employees perceive to have higher control over events.

- ***Management training for dealing with change processes***

Executive managers and supervisors must be informed about the upcoming changes for a transparent communication. They must also be prepared in training courses and seminars on termination interviews because these are also stressful for managers. Furthermore, they also have the thankless task of motivating the remaining employees to deal with the changing situation. However, if employees in times of restructuring and downsizing are supported by their supervisors, the negative impact of job insecurity in the organisation will be reduced. (Boege 2010)

- ***Further education and health measures during restructuring processes***

Companies should have a sustainable strategy on employability at company level rather than short-term crisis management. The occupational health management should be continued during restructuring, so that even after restructuring, work

content, working conditions and work organisation will be designed according to health-promoting criteria. Health measures can help the staff deal with the everyday work. Moreover, further training should be continued in order to prepare employees to meet the new requirements and avoid excessive demand.

- ***Evaluation of the workload of the "survivors"***

Often a company cannot assess the well-being of employees at work after restructuring. To develop appropriate measures for the employees, it is necessary to learn more about how employees perceive their working conditions. One way to find out more about the working conditions after restructuring is to use the BASA-Method developed by the Federal Institute for Occupational Health and Safety (BAuA). BASA is a systematically developed conceptual tool for psychological evaluation of working conditions. With the help of the BASA-Method not only can all the negative aspects i.e. deficits in workplace design be detected, but also well-designed workspaces can be identified. (Richter & Schatte 2009) The objective is to evaluate working conditions whether they promote or inhibit a safe and healthy work performance. Only in this way, measures can be used accurately.

3. Possibilities of prevention for employees

Each employee has a responsibility for his/her professional future, and everyone should therefore assume personal responsibility to live healthy and to maintain the employability as well as to take appropriate personal prevention strategies to deal with job insecurity and if necessary with a job change. Only those who developed new resources have competitive advantages in crisis situations.

- ***Health:*** Also in uncertain times everybody should pay attention to their own health e.g. in form of a healthy diet and exercise. It is also important, especially in stressful work situations to pay attention to free time

compensation in order to reduce the own perception of stress. Only those who remain healthy and are able to work will be resilient even in crisis situations.

- ***Further education:*** A keyword is "Lifelong Learning". Everyone should make an effort to participate in further education within the company, but should additionally study further in their spare time during their entire working life. This is not only an advantage for the company, but it also helps everybody remain flexible on the labour market.
- ***Corporate culture:*** Everyone should actively participate in the corporate culture and improve the working climate. This may help during restructuring processes, as it can promote a culture of trust and support among colleagues, which proved to be a moderating factor on the connection between job insecurity and the negative reactions of those affected.

4. For Well-being & Stress

Age management should not only be designed as a tool that offers specific programs for older employees (e.g. health programs, further training etc.) – it is a much broader approach as to overcome stereotypes with respect to chronological age. As stereotypes are common for young as well as older employees it is not sufficient to address only the group of older employees.

Concerning restructurings

Again, age *per se* does not seem to be a specific problem, since all employees irrespective of age usually report higher stress and reduced well-being during restructurings.

Explorative data show company communication policies have a great impact with respect to change management: therefore it is important that information on the goals of the change management process and the perceived influence on working environments are clearly communicated. Moreover, it is important that employees can bring in their experience as well as express their wishes for and reservation

against changes – i.e. that they are involved as actors and not only as recipients. Additionally with respect to new demands due to changing working environments and/or tasks it is important that employees are provided with appropriate offers (e.g. with respect to training etc.) and encouraged to participate.

For training of older employees

Chronological age is not a big significant influence factor: usually, most incentives as well as barriers for further training apply to all employees irrespective of age.

What is “age specific” is the closeness to retirement and the expected / anticipated pay-off. Yet, the majority of companies express the importance and usefulness of further training close to retirement.

According to Austrian data, companies usually give four reasons for the lower training participation of older employees (OE):

- For OE training does not make sense because they think it is not necessary and/or does not pay off for them;
- OE refer to their higher experience – think their knowledge is sufficient;
- OE are afraid of failures (esp. in IT);
- Diminishing motivation (because they feel drained).

Against that background, older employees often have a different self-perception: they usually give the first argumentation (“training does not make sense because they think it is not necessary and/or does not pay off for them”). Therefore, a combination of measures to raise the awareness about the importance and necessity of training, as well as offering reasonable pay-offs for training participation has the potential to increase their willingness to train.

Overall aspects of training of older employees

- For most countries national regulations regarding the retirement age, the relationship between pension and wage before retirement, the general conditions of the labour market for older people etc. seem to have a bigger influence on the labour market participation of older people than their further-training rates. As the experience of Scandinavian countries and

Switzerland shows, this does not mean that the efforts to significantly raise further training participation of older people will have no effect.

Improving flexible retirement opportunities

In the UK context, older workers participation level remained the same throughout the recession, and evidence from the Labour Force Survey shows that part-time work is attractive to people who stay in work over the age of 65. However, while there are opportunities to reduce working hours, there are few opportunities for older workers to decelerate to less stressful jobs. Over 80% of people over 65 in work continue in the same job they had been doing for at least the previous five years. Many employees rely on portfolio or self-employment to decelerate. However, since many older employees lack the skills required for self-employment, many efforts fail, and many older workers who are classified as “self-employed” work on a contingent basis for their former employers. An innovative approach to supporting older workers who want to move to self-employment is the PRIME Initiative which provides training, support and access to capital for older entrepreneurs, as well as access to a network of fellow entrepreneurs. Although the organisation is voluntary, the support it provides can be replicated by employers.

Encouraging life-long learning

There is a steep decline in learning amongst workers after the age of 55. Employers are less likely to provide training opportunities to older workers than to younger ones, often relying on the false assumption that younger workers will work longer than older ones. Recent evidence from the Nuffield Foundation suggests that older workers are also more likely to resist training, even when offered. Without up-to-date skills, opportunities for older workers to move to jobs which suit their circumstances may be limited and they become vulnerable for redundancy if job cuts need to be made. The NHS Agenda for Change offers a useful model to first set gateways to have access to worker’s skills and to have deficits remedied; as well as incentives for older workers to update their skills.

Crucially, a clear framework was developed in partnership between employers and unions to take account of the wide range of skills (formal, tacit and experiential) which workers use.

Healthy living

Healthy living programmes, such as the Finnish Workability model, remain somewhat of a rarity in the UK. According to an occupational health manager for a major manufacturer, the main health risk factors in his workplace were those associated with sedentary rather than strenuous activities. He noted that his firm had introduced a healthy living programme, which included subsidised gyms, counselling and other activities meant to encourage well-being. It was further noted that the company benefitted in terms of increased worker productivity, reduced absenteeism, and improved workplace solidarity.

List of authors

Bachmann Florian, external expert at ibw (Institute for Research on Qualifications and Training of the Austrian Economy)

Caragnano Roberta, junior Research fellow ADAPT – Centro Studi Internazionali e Comparati “Marco Biagi”, University of Modena and Reggio Emilia

Caruso Germana, Phd student International Doctoral School in Human Capital Formation and Labour Relations Adapt – CQIA University of Bergamo

De Vita Paola, ADAPT junior Research fellow ADAPT

Dolan Simon, Professor of the Department of Human Resource Management and Director of the Institute for Labour Studies (IEL) at ESADE Instituto de Estudios Laborales, Universidad Ramon Lull

Dorschu Janine, project staff, BAuA – Bundesanstalt für Arbeitsschutz und Arbeitsmedizin (Federal Institute for Occupational Safety and Health)

Ferrua Sara, ADAPT collaborator

Flynn Matt, Researcher Senior Lecturer, Middlesex University, Business School

Giovannone Maria (Project manager), junior Research fellow ADAPT – Centro Studi Internazionali e Comparati “Marco Biagi”, University of Modena and Reggio Emilia

Grau-Sarabia Mónica, Research Assistant ESADE, Institute for Labour Studies (IEL)

Hussi Tomi, Specialized Researcher FIOH - Finnish Institute of Occupational Health

Larvi Tommy, Development Consultant FIOH - Finnish Institute of Occupational Health

Manne Delia, Research Assistant ESADE, Institute for Labour Studies (IEL)

Moodie Scott William, Research Assistant ESADE, Institute for Labour Studies (IEL)

Pahkin Krista, Team Leader FIOH - Finnish Institute of Occupational Health

Pasquini Flavia, senior research fellow ADAPT – Centro Studi Internazionali e Comparati “Marco Biagi”, University of Modena and Reggio Emilia

Piazza Simona, Phd student International Doctoral School in Human Capital Formation and Labour Relations Adapt – CQIA University of Bergamo

Pirani Giulia, junior Research fellow ADAPT – Centro Studi Internazionali e Comparati “Marco Biagi”, University of Modena and Reggio Emilia

Pirotti Tommaso, junior Research fellow ADAPT – Centro Studi Internazionali e Comparati “Marco Biagi”, University of Modena and Reggio Emilia

Richter Götz, Product and transfer manager at BAuA – Bundesanstalt für Arbeitsschutz und Arbeitsmedizin (Federal Institute for Occupational Safety and Health)

Rivas Jenny, junior Research fellow ADAPT – Centro Studi Internazionali e Comparati “Marco Biagi”, University of Modena and Reggio Emilia

Rustico Lisa, ADAPT junior research fellow, Phd student International Doctoral School in Human Capital Formation and Labour Relations Adapt – CQIA University of Bergamo

Sargeant Malcolm, Full Professor of Labour Law, Middlesex University, Business School

Schmid Kurt, Mag., educational researcher at ibw - Institut für Bildungsforschung der Wirtschaft (Institute for Research on Qualifications and Training of the Austrian Economy)

Spattini Silvia, ADAPT General Director; Senior research fellow ADAPT – Centro Studi Internazionali e Comparati “Marco Biagi”, University of Modena and Reggio Emilia

Michele Tiraboschi (Scientific director) Full Professor of Labour Law, University of Modena and Reggio Emilia, ADAPT President

Vedina Rebekka, Visiting Researcher, post-doc; ESADE, Institute for Labour Studies (IEL)

Souluki Zahra, Research Assistant ESADE, Institute for Labour Studies (IEL)

Suriol Xavier, Research Support ESADE, Institute for Labour Studies (IEL)

Veriö-Piispanen Taija, Assistant Researcher FIOH - Finnish Institute of Occupational Health

Vuori Jukka, Theme Director FIOH - Finnish Institute of Occupational Health

Winkler Barbara, ADAPT junior research fellow, PhD student International Doctoral School in Human Capital Formation and Labour Relations Adapt – CQIA University of Bergamo

Zimba Machilu, PhD student at International Doctoral School in Labour relations ADAPT- "Marco Biagi" Foundation, University of Modena and Reggio Emilia

Other contributors:

Bellinvia Tiziana, Permanent Staff Adapt

Magni Laura, Permanent Staff Adapt

Magni Maddalena, Permanent Staff Adapt

Manzella Pietro, PhD student at International Doctoral School in Labour relations ADAPT- “Marco Biagi” Foundation, University of Modena and Reggio Emilia

Ori Martina, Permanent Staff Adapt

Tiraboschi Anna, Permanent Staff Adapt

Tiraboschi Tomaso, Permanent Staff Adapt

Todeschini Chiara, Permanent Staff Adapt

Vaccari Serena, Permanent Staff Adapt

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