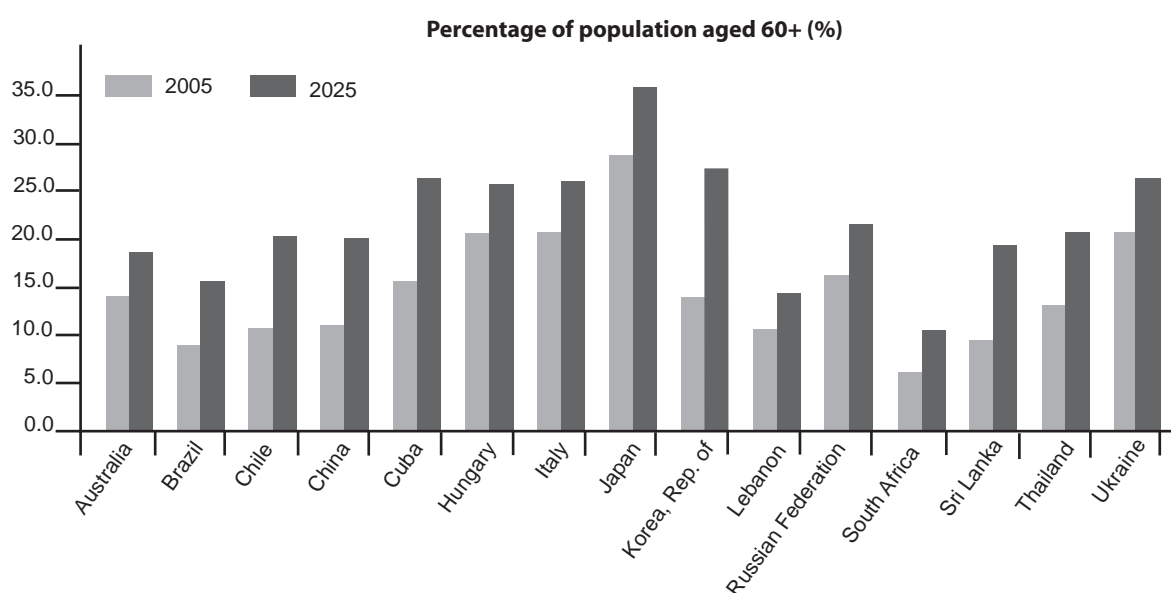


Conditions of work and employment: Issues for older workers

Extending life expectancy has been one of humankind's greatest accomplishments. Yet, at the same time, it has raised a number of policy questions affecting societies and labour markets around the world. Much of the policy attention has focused on pension and productivity issues of older workers. However, the conditions of work and employment available to them also play an important role on a number of levels. They shape older workers' decisions to work or retire, employers' ability to hire and retain older workers, and how societies provide support for older segments of their population which are no longer able to work. The challenge is how to structure employment and working conditions to meet these different needs and concerns.

Ageing populations

The percentage of adults of 60 years of age and over in the total population continues to grow in both industrialized and developing countries. In the period from 2005-2025, there will be a substantial increase in the population aged 60 and over in Brazil, Chile, China, Italy, the Republic of Korea and the Russian Federation, among others.



Source: United Nations World Population Prospects: 2006 Revision of Population Database, at <http://esa.un.org/unpp/index.asp?panel=2>

The rising number of older people in society poses challenges for all segments of society. For governments in countries that have public schemes for retirement pensions, longer life expectancy has raised concerns about how these schemes can be funded. In the workplace, employers need to find a balance between experienced older workers and younger workers in order to maintain the efficiency of the organization. Finally, older workers themselves have different needs: some need to continue to work for a living, some may not be able to work, and others may have the financial security (provided by their own resources, the state or family) not to have to engage in paid work.

The ILO Older Workers Recommendation, 1980 (No. 162), offers a constructive framework on which governments, employers and workers can develop and implement decent and productive conditions of work and employment for older workers who choose or must have paid employment.¹

Who are older workers?

Traditional classifications of older workers have been based on:

- statistical definition (e.g. national demographic groupings, age cohorts);
- law and social policy (e.g. age to collect retirement pension);
- labour market definitions (e.g. based on sector or company collective agreements).

While there is no uniform definition of an older worker, a worker aged over 50 is generally considered to belong in this category.

Importance of decent working conditions for older workers

Conditions of work and employment, and especially income security (or lack thereof), can play an important role in decisions made by older workers. Seniority wages and retirement pensions are key factors in shaping their decisions to remain employed or to retire. These concerns are even more important for older women. Their pension benefits are normally lower than men's because of women's lower pay, interrupted worklife due to family responsibilities, higher unemployment, or a combination of these factors. As a result, older women are often more vulnerable financially than older men and may face greater difficulties than their male peers in finding a job or retaining one due to the combined effect of age and sex-based discrimination. Labour and social policies that ensure access to employment, decent working conditions and guarantee income security for older workers, especially older women, are therefore vital.

Working time

Working time is an important condition of work that, if structured properly, can benefit both workers and employers. By offering older workers choices as to how their working time is arranged, employers benefit from both the retention of experience and skills of these workers and from the transfer of their organizational knowledge to younger workers.

Working time for older workers can be organized in several ways:

- Flexitime allows full-time workers some choices as to how their working time is structured during a workday or workweek. Structured on core and non-core hours, flexitime requires workers to work during core hours, but allows flexibility of work during non-core hours of the day or week (e.g. daily working time may be eight hours with core hours from 9:00-12:00 and 14:00-16:00, and non-core hours before, in between or after these hours).
- Change in work routine and workload. At the Tallin Bus Company in Estonia, older drivers can be assigned to suburban driving where there is less traffic and stress and their workload can be reduced. All older workers are involved in teaching and supervising younger colleagues, which increases the company's competitiveness.²
- Negotiated working time reduction for a temporary period, which can include voluntary work time reduction, workload reduction and job-sharing. The older worker remains in full-time work, but uses time away from work to develop other skills, prepare for retirement or pursue other activities. Collective bargaining agreements in Canada have included provisions to allow for a voluntary reduction of working time.³

Wages and income

One of the central concerns of employers regarding the “employability” of older workers is their comparatively high levels of compensation (especially with regard to wages or income). Such concerns neglect to take into account the job experience, skill improvements and other productivity-enhancing factors (e.g. knowledge of sector or industry) that take place over a working life, which contribute to the calculation of the compensation paid to older workers. It also fails to take into account the concerns of employers (continuity of product quality) and older workers (income concerns after retirement). One way to address these concerns may be for employers to pay older workers extra compensation before retirement or to continue to pay them for a few months beyond retirement, so that they can pass on workplace knowledge to younger workers to ensure continuity of firm production.

- It can be in the employer’s interest to provide a bit extra compensation prior to the retirement of an employee so that critical knowledge of work processes can be passed on to other workers. At the Stamboliiski Paper Factory in Bulgaria, the company pays higher salaries for six to 12 months prior to an employee’s retirement so that the older worker can comprehensively transfer knowledge to younger workers.⁴

Work organization

Decent conditions of work can improve productivity for all workers, and particularly for older workers. Improved health and safety conditions and ergonomic job designs are a few of the possible ways to improve working conditions and productivity for these workers. Though results take place in the workplace, initiatives can be launched by:

- **Employers.** A company in Revoz, Slovenia, has introduced ergonomics into its work policy to improve employability for all workers. This effort prevents occupational disease, enhances employability of workers with lower prospects (such as older workers), and increases productivity. The measure has contributed to improving employment prospects for older women workers.⁵
- **Employer-worker negotiations.** Wilkhahn, a furniture manufacturer in Germany, undertook a review of working conditions with workers and found that, by improving job design, the sickness rate for older workers dropped from 10 per cent to 4 per cent.⁶
- **Government assistance.** The Tripartite Committee on Employability of Older Workers in Singapore developed the ADVANTAGE scheme. The comprehensive scheme includes financial assistance for employers to defray the costs of a workplace review and new or improved equipment, which the Committee believes will help encourage the employment of older workers.⁷



Work and family life for older workers: Confronting the realities

Based on changing social, economic and demographic conditions in countries around the world, older workers may still need to address family responsibilities. They may have to provide financial support, personal care, or both to:

- **Elderly relatives:** spouses or elderly relatives who may be physically or mentally disabled and may need support.
- **Adult children:** adult children (18+ years of age) may need to continue living in the family home or need financial support for training/education or with living expenses. In the case of crisis, older family members may be the only providers of care available in the family. Studies suggest that 70 to 80 per cent of all of those ill and dying of AIDS are cared for by older parents or relatives.⁸
- **Grandchildren:** where the costs or availability of childcare is problematic for the adult parent, grandparents often provide care to grandchildren; for example, in Poland, 12 per cent of economically active women and men aged 55 to 59 provide childcare.⁹

The ILO Workers with Family Responsibilities Convention, 1981 (No. 156), offers policy suggestions as to how work and family responsibilities can be organized for workers of all ages.

For more information

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- Older Workers Recommendation, 1980 (No. 162).

¹ This Recommendation can be found at <http://www.ilo.org/ilolex/english/recdisp1.htm>.

² European Foundation, at <http://www.eurofound.europa.eu/areas/populationandsociety/cases/ee003.htm>.

³ Human Resources and Social Development, Government of Canada, at <http://www.hrsdc.gc.ca>.

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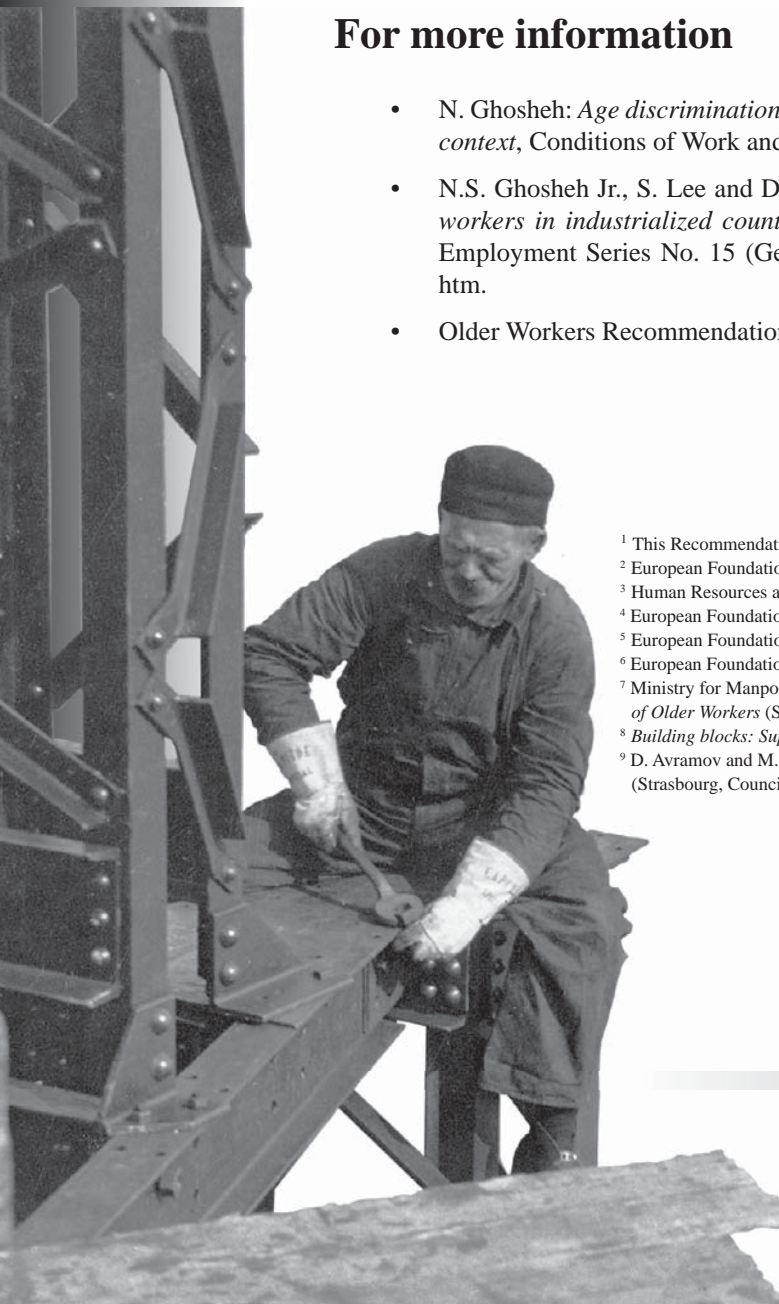
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⁹ D. Avramov and M. Maskova: *Active Ageing in Europe*, Population Studies No. 41 (Strasbourg, Council of Europe Publishing, 2003).



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