Points of consensus

Introduction

Government, Employer and Worker representatives attended the Global Dialogue Forum on the Needs of Older Workers in relation to Changing Work Processes and the Working Environment in Retail Commerce, held at the ILO, Geneva, 21–22 September 2011. The Forum was called to develop consensus-based recommendations on how work processes and the working environment in retail commerce could be adapted to the needs of an ageing workforce, taking into account the effects of technological changes. The Forum developed consensus on the following:

Employment and occupational characteristics of retail commerce and working conditions in the sector

1. Unlike many other sectors, retail commerce is important in every country. The sector is a major employer, ranging from small and medium-sized enterprises to large multinationals. As the essential link between producers and consumers, retail contributes substantially to business activity and national output. A well-functioning retail sector is critical to (and dependent upon) a healthy economy.

2. Employment demand arises from growth of the industry and replacement demand due to high turnover. Demand for labour in retail is predominantly for replacement purposes, especially in sales and customer service occupations. High labour turnover is explained in part by the seasonal nature of consumption and other factors – including those related to working conditions – that fuel demand for temporary staff, as well as by the high number of students and other casual employees, for whom retail employment represents a temporary arrangement.

3. The ILO’s tripartite constituents recognize that, in a context of ageing populations and current or future labour shortages, high labour turnover will have major implications for the industry’s prospects in terms of competitiveness and development. Governments and the social partners affirm a shared interest in stable and sustainable labour markets that ensure the availability of skilled and productive labour, adequately balancing flexibility with employment security and social security, while also ensuring work–life balance.

4. In some countries where youth employment has been a key feature of retail commerce, skills shortages have led (or may soon lead) to a need to increase the proportion of older
workers in the workforce. However, some countries have major problems with youth unemployment (often involving highly qualified persons) that requires other policy solutions.

5. Forum participants recognize the often very different realities for older workers in both the formal and the informal retail sector in many countries – informal retailers may be operating in poverty conditions and working very long hours to make a living.

6. Regarding safety and security in retail – where third party violence is a problem – older workers may be more vulnerable.

Current age profiles of retail commerce workers and how these profiles and the sector’s workforce may be affected by demographic trends, especially ageing populations

7. Demographic trends differ among countries, but almost all have increasing life expectancy, improved health care and declining birth rates. The majority of those employed in the retail sector are women, and as women have longer life expectancy, the demographic changes in the sector will be felt more acutely. Retail workers tend to be aged 30 years and under, especially compared to the economy-wide labour force. However, changes in the age structure of the industry are leading to an increasing share of workers aged 55 or more in many countries.

8. The retail industry provides a wide variety of types of employment, with part-time, seasonal and temporary positions representing a large proportion of retail jobs in many countries. As the share of the youth population declines, this labour-intensive industry must enhance its ability to draw a greater share of workers from among older workers. Governments and the social partners in retail commerce agree on the need for the industry to readjust human resource policies and practices, its work processes and the working environment in order to attract and retain older workers, especially in the high labour-utilization sales and customer service roles.

The main factors shaping future labour demand in retail commerce

9. The Forum noted the increasing integration of new technologies and innovations in retail operations, including a rapid growth of e-commerce in highly competitive markets, which has enabled many enterprises to expand their global supply chains as well as store outlets, reduce product handling errors and improve inventory control. Trends in e-commerce emphasize warehousing, product picking and dispatch work. Both developments may require specific measures to support recruitment and training of older workers in such areas, and to encourage them to apply their own knowledge and skills appropriately.

10. Continuing retail consolidation and rationalization, as well as internationalization, have resulted in the development of very large global retailers, although small and medium-sized retailers continue to dominate in many countries, both in terms of the number of businesses and share in sectoral employment. Increasing intensity of competition and large enterprises’ heavy investment are squeezing smaller competitors, pushing many of them into niche markets in order to survive. The global economic crisis is also reshaping consumption and retail sales patterns around the world. The crisis and subsequent austerity
measures may dampen consumer spending, encourage greater focus on value and price considerations, and strengthen the relative market share of discount stores. Older workers’ employment in such outlets should be encouraged.

11. More than any other sector, retail commerce is completely reliant on its customers’ demands, and must respond rapidly to evolving consumer behaviour.

**Measures to attract and retain older workers for increased competitive capacity in the labour market:**

**terms of employment; working conditions; occupational health and safety; flexible working; training and staff development**

12. The Forum acknowledges the need for greater social dialogue, involving the social partners and policy-makers, to design and implement appropriate measures that make the sector more attractive, ensure decent work for older workers, and help to retain workers in the sector from youth to old age. Such measures need to draw on existing good practices in different sectors, covering such areas as: training, skills and human resource development and promotion; flexible working practices; and work organization and ergonomics. People should be able to work until official retirement ages and beyond if they should wish to do so.

13. While temporary work in retail is needed, permanent work should be open to older workers as well, and both should be provided for in accordance with national law and practice, taking account of the relevant provisions of the 1998 ILO Declaration on Fundamental Principles and Rights at Work and relevant ratified international labour standards.

14. Consensus exists on the benefits and added value of applying good practices towards employing and ensuring a more inclusive workplace for older workers, allowing them to share their knowledge with younger workers and with customers. Older workers should have the possibility for a lightened workload through part-time work arrangements while they also benefit from retirement. Greater flexibility in working time is also required, to fit with customer requirements, workers’ availability and their needs for work–life balance.

15. Greater focus is needed on:

- age-related health promotion and ergonomics;
- measures to adjust processes and the work environment to older workers;
- integrated life-cycle policy to promote older workers’ employment, recognizing their specific skills acquired over a lifetime of work, as well as the new skills they need;
- third party violence;
- developing research on psychosocial factors of work in commerce, especially as regards stress, with special reference to age-related issues; and
- e-commerce.

National social dialogue is a useful tool to disseminate good practices relating to older workers.
16. Training, human resource development and promotion policies and programmes for workers of all ages should be geared to their specific needs, recognizing that everyone, at every age, thinks and learns differently. ILO constituents have consistently identified learning and training as a key driver of employability throughout one’s working life, regardless of age and gender, country or sector. It is important to value prior learning and to recognize competencies as part of the strategy to attract and retain older workers. Employee satisfaction should also be taken into account.

17. The Forum noted that there are many examples of good practices aimed at retraining older workers. The European Portfolio of Good Practice, which aims at ensuring that older workers are not neglected in training and career development, that opportunities for learning are offered throughout working lives and that positive action is taken where necessary to compensate for past discrimination, provide a good template from which others might learn. Some countries have developed measures to promote employment up to and beyond the age of 70 with a more flexible working environment, working time and conditions for older workers, and publication of annual reports on best practices, e.g. supermarkets that have abolished a compulsory retirement age or made other adjustments to facilitate the work of over 70s. Some countries have legislation to prevent discrimination on the grounds of age (including on access to training); use of working ability measurements should also not be used to discriminate against older workers. Measures to retrain, re-skill, multiskill and re-employ older workers could be more widely studied and applied.

18. The Forum noted that public pension systems that encourage early retirement could affect workers’ willingness to continue to work in their later years. Any changes should be made in close consultation with the social partners.

Future ILO action to support decent work in the retail sector in the context of global population ageing

19. Bearing in mind resource constraints faced within the Sectoral Activities Programme and the ILO programme and budget, the Forum requested the ILO to:

(a) consider as a priority the organization of an experts meeting to review and further promote good industry practices through the adoption of a code of practice on older worker’s employment by means of social dialogue. This may be followed up with the organization of regional, subregional and national activities to promote social dialogue in the sector, in particular the implementation of the Forum’s consensus points, post-Forum research and knowledge sharing on good practices. To facilitate this, Forum participants agreed to request that the consensus points be utilized to promote action in their national Decent Work Country Programmes (DWCP) and other ILO programming frameworks;

(b) document examples of good practice on human resource policies, strategies and programmes aimed at attracting and retaining older workers that exist in different countries and sectors, analyse the reasons for their success and disseminate them and promote their adaptation and use by governments and retail commerce social partners around the world. In this respect, promotion of existing toolkits, guidelines and manuals and country examples of good practices to be shared with the ILO, would be a priority;

(c) undertake and disseminate research on various factors conducive to attracting and retaining older workers or those that may discourage their entry into jobs in retail
commerce in both developed and developing countries, including gender differentiation and part-time work in this regard, with particular attention to the following issues:

- employee retention policies;
- training and skill development of older workers, notably on information technologies;
- occupational safety and health, notably in relation to opening and closing hours and issues of violence at work in retail commerce;
- impact of e-commerce on the work of older workers and their contributions to shifting business practices;
- public and industry pension arrangements that facilitate hiring and retention of older workers;

(d) mobilize, in cooperation with governments and the social partners, greater technical cooperation programmes as part of DWCPs to assist member States to address the priority issues identified by the Forum, relying on social dialogue as the principal vehicle to improve policy and practice in all countries, and taking account of their specific national contexts; and

(e) augment resources, human and financial, devoted to this sector and the Sectoral Activities Programme more broadly in the framework of future ILO programme and budgets, and to facilitate the hosting of specialists from ILO constituents to work on the priority issues identified by the Forum as a supplement to the ILO’s existing human resources.