

12-31-2009

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### Recommended Citation

Žnidaršič, J., & Dimovski, V. (2009). Active ageing on the company level: the theory vs. the day-to-day practice in Slovenia. *Economic and Business Review*, 11(2). <https://doi.org/10.15458/2335-4216.1264>

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# ACTIVE AGEING ON THE COMPANY LEVEL: THE THEORY VS. THE DAY-TO-DAY PRACTICE IN SLOVENIA

JANA ŽNIDARŠIČ\*  
VLADO DIMOVSKI

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**ABSTRACT:** *The need to improve the labour market participation of older people has received ever greater attention in recent years, especially in view of the significant demographic changes the European Union will undergo due to population ageing. Besides the macroeconomic level, implications of this trend are strongly seen at the company level, particularly when it comes to managing the ageing workforce. Companies are thus introducing new approaches, policies and instruments which seek to foster the higher employment rates of the elderly by implementing the active-ageing concept in business and HRM practice. The paper aims to highlight the development of active-ageing initiatives within Slovenian companies where the practice of age management is still in its early stages. Consequently, we shed light on problems and obstacles appearing in the developmental process of implementing the active-ageing concept in Slovenian companies, and conclude with some recommendations for the future development of active-ageing practice with an emphasis on new HRM approaches, policies and instruments which seem to be extremely important when striving to prolong working life.*

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**Keywords:** Ageing of the population; Consequences of population ageing; Older workforce; Active ageing approach within Slovenian enterprises; Age management, HRM

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**UDC:** 331.526.22:314.117(497.4)

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**JEL classification:** J14; J21

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## 1. INTRODUCTION

Population ageing is one of the most important challenges facing the EU and poses a threat to its macroeconomic performance and competitiveness. This demographic shift calls into question both the sustainability of pension systems and the future of Europe's labour supply, which in turn raises questions about the prospects of economic growth. In this context, increases in participation and employment rates for older workers are essential to help sustain economic growth, reinforce social cohesion and the adequacy

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of pensions, and to manage the growing financial burden on social protection systems. However, the implications of population ageing are not only present on the macroeconomic level (pensions, later retirement, health problems etc.) but are more and more encountered by companies in the public and private sector due to both the ageing workforce and the need to adapt to older customers.

While in the 'old' member states (EU-15) policies and practices – aimed at improving opportunities for older people – have developed significantly in recent years, in Slovenia the response of policymakers who have highlighted the need for initiatives to foster active ageing is somehow lagging behind the EU-15. Although public actors have devised policies targeting such workers, the measures taken have not been sufficiently specific to contribute substantially to the fostering of active ageing. Moreover, employers in Slovenia are sometimes still reluctant to employ older workers (Mandl, Dorr, Oberholzner, 2006). Nonetheless, the findings of some recent research indicate that the situation is beginning to change. In particular, there appears to be a greater level of understanding of the issue at the company level, especially among larger companies. Some of them are thus introducing new approaches, policies and instruments which are grouped together under the name age management to accommodate the situation of the ageing workforce with the aim of providing an environment in which each individual is able to achieve their potential without being disadvantaged by their age. However, in striving to prolong working life in Slovenia efforts to promote active ageing must be pursued much more vigorously than is happening in recent day-to-day practice.

## 2. THE EMPLOYMENT RATE OF THE ELDERLY AND THE STATUS OF OLDER WORKERS<sup>1</sup> IN THE SLOVENIAN LABOUR MARKET

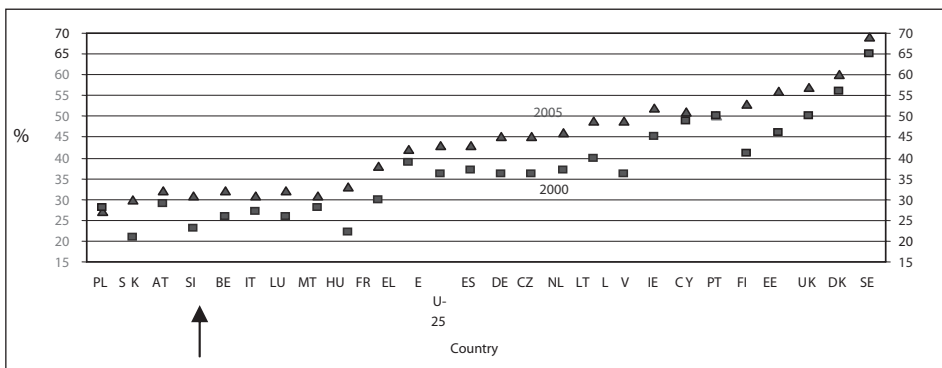
Even though Slovenia is characterised by a comparatively older population (compared to the European average: EU-25), the proportion of older people in the workforce is only around 25%. The age group around 50 years and over seems to have quite limited job opportunities. In Slovenia, this age group is widely deemed unattractive as a source of labour for several reasons: a perceived lack of flexibility and initiative; a poor grasp of foreign languages; a reluctance to take part in training; limited adaptability to new working conditions; a lack of knowledge of new technologies or production processes; and a greater tendency to take sick leave. The employers' perception of older workers in our country is particularly influenced by different stereotypes and myths. Only a few employers are aware of the fact that (early) dismissal of an older person as a potential worker represents the premature and permanent loss of human capital since older people can represent a rich source of skills and experience. Of course, there

<sup>1</sup> The Slovenian employment legislation defines the ageing workforce as employed people aged 55 years and over (Slovenian Employment Relationship Act). The hard-to-employ are: (i) unemployed people aged over 50 who are registered at the Employment Service of Slovenia for more than 6 months; and (ii) people aged over 45 whose highest educational attainment is having finished secondary school and who are long-term unemployed (Regulation on the implementation of active employment policy measures 2001).

are other reasons besides stereotyping that hinder older workers from staying active, and that poor labour market flexibility is one of the most significant reasons for early retirement since less than 10% of Slovenia's working population is employed part-time (Kajzer, 2005).

The transformation period in the early 1990s is another reason for the extremely low level of participation of older workers in the Slovenian labour market. The transition depression was accompanied by a decline in economic activity in general and inflation which both had a negative impact on employment. Labour market conditions have radically changed. Many enterprises faced an inevitable failure, many workers were dismissed and it was no longer easy to find a job. The registered unemployment rate was up to 14.4% in 1993. The most critical groups were those with no vocational education, those older than 40 (the share of those aged above 40 rose from 17% in 1987 to 46% in 1998) and those who were already unemployed. A significant change was observed in the structural proportions of economic sectors and in the changing composition of the workforce. The transition depression increased the demands for educated employees; those without qualifications mostly lost their jobs. The problem was moderated by new retirement legislation which enabled the possibility of early retirement. In the period between 1988 and 1992 the size of the workforce shrank by 150,000 people as a consequence of retirements. The percentage of the retired among the entire population was 16.7% in 1987 and had increased to 22.2% by 1992 (Pirher et al., 2000, p. 15). In 1992, there were two active people per one retiree. Consequently, taxation increased and the competitiveness of firms decreased. In 1993 the trend of retirement went down because the legislation was amended, the retirement age rose to 58 years for women and to 63 years for men. In spite of the many negative consequences of the previous too-early retirements, it was estimated that if those people who had retired early had joined the ranks of the unemployed the percentage of registered unemployment would have been 36% higher in the middle of 1991 (40% in 1992) than it actually was (Mencinger, 1997).

In fact, we must emphasise that recent trends are completely the reverse as early retirement schemes are being replaced with the postponement of pension age – encouraging flexible employment and gradual retirement since the extremely low participation of older workers in the Slovenian labour market demands urgent and immediate action. In the 55-64 age group, only 23.5% of people were employed in 2004 (Kajzer, 2004), which is a result far from the Lisbon Strategy – which plans for 50% employment by 2010 in the same age class, and also distant from the EU-15 average which is 41.7% and 40.2% for the EU-25.

FIGURE 1: *Employment rates of persons aged 55-64, EU-25, 2000 – 2005*

Source: Eurostat, European Union Labour Force Survey (LFS) in Jouhette, Romans, 2006<sup>2</sup>

Source: Eurostat, European Union Labour Force Survey (LFS) in Jouhette, Romans, 2006<sup>3</sup>

In Slovenia the employment rate of older people rose by 6.3 p.p. in 2004 compared to 2000 (Jouhette, Romans, 2005). However, in 2005 the share of those employed in the 55-64 age group is still low, at 30.7%, with only 18.5% of women in that group being employed (Jouhette, Romans, 2006). By sector, the highest proportions of older employees can be found in the public administration, education, health and other services, while the lowest proportion of older workers is seen in the hotel and restaurant sector (Mandl, Dorr, Oberholzner, 2006).

However, those older people with jobs confront certain problems in the Slovenian labour market. Some of the main problems are as follows (Pušnik et al., 2006):

- The employment legislation does not sufficiently protect older workers against dismissal because of a company's reorganisation (in practice, companies dismiss older employees more often than younger ones).
- There is no efficient consultancy for older unemployed people at employment services because existing consultants are overburdened.
- The human resource management and employment policy of companies and other organisations is discriminatory. The reasons for this are the fear of older employees losing their jobs, the need of companies to accommodate new technology, the passive role of unions in defending the rights of the ageing workforce and older unemployed

<sup>2</sup> The country codes applied in Chart 1 are: BE (Belgium), CZ (Czech Republic), DK (Denmark), DE (Germany), EE (Estonia), EL (Greece), ES (Spain), FR (Metropolitan France, excluding the 'Départements d'Outre-Mer', i.e. Guadeloupe, Martinique, Guyane and Réunion), IE (Ireland), IT (Italy), CY (Republic of Cyprus), LV (Latvia), LT (Lithuania), LU (Luxembourg), HU (Hungary), MT (Malta), NL (Netherlands), AT (Austria), PL (Poland), PT (Portugal), SI (Slovenia), SK (Slovakia), FI (Finland), SE (Sweden), UK (United Kingdom), EU-25 (European Union).

<sup>3</sup> The country codes applied in Figure 1 are: BE (Belgium), CZ (Czech Republic), DK (Denmark), DE (Germany), EE (Estonia), EL (Greece), ES (Spain), FR (Metropolitan France, excluding the 'Départements d'Outre-Mer', i.e. Guadeloupe, Martinique, Guyane and Réunion), IE (Ireland), IT (Italy), CY (Republic of Cyprus), LV (Latvia), LT (Lithuania), LU (Luxembourg), HU (Hungary), MT (Malta), NL (Netherlands), AT (Austria), PL (Poland), PT (Portugal), SI (Slovenia), SK (Slovakia), FI (Finland), SE (Sweden), UK (United Kingdom), EU-25 (European Union).

people and the unwillingness of some companies to employ older people.

- Older disabled unemployed workers face additional problems because of their disability: older people make up the largest share of disabled workers.
- Older unemployed people have psychological problems (low self-esteem, negative self-image, lack of socialisation, loss of skills and work habits etc.).

The loss of a skilled and experienced labour force, particularly in those sectors with a high proportion of older employees, might cause a decline in economic growth. In view of Europe's diminishing younger population, companies will have to increasingly rely on older workers or otherwise run the risk of losing business opportunities due to labour shortages. The question of how to deal with this ageing and shrinking workforce is paramount, not only for EU governments but also for individual employers.

### 3. DEFINITION OF THE RESEARCH PROBLEM

The research problem arises from the fact that the participation of older workers in the labour market is extremely low in Slovenia. This fact pinpoints the need for specific public and private initiatives aimed at improving the integration of older people into the labour market. It also emphasises the need for research that highlights the development of active-ageing initiatives, along with the need to further develop active ageing within Slovenian companies.

As already indicated, older workers in Slovenia have been disadvantaged in the labour market mostly due to the dramatic restructuring seen in the transition period. The majority of workforce redundancies were older workers; however, those redundancies were hidden behind the early retirements. Eighteen years ago, at the beginning of the conversion of the country's socialist economy into a market economy, the number of pensioners rose significantly. Of these, numerous early retirees served the purpose of buying social peace. On the other hand, our research study has shown that a vast majority of older workers would themselves like to withdraw from the workforce at the earliest possible opportunity.

With a total unemployment rate of 10%, it has been difficult to explain the need to put older workers back into the workforce, particularly since the policies for fighting unemployment have often consisted of pushing the oldest workers toward early retirement. For too long older workers have been the adjustment variable in reorganisations and only recently have managers become aware of the need to break these bad habits. In the meantime new institutional and legal possibilities have been adopted, although they have not been very efficient in solving the problem of the employment of seniors since the employment rate of old people remains very low. In this sense, the Slovenian situation can be viewed as a heritage of the past.

With a certain delay Slovenia became aware of some problems connected with its ageing population and ageing workforce – especially at the company level. It seems that the impact of ageing on public expenditure and economic growth rates have been the

leading drivers of age-management development in Slovenia, underlining the need to extend working life, which goes hand in hand with the inevitable fact that in the future employers will have to employ more, in both absolute and in relative terms, over-50s and over-55s. Accompanied by some other principal reasons, such as tackling age barriers and discrimination, age management has started to be seen as an economic and social necessity. However, the implementation of age management at the company level is lagging behind the most developed European countries. Related to this, there is very limited research on what is actually being done in Slovenia.

That is why we recently undertook pioneering research in this field and this paper discusses the current status of strategic responses and implementation programmes of Slovenian employers being delivered to engage, retain and recruit our ageing labour force. In defining the research problem, this article focuses on the role played by employers since most decisions on how to deal with an ageing workforce will have to be taken within individual organisations or will at least be implemented by these organisations (Remery et al., 2003).

Our research addresses four research questions:

1. What do employers see as the main drivers for working on the retention of their ageing workers?
2. Which measures are employers taking to recruit or retain older workers?
3. What are the main aims of implementing HRM measures targeting older employees?
4. What are the reasons for not being inclined to employ or retain older workers?

The answers to these questions will shed light on the degree to which employers in Slovenia are aware of the inevitable ageing of the labour force and its implications for both the labour market and individual employers.

#### 4. METHODOLOGY

The empirical research methodology was carefully considered and ultimately we applied a **mixed strategy** of approaching organisations, which means that the quantitative and qualitative parts of the research were conducted simultaneously. We were able to answer the four research questions with the aid of data provided by a large-scale survey conducted among 870 companies and three case studies of Slovenian enterprises.

Besides generally improving the whole research in the sense of conducting the research and obtaining more reliable and valid results, five of the most sound purposes of mixed-method research have been identified by researchers (for example, Greene, Caracelli & Graham, 1989): triangulation, complementarity, development, initiation, and expansion. *Triangulation* refers to the possibility of testing the consistency of research findings by using different instruments and ways of collecting data. *Complementarity* is helpful when findings obtained by using one method need to be clarified or further analysed with other research methods. *Development* is about using the results from one method

to develop or inform another method, which leads us to further steps within a certain research process. *Initiation* seeks the discovery of paradox and contradiction, new perspectives of frameworks, the recasting of questions or results from one method with questions or results from another method also by stimulating the development of new research questions. *Expansion* extends the breadth and range of inquiry by using different methods for different inquiry components; the simultaneous combination of different methods or approaches contributes to research enrichment, as well as to more detailed and reasonable results.

Within *quantitative research*, 870 questionnaires – based on the theory outlined above – were posted to organisations. Based on informal telephone communication with HRM in Slovenian companies, we chose three large companies for case studies and thus face-to-face and telephone interviews were also carried out as part of the qualitative research. The data collection took place from September 2007 to December 2007.

In September 2007, a questionnaire entitled ‘New perspectives in HRM practices within Slovenian enterprises in the context of active ageing’ was sent to 870 companies with more than 100 employees. The names and addresses of these organisations were taken in part from a sample drawn from the trade register of the Chamber of Commerce and Industry. Where possible, the questionnaire was addressed to a named human resources contact in each of the sampled organisations. Where this was not available, the questionnaire was addressed to ‘The HR Manager’. A covering letter explained the purpose and importance of the research; however, it emphasised the anonymous approach in order to reduce socially desirable answers.

The total response rate was 28 percent, which is higher than the response generally found in corporate surveys in Slovenia whereas it is similar to response rates in Europe and the United States, where they have been found to be at most 20 to 30 percent.

The questionnaires were completed by the human resource manager, the head of personnel, a board member/managing director or the owner. The questionnaires includes a number of general factual questions about the organisation and the age structure of the workforce, as well as specific questions about the position of older workers and the implications of an ageing workforce.

The first part of the questionnaire refers to the extent the organisations have faced labour shortages and the other problems that have arisen from an ageing labour force. The central part of the questionnaire consists of a number of questions about the degree to which employers implement age-management activities, while the last part of the questionnaire comprises questions about the reasons for not having an interest in employing (retaining) older workers.

In the *qualitative research study*, an **in-depth analysis** was made for the three selected Slovenian companies where case studies on age management were conducted. The case study research was carried out simultaneously with the quantitative research. Namely,



the quantitative research had proved insufficient due to the fact that some answers had not been obtained.

In the framework of this analysis, the attitudes and strategies of HRM with regard to active ageing were evaluated by investigating official documents, supplemented by semi-standardised qualitative interviews with HRM or top managers as relevant actors. The in-depth analysis also focused on the measures implemented by HRM in specific companies with the aim to promote and facilitate the employment of older persons. Further, issues such as changing attitudes connected with older workers in the organisations were addressed.

Following the fields of action<sup>4</sup> that constitute the comprehensive age-management model on the organisational level, the qualitative interviews with HRM focused on the (possible) implementation of a wide range of initiatives and programmes within certain fields of action. Those measures are, for example, related to an improvement of working conditions and workplace health (i.e. job design and prevention), measures aiming at maintaining and promoting the health and work capacity of workers as they age, as well as disability management or measures regarding job recruitment or career development and training.

The companies involved in our case study were chosen following informal telephone conversations with the heads of HRM in Slovenian enterprises. The informal telephone contacts clarified the fact that only a very small number of companies had been consciously and proactively implementing active-ageing measures. The main reasons for the insufficient implementation of age management are as follows: (1) in many fields, the supply of labour is larger than the demand for labour; (2) HRM and top managers' low awareness about possible consequences of the ageing of the population and their workforce; (3) even though certain organisations do implement some age-management measures these measures are not specially focused on older workers; and (4) employers still prioritise 'young blood'.

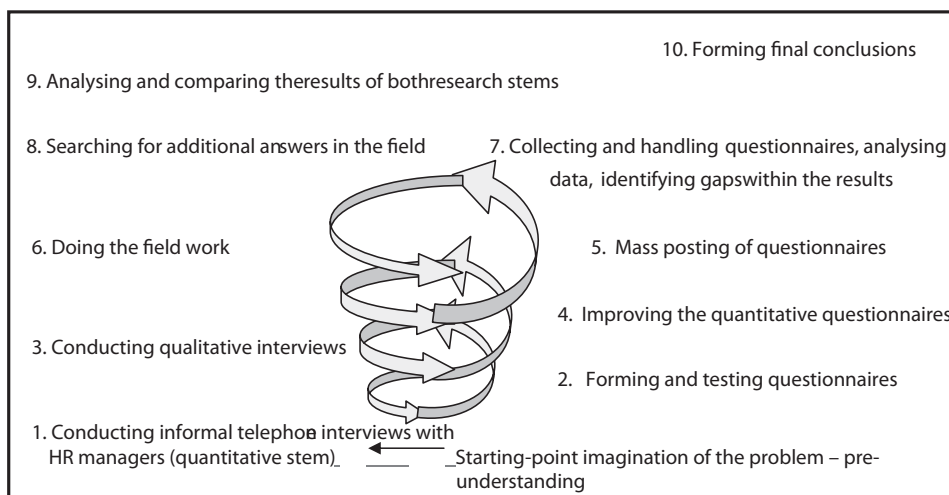
In our case study, we deliberately looked for companies which had already successfully implemented age-management measures and consequently we believed they could provide us with some good practices in this field. In the qualitative research, we needed companies that were already experienced and thus capable of providing us with appropriate answers that remained unanswered after the quantitative research. Moreover, since both research stems were conducted more or less simultaneously, the data provided by three companies involved in our case study were key to our quantitative research design; the development of the appropriate questionnaires was also included. The three companies involved in our research were: Revoz (a vehicle manufacturing and marketing company), Telekom Slovenije (telecommunications) and Trimo (pre-fabricated steel buildings and steel constructions).

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<sup>4</sup> The conceptual framework for the formation of a common age-management model consists of six main fields of action (Dimovski, Žnidaršič, 2006): (1) changing mental models and attitudes within organisations; (2) HRM in light of an ageing workforce; (3) knowledge-transforming management; (4) health management; (5) workplace management: ergonomics/job design; and (6) managing different generations.

The whole research design was based on the simultaneous combination of quantitative and qualitative research methods and followed the principle of a ‘hermeneutic spiral’<sup>5</sup>. In the whole research process, the quantitative research was extended thematically and it also enabled us to improve our understanding of the research problem. Following the hermeneutic spiral principle, our fundamental understanding of the research problem changed with time as we obtained a more detailed view of the problem. There was an ongoing process of understanding and explaining the problem and research results as well. As more information about the research problem was obtained, the interpretation gradually changed in order to take the newly acquired understanding of the problem into account (Figure 2). Following the hermeneutic spiral principle in our research process, a much more complex insight into and improved understanding of the research problem were gained.

FIGURE 2: *Time diagram for the research design – considering the hermeneutic spiral principle*



Source: the author's own research design; Žnidaršič, 2008

## 5. ACTIVE AGEING WITHIN SLOVENIAN COMPANIES: EMPIRICAL EVIDENCE AND FINDINGS

As noted, in our research we have sought to gain the clearest picture possible about what has been going on with age management at the company level in Slovenia. The basic aim of the survey was to study the degree to which employers are taking measures to improve the employability of older workers or simply to keep them in employment longer. The

<sup>5</sup> The phrase ‘hermeneutic spiral’ refers to the circle of interpretation necessarily involved when defining a research problem. According to this theory, it is impossible to really understand one part of a research problem until you understand the whole, but it also is impossible to understand the whole without understanding its individual parts.

respondents were presented with a list of measures and asked to indicate whether their organisation was implementing these measures or was considering doing so. The list was based on some earlier studies into age-conscious personnel policies (Nunn, Wymer, Fidler, 2006; Remery et al., 2003; Robson, 2001; van Dalen et al., 2006).

The empirical data we obtained within the quantitative research were finally statistically analysed with the aid of the SPSS package, using analytical tools such as factor analysis, correlation, regression, descriptive statistics and frequency distributions.

To obtain an answer to the first research question ‘What do employers see as the main drivers for working on the retention of their ageing workers?’, we proposed a variety of ideas and asked HR managers to rate the importance of certain reasons (problems) using a five-point Likert scale (from 1 - not important at all to 5 - very important).

Table 1 shows that the HR managers gave the highest values to reasons such as: (1) special knowledge and experiences retention – possessed by older workers; (2) the need to transfer expertise to successors; (3) benefiting from older workers’ characteristics/strengths, such as: having experiences, responsibility, loyalty etc.; and (4) general labour shortages in the labour market (shortages of younger candidates).

TABLE 1: *Potential reasons or problem-situations that drive HRM to work on retention of older workers*

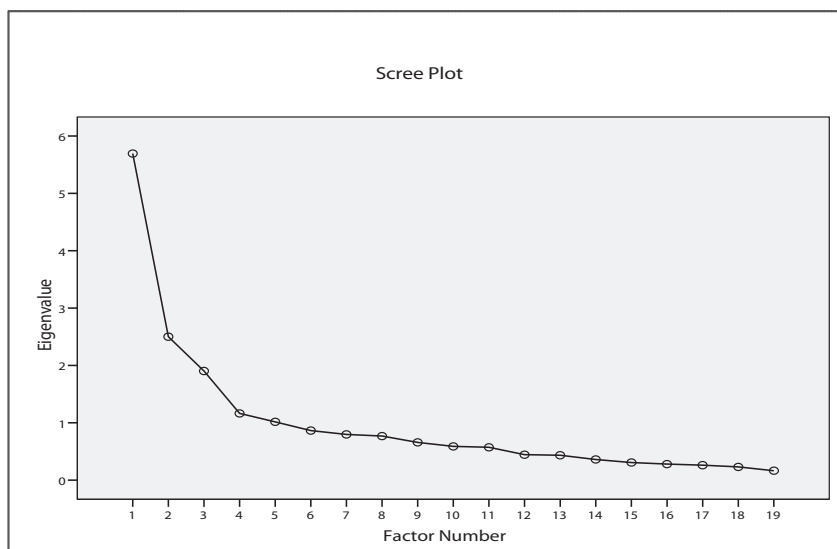
POTENTIAL REASONS (PROBLEM SITUATIONS) THAT DRIVE HRM TO IMPLEMENT ACTIONS AIMED AT RETAINING OLDER WORKERS (50 YEARS OR MORE)		Importance (mean values)
1	General labour shortages in the labour market (shortages of younger candidates)	3.6471
2	Preventive action against future potential labour shortages	3.1144
3	Cost saving (saving recruiting and candidate-development costs)	2.3448
4	Succession management difficulties: shortage of candidates to replace positions held by older workers	2.9257
5	Mentoring, coaching and tutorial roles needs	3.0788
6	Talent retention	3.4080
7	Retention of the special knowledge and experience possessed by older workers	3.8818
8	The need to transfer expertise to successors	3.8267
9	Keeping good contacts with customers	3.2915
10	Better adaptation to customers’ age profiles and their special needs (customers are getting older, too)	2.4700
11	Getting competitive advantages from an age-mixed workforce	3.0945
12	Organisational culture retention and development	3.0347
13	Keeping high work ethics among employees (commitment, loyalty etc).	3.4901
14	Benefiting from older workers’ strengths including experience, a sense of responsibility and loyalty	3.6485
15	The need to finish the projects led by older staff	3.0396
16	The increased need for workers during holiday seasons	2.2462
17	Building a reputation of a socially responsible company; becoming an ‘employer of choice’, employing different workers, regardless of age	2.7871
18	Changing labour legislation	2.8480
19	New trends in planning retirement – gradual retirement pathways	2.7921

Source: Žnidaršič, 2008

An interesting question here is whether the drivers that influence the retention of older workers for individual organisations can be grouped into different dimensions. In other words, do certain 'problem situations' that call for the implementing of age-management actions occur in concert and do companies differ from one another in this respect? For example, whereas certain types of organisations might emphasise the business reasons for retaining older workers, other types of organisations may attach greater importance to labour market shortages. The existence of dimensions can best be studied with the aid of factor analysis.

Factor analysis studies how the answers with respect to the drivers can be grouped into categories on the basis of the relationship found between the various answers given. The results show that the drivers that call for retaining an ageing workforce can be grouped into three dimensions (Figure 3): business purposes; external drivers; and labour market problems – mostly concerning labour shortages (Table 2). These three dimensions are briefly described below.

FIGURE 3: *Results of the factor analysis for potential reasons or problem-situations that drive HRM to work on the retention of older workers (constituting 3 factors)*



Source: Žnidaršič, 2008

TABLE 2: *Results of the factor analysis (rotated factor matrix) for potential reasons or problem-situations that drive HRM to work on the retention of older workers*

POTENTIAL REASONS (PROBLEM SITUATIONS) THAT DRIVE HRM TO IMPLEMENT ACTIONS AIMED AT RETAINING OLDER WORKERS (50 YEARS OR MORE)	Factor		
	1	2	3
General labour shortages in the labour market (shortages of younger candidates)	.048	.043	<b>.847</b>
Preventive action against future potential labour shortages	.115	.182	<b>.678</b>
Cost saving (saving recruiting and candidate-development costs)	<b>.319</b>	.247	.211
Succession management difficulties: shortage of candidates to replace positions held by older workers	.133	.093	<b>.598</b>
Mentoring, coaching and tutorial roles needs	<b>.501</b>	-.032	.224
Talent retention	<b>.635</b>	.023	.138
Retention of the special knowledge and experience possessed by older workers	<b>.770</b>	-.161	.049
The need to transfer expertise to successors	<b>.757</b>	-.089	.091
Keeping good contacts with customers	<b>.632</b>	.266	.078
Better adaptation to customers' age profile and their special needs (customers are getting older, too)	<b>.488</b>	.477	.080
Getting competitive advantages from an age-mixed workforce	<b>.487</b>	.280	-.102
Organisational culture retention and development	<b>.574</b>	.291	.014
Keeping high work ethics among employees (commitment, loyalty etc).	<b>.575</b>	.277	.029
Benefiting from older workers' strengths including experience, a sense of responsibility and loyalty	<b>.642</b>	.103	.046
The need to finish the projects led by older staff	<b>.480</b>	.148	.184
The increased need for workers during holiday seasons	.034	<b>.430</b>	.305
Building a reputation of a socially responsible company; becoming an 'employer of choice', employing different workers, regardless of age	.355	<b>.641</b>	.042
Changing labour legislation	-.057	<b>.831</b>	.081
New trends in planning retirement – gradual retirement pathways.	.058	<b>.739</b>	.135

Extraction Method: Principal Axis Factoring; Rotation Method: Varimax with a Kaiser Normalisation; a Rotation converged in 5 iterations.

Source: Žnidaršič, 2008

Drivers that constitute the first dimension – named '*internal business purposes*' – are as follows: (1) cost savings (saving recruiting and candidate-development costs); (2) mentoring, coaching and tutorial roles needs; (3) talent retention; (4) special knowledge and experiences retention – possessed by older workers; (5) the need to transfer expertise to successors; (6) keeping good contacts with customers; (7) better adapting to customers' age profile and their special needs (customers are getting older, too), (8) getting competitive advantages from an age-mixed workforce; (9) organisational culture retention and development; (10) high work ethics retention among employees (commitment, loyalty etc); (11) benefiting from older workers' characteristics/strengths, such as: having experience, responsibility, loyalty etc.; and (12) the need to finish certain projects led by older staff.

The second group, entitled '*external drivers*', influence the organisation from the outside and includes the following drivers: (1) the need for more workers during seasons or holidays; (2) building a reputation as a socially responsible company; meaning being an

‘employer of choice’ – employing different workers, regardless of age; (3) changing labour legislation; and (4) new trends in planning retirement – gradual retirement pathways.

The last dimension, named ‘*labour shortages*’, consists of: (1) general labour shortages in the labour market (shortages of younger candidates); (2) preventive action against future potential labour shortages; and (3) succession management difficulties: a shortage of candidates to fill older workers’ positions.

However, the regression analysis did not reveal any statistically significant differences between companies when testing for a possible correlation between each dimension within the factor analysis and variables within companies such as the number of employees, the percentage of employees aged 50 and older, the sector in which they operate, the field of activity etc. The results showed that the companies did not differ in terms of the importance of a certain group of drivers that influence the retention of older workers.

The second research question about which measures employers are taking to recruit, retain or simply to meet the special needs of older workers was answered with the aid of proposed actions about which an employer had to choose whether a certain measure: a) is being implemented; b) is being considered for implementation; or c) would not be considered for implementation (Table 3).

The results in Table 3 indicate that the most widely implemented measures, starting with the age-neutral advertising of job vacancies (86.6% of organisations are already applying this measure), were found to be those aimed at accommodating older staff with multi-generational team-building (67%), preventive medical checks (64%), risk identification in the workplace (58.4%), communicating about retirement plans (62.4%), communicating options to prolong working life (56%), knowledge identification and transformation (53.3%), and exemptions from working overtime for older workers (50%).

Whilst some respondents did not implement any of these age-conscious policy measures (or at least they did not provide us with any answers), employers were found to implement an average of ten of the mentioned measures.

The least implemented was the promotion of active-ageing strategies (3.6%), prolonged career interruptions – sabbaticals (7%), educating managers about age management (6.2%), demoting older workers to lower ranks and a loss of salary (9.5%), flexible working practices such as working at home, a compressed working week, working during seasons etc. (10%). The empirical analysis that provides us with these results confirms the fact that age management is very poorly developed within Slovenian companies. Only 30.8 percent of organisations say they are going to consider the promotion of active-ageing strategies and 65.6 percent say that a specific measure would not even be considered.

As for the measures the employers said they were considering, or said they might consider implementing in the near future, succession planning topped the list, with 39.3

percent, followed by career development (planning) with older workers (38.7%), and role changing for older workers: mentor, coach (32.2%). These relatively high figures indicate that many employers expected that their ageing workforce, or the prospect of an ageing workforce, would necessitate adjustments to their personnel policies, with an emphasis on succession and knowledge management in the context of an ageing workforce.

However, it should be noted that there are several age-management measures that companies obviously do not pay any attention to since very high numbers of companies do not even consider the implementation of a specific measure. Prolonged career interruptions were not regarded as an option by many employers, with 84.9 percent not considering implementing that measure. Some results even leave us with the fear that not only individual companies but the whole of society is unprepared for the ageing society. 78.1 percent of companies said they do not intend to implement any programmes covering the need to care for older relatives or children. Demotion is also a measure that most employers said they do not intend to implement (76.1%), while 73.1% are not considering implementing a reduced workload for older workers.

Other measures were also not seen as an option by many employers: continually assessing work results (72.5%), flexible work practices such as working at home, a compressed week etc. (72%), additional leave/increased holiday pre-pension (70.8%), age limits for irregular work times – for example, on holidays, weekends etc. (69.7%), or offering fitness and wellness facilities (68.8%).

TABLE 3: *Percentage shares of Slovenian employers implementing measures targeting older employees*

MEASURES TARGETING OLDER EMPLOYEES	Being implemented	Considered for implementation	Would not be considered
No age-barriers in job advertising	86.6	1.5	11.9
Introducing awareness programmes combating age stereotypes	14.4	19.5	66.2
Promotion of active-ageing strategies	3.6	30.8	65.6
Educating managers about age management	6.2	27.3	66.5
Forming additional market value on behalf of older staff	29.6	21.9	48.5
Career development (planning) for older staff	44.2	38.7	17.1
Succession planning	47.8	39.3	12.9
Communicating about retirement plans	62.4	19.8	17.8
Partial (gradual) retirement options	34.3	25.4	40.3
Additional leave/increased holiday pre-pension	19.3	9.9	70.8
Prolonged career interruptions (sabbaticals)	7.0	8.0	84.9
Age limits for irregular work times (holidays, weekends)	22.6	7.7	69.7
Exemption from working overtime for older workers	50.0	9.0	41.0
Exemption from working in shifts for older workers	34.7	9.0	56.3
Flexible work hours	25.9	15.4	58.7
Flexible work practices (at home, a compressed working week etc.)	10	18	72

Adapting work (job) to a particular person	20.6	27.6	51.8
Reduced workloads for older workers	11.9	14.9	<b>73.1</b>
Demoting older workers to a lower rank with a loss of salary	9.5	14.4	<b>76.1</b>
Programmes covering the need to care for older relatives or children	11.4	10.4	<b>78.1</b>
Continuous assessment of (older) workers	11.5	16	<b>72.5</b>
Training programmes for older workers	17.5	19	<b>63.5</b>
Knowledge identification and transfer	<b>53.3</b>	27.6	18.6
Role changing for older workers: mentor, coach	43.7	<b>32.2</b>	24.1
Multigenerational team-building	<b>67</b>	19.5	13.5
Ergonomic measures	39.5	23.5	37
Communicating options to prolong working life	<b>56</b>	19	25
Paying additional health insurance	31.2	8.4	60.4
Risk identification in the workplace	<b>58.4</b>	13.9	27.2
Preventive medical screening	<b>64.5</b>	15.3	20.2
Promoting healthy living	29.6	25.1	45.3
Fitness and wellness facilities	16.8	14.4	<b>68.8</b>

Source: Žnidaršič, 2008

Moreover, up to 63.5% of organisations are not concerned about implementing training programmes for older workers. Similarly, 66.5% of companies say they would not consider educating managers about age management, introducing awareness programmes, combating age stereotypes (66.2%) and the promotion of active-ageing strategies (65.6%).

After examining the measures companies are implementing with the aim of targeting older workers, we now note the potential results companies associate with their age-management policies (Table 4).

TABLE 4: *Potential results (aims) of implementing age-management measures*

POTENTIAL AIMS OF IMPLEMENTING AGE-MANAGEMENT MEASURES		Importance of certain aim (mean values)
1	Better meeting the specific needs of older workers and thus enabling them to remain employed and to perform well in the workplace	<b>3.4020</b>
2	Taking measures against employee defection to other employers and preventing early retirement	<b>3.1089</b>
3	Retention of older employees – encouraging them to postpone their retirement	<b>2.5941</b>

Source: Žnidaršič, 2008

Table 4 shows that the majority of companies are introducing age management to better meet the specific needs of their older workers and thus enable them to remain employable and able to perform well in the workplace. The second reason was to prevent them going to another employer or deciding on early retirement. It is somewhat surprising that the retention of older employees – encouraging them to postpone their retirement was not a very common reason even though many employers are already facing shortages in



the labour market. This tells us that Slovenian employers do not regard older employees as a good alternative to young employees. Moreover, they seem to be reluctant to retain older employees. The main reasons for this reluctance are presented in Table 5.

TABLE 5: *Potential reasons for expressing a reluctance to employ or retain older workers*

POTENTIAL REASONS – EXPRESSING A RELUCTANCE TO EMPLOY OR RETAIN OLDER WORKERS		Importance of certain reason (mean values)
1	No compelling business purpose	3.2267
2	Retaining all employees – regardless of age – is of equal importance	3.3026
3	More pressing need for 'young blood'	3.9481
4	The nature of work (hard workloads, unsuitable for older workers)	3.8896
5	Greater affordability of younger workers	2.7616
6	Abundant supply of workers under current arrangements or even the need to reduce staff	2.0915
7	Actual and/or anticipated opposition from workers and/or managers	2.4067
8	Legal obstacles	2.3904
9	Have not considered it	2.2069

Source: Žnidaršič, 2008

In summary, this research suggests that employers in Slovenia are not taking the ageing workforce seriously and are failing to seek out and implement sufficient strategies to retain, retrain and recruit mature workers. Moreover, it is argued that Slovenian employers have failed to recognise that they have a shrinking labour market despite all the evidence in support of this. Hence, the conclusion from this part of research may be that, even though Slovenian employers experience and/or expect labour market shortages, they do not regard in any larger numbers older workers as a solution.

## 6. RESEARCH FINDINGS ENRICHED BY THE QUALITATIVE RESEARCH

The quantitative research provided us with some crucial information about the development of active-ageing policies recently implemented in Slovenian companies. Nevertheless, it seemed somewhat unreasonable that companies were facing many problems that acted as drivers for implementing active-ageing measures, but in day-to-day practice the development of age management within Slovenian companies is still very slow and weak. It seems to be more reactive than proactive, which may cause some serious problems in the near future. There is another gap between perceived and expressed problems concerning labour shortages on one hand, and very poor actions seeking to retain older workers on the other. Moreover, the results of the quantitative research do not indicate which measures could be undertaken by specific HR managers in Slovenian companies with the aim of supporting their employees' long years of service. Similarly, the quantitative research failed to paint a clear picture of the development of age-management or the practical implementation of the different active-ageing strategies applied by Slovenian

companies. In our quantitative research there was one crucial question that attracted our attention and remained unanswered, Namely, there was a dilemma as to whether one could assume that an active-ageing policy used in the companies needed a holistic approach covering all fields of action that constitute the age-management model. This holistic approach would strive to successfully implement an active-ageing strategy. Further, individual companies can develop their own fields of action covering their specific needs and they could be implemented more or less independently of other fields that make up the age-management model on the company level. It should be noted that the qualitative research provided us with very useful and profound answers to some of the challenging questions discussed above.

The main aim of our case study research was to obtain some answers to the questions that remained unanswered after the quantitative research and to ascertain how the age-management model was being implemented and further developed in these companies. As already mentioned, the qualitative interviews with HRM focused on the possible implementation of a wide range of initiatives and programmes within certain fields of action that constitute the comprehensive age-management model on the organisational level. Table 6 shows that the fields that make up the age-management model in certain companies are not equally represented in each company. The results of the in-depth interviews show that, within individual companies, certain fields are more important than others because they depend on specific problems connected with older workers or problems relating to age-management drivers.

TABLE 6: *Testing implementation of the AM model: Companies involved in the case study – a comparison matrix*

		ORGANISATIONS INVOLVED IN THE CASE STUDY		
		REVOZ	TRIMO	TELEKOM
AGE-MANAGEMENT FIELDS OF ACTION	Changing mental models	6	6	3
	Knowledge transforming management	4	1	2
	Health management: curing and preventing	2	4	4
	HRM in light of an ageing workforce	3	2	5
	Workplace management: ergonomics/job design	1	3	6
	Managing different generations	5	5	1

*Source:* The author's own research. *Comment:* On the basis of in-depth interviews with top management and with HRM in each organisation the author found out how certain fields of action were represented in a specific 'age-management model'. Scores used in the above table mean as follows: 1- a very well implemented field; 2- a less successfully implemented field of AM good practices etc., through to 6 – the least successfully implemented field (not necessarily poorly implemented within an organisation).

Slovenian companies encounter different age-management drivers. Consequently, the reasons for the age-management measures that are implemented by certain companies also differ from company to company. All three organisations in our case study are aware of the possible consequences of the changed age structure of their workforce and are aware of the need to proactively answer one of the greatest challenges in the developed

world today. Especially in Slovenia, an increase in the retirement age is inevitable which itself also calls for the early implementation of different age-management measures.

Telekom has been facing labour surpluses recently and thus HRM has not focussed on strategies to retain older workers; rather, managing different generations has been the main field of activity within the company. Revoz and Trimco, on the other hand, have had labour shortages and consequently are committed to improving the work conditions for their older workers with the aim of encouraging their retention. However, at Trimco knowledge-transforming management has been paid the most attention in the age-management model, although workplace management (e.g. ergonomics and job design) has been the basic cell of the age-management model supported by Revoz (Žnidaršič, 2008).

The most important finding from the case study was the development of the idea of a *contingency model of age management*. This means that one cannot speak about a universal model that suits all companies in different circumstances but that every company should develop its own comprehensive model.

Table 7 compares the aims or potential results of the implementation of age-management measures in place at Revoz, Trimco and Telekom. It is obvious that the individual companies do not follow all three types of age-management goals. Consequently, the contingency model should be a reasonable, comprehensive and logical solution.

TABLE 7: *Comparison of potential results (aims) of the implementation of age-management measures: Revoz, Trimco, and Telekom*

POTENTIAL AIMS OF IMPLEMENTING AGE-MANAGEMENT MEASURES		REVOZ	TRIMO	TELEKOM
1	Better meeting specific needs of older workers and thus enabling them to remain employed and to perform well in the workplace	X	X	X
2	Taking measures to stop employee defection to other employers and preventing early retirement	X	X	
3	Retention of older employees – encouraging them to postpone their retirement	X	X	

Source: The author's own research, Žnidaršič, 2008

## 7. CROSSWISE EVALUATION AND SYNTHESIS OF THE RESEARCH RESULTS

The quantitative and qualitative research stems provided us with compatible results. The main purpose of using the quantitative research design was to better understand the overall picture in the context of how age-management is developing in Slovenian enterprises. The quantitative research results helped us answer the four research questions on how active-ageing strategies are being implemented in the day-to-day practice of Slovenian companies. However, the qualitative part of our research provided us with some crucial information concerning the developmental process of age management on the company level. Whereas the quantitative research indicated the scope of the prob-

lem, the qualitative part of the research allowed insights into the depth of the research problem.

The crosswise evaluation of the results from both research stems enabled us to identify some common points because the synthesis of the results showed they were correlated (Table 8).

TABLE 8: *Cross-evaluation and synthesis of the results of the empirical research*

HRM in Slovenian organisations			
	Problems	Age management (AM)	Results
<b>QUANTITATIVE RESEARCH</b>	<ul style="list-style-type: none"> <li>Companies do face problems: Factor analysis revealed three factors within AM drivers</li> </ul>	<ul style="list-style-type: none"> <li>AM initiatives depend on problem situations; all three factors (at least F3*) influence the number of AM measures being implemented</li> <li>Organisations respond to AM drivers more by intuition and reactively (not planned measures and initiatives)</li> </ul>	<ul style="list-style-type: none"> <li>AM initiatives have a great influence on perceived results</li> <li>The least intense are the correlations between AM initiatives and 'prolonging working life', as an important result of AM activity</li> </ul>
<b>QUALITATIVE RESEARCH</b>	<ul style="list-style-type: none"> <li>Companies do face problems: they react to different, specific problems that are represented by the AM drivers</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives reflect problem situations; a 'labour shortage' is not necessarily exposed as a problem</li> <li>Contingency AM model.</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives reflect the specific AM drivers (problems) and are directed to specific goals</li> </ul>

Source: Žnidaršič, 2008

\*Note: Factor 3 (F3) refers to the problems revealed concerning labour shortages.

The qualitative research confirmed the results of the quantitative research in the context of the perception of age-management drivers. Similarly, along with the factor analysis which highlighted three factors, the qualitative interviews meant different age-management drivers attracted our attention within individual companies.

When looking at the development stage of age management in Slovenian companies the results from the quantitative research show that many organisations have developed some active-ageing measures, but they have been more reactive and myopic activities based on current problems not on well-organised actions. On the other hand, the organisations in the case study research revealed a more systematic approach to implementation of an active-ageing strategy, which had already been expected during the process of selecting the companies for our case study. The case study research significantly improves our understanding of the complexity involved when implementing age-management practices and of the relationship of the specific elements that constitute the age-management model. The in-depth interviews contribute to the development of a so-called grounded theory of active-ageing modelling on the company level. The synthesis of the case study results provide us with findings that may be generalised to a *contingency theory of the formation of the age-management model* on the organisational level.

## 8. CONCLUSIONS

The implications of the ageing population in Slovenia are becoming important not only in terms of a slowdown in living standards but also with regard to employment, fiscal and other economic policies, especially since many structural reforms are still missing.

Public discussion of employment initiatives for an older workforce came on to the political agenda at the end of the 1990s when issues of the employment of older persons became part of the active employment policy aiming at stimulating the creation of new jobs, the employment of hard-to-employ persons and training and education for employment. However, the employment of older persons only became one of the government's priorities in 2004 and especially in 2005 when active employment policy schemes were redirected to address the problems of people aged over 55.

National strategic and other documents, especially in the employment field, indicate that the government of the Republic of Slovenia is aware of the problems arising from the ageing of the Slovenian population and workforce. Although a range of different measures aim at the ageing workforce, the problems have mostly been addressed as a constituent part of the active employment policy and have not – at least until recently – harmonised at the national level.

Taking a macroeconomic approach is not enough to achieve the EU goal of a 50% employment rate of people aged 55–64 by 2010. Even though many documents and acts have been passed at the government level, experts suggest that age management at the company level has to be enforced. To boost the employment of older workers, policy measures should be (more) obligatory for employers and be aimed at building the awareness and changing the attitudes of employers.

To shed light on the development of age management in Slovenia, we conducted empirical research of Slovenian companies. The survey consisted of questionnaires that were sent to 780 companies in Slovenia. Simultaneously, qualitative research involving three case study companies was conducted. A number of issues were raised in the survey, but those most pertinent to this paper were the findings concerning the degree to which employers implement measures or are considering implementing measures aimed at retaining older staff. However, the relevant players are not active enough in this regard. Half the respondents indicated that their organisations make little or no effort to retain their own older workers, and few employers are looking to attract retirees who may be looking for new employment possibilities. Company directors and the various players concerned are not necessarily equipped as they confront these new challenges. HR managers are starting to familiarise themselves with the related concepts, methods and tools, but only a few large companies have some experience in this area. Therefore, Slovenia (even more than many other EU member states) must take drastic action and develop comprehensive active-ageing strategies, especially on the company level. The challenge is not only to ensure that a greater share of those currently aged 55 to 64 stay in work, but also to enhance the employability of those currently aged in their 40s and

50s when striving to move from the theoretical concept of active ageing to the actual day-to-day practice.

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RECEIVED: FEBRUARY 2009

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