Promoting Workability and Beyond: Redesigning Work for Ageing Societies

Workplace Health Promotion Network meeting, Sydney, March 2009

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Content

- Issues of age and work
- The workability construct
- Workability promotion
A new emphasis on older workers

• Population ageing has led to concerns about the sustainability of pension systems and threats to labour supply, with increasing emphasis on prolonging working life.

• But if this is to be achieved a number of hurdles need to be overcome.

• And given current turbulence in the labor market it is even more important to consider the factors influencing the ability of older workers to participate.
A ‘golden age’ for older workers requires…

- Overcoming an early retirement mentality
- Changing business behaviour
- Changing attitudes among the social actors
- New public policies.
Reforms for a longer work life

- Attitudes towards ageing must be changed (attitudinal reform)
- The awareness level of managers and supervisors in age-related issues needs to be improved (management reform)
- Better age and life course-adjusted, flexible working life is needed (work life reform)
- Health services should meet the increasing needs of older workers (reform of occupational health services)
- Improvement of horizontal and vertical co-operation between key actors is needed (co-operation reform)
How should business respond?

- Dimensions of good practice in Age Management:
  - Job recruitment
  - Training, development and promotion
  - Flexible working practices
  - Ergonomics and job design
  - Changing attitudes in organisations.

Influences on organisational policy

- Prevailing market conditions
- Changing business practices
- Public policy and support
- Social dialogue/collective agreements.
Age Management
LEVELS OF AGE MANAGEMENT

PROBLEMS / POSSIBILITIES

INDIVIDUAL
- functional capacity
- health
- competence
- work motivation
- work ability
- work exhaustion
- unemployment

ENTERPRISE
- productivity
- competitiveness
- sickness absence
- tolerance for change
- work organization
- work environment
- recruitment

SOCIETY
- attitudes toward work and retirement
- age-discrimination
- early retirement
- work disability costs
- retirement costs
- health care costs
- dependency ratios

MEANS / SOLUTIONS

- age management
- promotion of physical, mental and social resources
- improving health
- developing competence
- coping with changes
- participating

- age-management
- individual solutions
- co-operation between age groups
- age-ergonomics
- work-rest schedules
- flexible working times
- part-time work
- tailored competence-training

RESULTS / AIMS

- better functional capacities
- better health
- better competence
- better work ability
- less exhaustion
- lower unemployment risk
- better quality of life

- better total productivity
- better competitiveness
- less sick leaves
- better management
- competent manpower
- better image
- lower work disability costs

- less age-discrimination
- later retirement
- lower unemployment costs
- lower health care costs
- better national economy
- higher welfare
Success factors for workplace age policies

- Six critical and highly related success factors for measures, one external, which supports the others which are internal:
  - Public policy
  - Management commitment and competence
  - Industrial relations climate
  - Flexibility and responsiveness
  - Attention to the process of implementation
  - Devolution of responsibility.
Frequency of women agreeing that shorter work days would help them to work until the normal retirement age

(Torgen et al. 2001)
<table>
<thead>
<tr>
<th></th>
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<th>EU 1995-2000</th>
<th>Change</th>
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<td>Women</td>
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<td>Breaks</td>
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<td>56</td>
<td>±0</td>
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<td>Order</td>
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<td>Methods</td>
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<td>-2</td>
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<tr>
<td>Speed</td>
<td>73</td>
<td>71</td>
<td>-2</td>
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</table>

*yes, %
Job quality and the labor market integration and retention of older workers

- Experience higher exposure to risks associated with physical position, repetitive movements and heavy workloads.
- Susceptible to heart disease, respiratory difficulties and sleeping problems.
- Health or safety risk reduced among older women.
- High job autonomy and comparatively low work intensity.
- Receive less training than younger workers.
- Lower involvement in High Performance Work Organizations.
- Control over working time increases with age, but long working hours also increase.
- More likely to care for an elderly or disabled relative.

Attracting Older Workers

- Elements of attraction that must be considered are:
  - Market position/brand
  - Labour market segmentation
  - Promotion of vacancies
  - Screening & Assessment
  - Intermediaries – role and capability
  - Induction
  - Placement
  - Awareness and capacity of line managers.
The BWA retention model: An integrated view
Redesigning work for ageing societies

- Interrelated factors determine the relationship between older people and the labour market.
- Consensus that tackling the issue requires multi-faceted and integrated strategies.
- Finnish workability concept and a framework for its workplace promotion offers such an approach.
- This concerns the individual and occupational factors essential for individual coping.
Healthy workplaces

• The concept of Work Ability
  – Scale of measurement
  – Physical ability & mental functional capacity

• 1980s: occupational health concerns
Work ability model

- Society
- Culture
- Legislation
- Education policy
- Social and health policy

Operational environment

- Close community
- Family

Work ability

- Work environment management
- Values
- Attitudes
- Motivation
- Competence
- Health and functional capacities
Work Ability Index

7 Items

- Current work ability compared with the lifetime best
- Work ability in relation to the demands of the job
- Number of current diseases diagnosed by physician
- Estimated work impairment due to diseases
- Sick leave during the past year (12 months)
- Own prognosis of work ability two years from now
- Mental resources

Lea Katajarinne
Finnish Institute of Occupational Health
### Work Ability Index

**Scoring of the Questionnaire (range 7-49 points)**

<table>
<thead>
<tr>
<th>Points</th>
<th>Work ability</th>
<th>Objective of measures</th>
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<tbody>
<tr>
<td>7 - 27</td>
<td>POOR</td>
<td>RESTORE WORK ABILITY</td>
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<td>28 - 36</td>
<td>MODERATE</td>
<td>IMPROVE WORK ABILITY</td>
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<td>37 - 43</td>
<td>GOOD</td>
<td>SUPPORT WORK ABILITY</td>
</tr>
<tr>
<td>44 - 49</td>
<td>EXCELLENT</td>
<td>MAINTAIN WORK ABILITY</td>
</tr>
</tbody>
</table>

Lea Katajarinne  
Finnish Institute of Occupational Health
Predictors of workability

• Individual level factors predicting workability include health, functional capacity, competences, attitudes.

• Workplace influences include: physical, technological, mental and social demands of work, work community and management, organisational culture, and work environment.

• Other factors are societal, such as employment and education policies, social and health services, and addressing age discrimination.
Adjustment of physical work environment

Adjustment of psychosocial work environment

GOOD WORK ABILITY, HEALTH AND COMPETENCE

GOOD PRODUCTIVITY AND QUALITY OF WORK

GOOD QUALITY OF LIFE AND WELL-BEING

GOOD RETIREMENT, MEANINGFUL, SUCCESSFUL, AND PRODUCTIVE "THIRD AGE"

Professional competence

Health functional Capacities

Promotion of Work ability 45+

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Basic problem and basic solution: relationship Between human resources and work demands.

**Problem**

- %
- Functional capacity
- Energy reserves
- Work demands
- Age, years

**Solution**

- %
- Functional capacity
- Energy reserves
- Work demands
- Age, years
Average Work Ability Index Score by Age
77% have good prospects of reaching regular pension age.

But almost one quarter will be faced with problems.
Work ability compared with lifetime best (0-10) by life phase, 55-64 years
Gould and Polvinen, 2006
Average Work Ability Index by industrial branch. Adjusted by gender and age, (n=3704)
Redesigning Work for an Ageing Society project

• Focuses on adapting and assessing the applicability of Work Ability model in the Australian context.

• Funded by the Australian Research Council, and carried out by the Business, Work and Ageing Centre for Research in collaboration with partner institutions.
Project aims

• Investigating factors transforming the nature of work and posing risks to the workability of an ageing workforce

• Examining workplace policies and practices concerning employee ageing

• Trial use of the WAI to identify levels of work ability and contributing factors

• Design, implement and evaluate workplace interventions.
**Methods**

Organisational case studies
- Small national university
- Two international freight terminals of a large international airline
- A national manufacturing company
- Roadside assistance division of a motoring organisation.

Qualitative interviews
- Qualitative interviews: key informants from among management, training and OHS staff, union, employees

Quantitative survey
- Comprehensive staff surveys: range of questions about health and well-being, psychosocial work attitudes, training and learning, caring responsibilities, work-life balance.
Proposed Workability Survey Model
Personal Capacity

Mean = 45.59
Std. Dev. = 6.439
N = 1,344
Work Ability Survey

Mean = 124.35
Std. Dev. = 17.914
N = 1,344

Frequency

Workability
Existing WAI

- Mean = 42.69
- Std. Dev. = 4.669
- N = 1,327
### Work Ability by Gender and Job Type

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td>White collar</td>
<td>127.27</td>
<td>125.09</td>
<td>16.32</td>
<td>16.88</td>
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<tr>
<td>Manual</td>
<td>115.03</td>
<td>123.9</td>
<td>18.94</td>
<td>12.72</td>
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## Organizational Capacity by Gender and Job Type

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<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Deviation</th>
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<td><strong>White collar</strong></td>
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<td></td>
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<tr>
<td>Male</td>
<td>82.12</td>
<td>13.95</td>
</tr>
<tr>
<td>Female</td>
<td>79.46</td>
<td>14.31</td>
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<tr>
<td><strong>Manual</strong></td>
<td></td>
<td></td>
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<tr>
<td>Male</td>
<td>70.4</td>
<td>16.12</td>
</tr>
<tr>
<td>Female</td>
<td>78.34</td>
<td>11.69</td>
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</table>
Personal Capacity by Age

The diagram shows the personal capacity across different age groups. The x-axis represents age categories: Up to 28, 29 to 38, 39 to 48, 49 to 58, and 58 plus. The y-axis represents personal capacity values ranging from 43 to 48. The data indicates a general trend of increasing personal capacity as age increases, with a notable decline from 29 to 38 to 39 to 48, followed by a steady increase until 58 plus.
Organizational Capacity by Age.

![Graph showing organizational capacity by age.](image-url)
Organizational Capacity Among Over 45s

- Organizational Capacity
- Age

- 41 to 46 years
- 47 to 52 years
- 53 to 58 years
- 59 years plus
Personal Capacity Among Over 45s

- 41 to 46 years
- 47 to 52 years
- 53 to 58 years
- 59 years plus

Personal Capacity
Variance in outcome variable explained ($R^2$)

<table>
<thead>
<tr>
<th></th>
<th>Personal Capacity</th>
<th>Organisational Capacity</th>
<th>Workability</th>
<th>Existing WAI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>7%</td>
<td>24%</td>
<td>27%</td>
<td>6%</td>
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<tr>
<td>Personally meaningful work</td>
<td>3%</td>
<td>16%</td>
<td>17%</td>
<td>5%</td>
</tr>
<tr>
<td>Number of health problems due to work</td>
<td>10%</td>
<td>13%</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>Extra benefits of work</td>
<td>6%</td>
<td>27%</td>
<td>28%</td>
<td>7%</td>
</tr>
<tr>
<td>Job demands</td>
<td>7%</td>
<td>7%</td>
<td>10%</td>
<td>7%</td>
</tr>
</tbody>
</table>
Feedback

A person fills the WAI-form which is transferred to the system

Occupational health care unit checks and completes the information

Results

WAI information

Reference information is added to feedback

Reference values

WAI data bank

WAI data may be sent to FIOH database

National and international WAI surveys

FIOH surveys

FIOH

OHS

27.4.2006
Promotion of work ability
Workability promotion

- Based on: adjustments to physical and psycho-social work environment; promoting health, lifestyle; and updating skills e.g.
  - reducing repetitive movements
  - increased satisfaction with supervisors’ attitudes, and
  - increasing vigorous physical exercise

- Predict better workability in physical, mixed and mentally demanding work.

- Promoting workability reduces absenteeism, disability, premature retirement, and increases productivity, competence, life quality and well-being, effects which carry over to retirement.
Promotion of work ability: integration of actions

![Graph showing the Work Ability Index (WAI) over age (yrs). The graph illustrates the impact of health promotion, ergonomics, and management training on WAI compared to no action.](image)
Benefits for older workers of workplace age policies

- Employment opportunities
  - Job offer
  - Career advancement
  - Role enhancement
  - Job security

- Maintenance or enhancement of health and well-being
  - Improved health and well-being
  - Better work-life balance
  - Increased motivation
  - Increased job-satisfaction

- Learning opportunities and skills utilisation
  - Skill development
  - Changing ways of doing
  - Competence utilisation

- Relations with co-workers and managers
  - Feelings of appreciation and belonging
  - Greater trust in management
  - Better generational relations

- Retirement prospects
  - Better preparedness for retirement.
Benefits for employers of workplace age policies

Securing labour supply
- Greater staff commitment
- Less stress and exhaustion among staff
- Reduced rates of staff turnover
- Decrease in sickness/absence rates
- Reduction of early retirement resulting in reduced pension costs
  • Result: reduced labour costs and greater productivity

Maximising workforce utility
- Increased participation in learning and training
- Enhanced innovative capacity
- Increase in management and supervisory competence
- Reduced conflict and better team-working
  • Result: increased labour productivity, company competitiveness and share value

Wider benefits
- Better cooperation between management and trade union/works council
- Development of HR functions
- Better image among customers
- Perception as being employer of choice
WOMEN

G1 (n=40)
WOMEN
Office work (1981, 1985, 1992)

G3 (n=25)
<table>
<thead>
<tr>
<th>WAI</th>
<th>Work disability Costs/year/person</th>
<th>Sickness absence Costs/year/person</th>
</tr>
</thead>
<tbody>
<tr>
<td>POOR</td>
<td>€7086</td>
<td>€3571</td>
</tr>
<tr>
<td>MODERATE</td>
<td>€3000</td>
<td>€1257</td>
</tr>
<tr>
<td>GOOD</td>
<td>€1557</td>
<td>€643</td>
</tr>
<tr>
<td>EXCELLENT</td>
<td>€857</td>
<td>€200</td>
</tr>
</tbody>
</table>

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Annual cost of +45 WA reduction

- Total cost of early retirement 7.3 bill €
- Variation in WA = 50% of early retirement
- +45 get over 90% of early pensions
- +45 have a 25% reduction in WAI
- Total cost of +45 WA reduction = 7.3 bill € x 0.5 x 0.9 x 0.25 = 821 mill €/year
Example of practice

Kaiserin Elisabeth Spital Vienna

• Implemented a shift roster with daytime shift length reduced from 12.5 to 8-10 hours.
• Goals were:
  – economic: less overtime and reduced sickness costs
  – personal: better health and work ability, retention of experienced nurses
• Work council refused to participate.
• Evaluation found that 60% of nurses viewed shorter shifts as better for health and work ability, but two thirds wanted to work longer shifts. Preference age-dependent: > 35 preferred short shifts, < 30 long shifts.
• Management redesigned the roster with option of one long shift in every shift group and by offering lectures about age and work to increase knowledge about age-adjusted working times.
• Further evaluation found a 55% preference for short shift roster.
• Outcomes are:
  – Increase in work ability, work interest and life quality
  – Better empathy for patients and their families during afternoon shifts
  – Reduced overtime costs
  – Sickness absence rate reduced.
Example of practice

Food Service Centrum - Finnish city of Espoo

• Conscious of the ageing of its workforce, invested in workability:
  ➢ Older workers can access a part-time pension
  ➢ If workability is low daily performance requirements are reduced
  ➢ Efforts to increase skill levels and functional capacity
  ➢ Senioriitta discussion group on health issues for women over aged over 45:
    – Women and middle-age – internal and external challenges
    – Women and exercise - motivation, problems and exercise principles
    – Prevention and treatment of incontinence
    – Osteoporosis
    – Relaxation and self-management.

• Key outcomes and consequences:
  ➢ Skill levels improved
  ➢ Job control increased and work roles regarded as clearer
  ➢ Workload perceived as being lower
  ➢ Leadership skills improved
  ➢ Collegiality increased
  ➢ Job-satisfaction increased
  ➢ Staff reported having more mental resources
  ➢ Levels of workability increased.
Summary

- The prolongation of working lives is high on the agendas of many industrialized nations.
- Notwithstanding current labor market conditions, industrial sectors and organizations face an increasing proportion of older people in their workforces.
- Increasing employment of older people will help offset labor and skill shortages and the economic impact of ageing.
- Opportunity to extend the working life of the current group of workers aged 45 years and over.
- However, significant change in the way work is structured and offered to people in later working life will be necessary.
- The workability construct provides a lens through which to view the changes that will be required.
Thank you

www.swin.edu.au/business/businessworkageing

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