Industrial change, retirement reform, innovative business: impact on active ageing management

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CONFINDUSTRIA VENETO is the leading organization coordinating Confindustria’s (Italian Manufacturers’ Association) offices in the seven provinces of the Veneto region.

It groups together more than 12,000 enterprises with over 350,000 employees in total.

It relies on valuable “resources” of Confindustria Veneto SIAV S.p.A, Nordestimpresa, Fondazione Nordest and Campiello Foundation.

Its current activities are focused on several outstanding issues related to the development of industrial districts and to the quality and size growth of small enterprises and microenterprises, in order to favour a suitable organizational development.

In the current crisis, the engagement especially regarding the relationship with the credit and finance system, fiscal systems and active policies.

AGE MANAGEMENT
Since 1999 Confindustria Veneto Siav has been focusing on the issue of active ageing, by carrying out research in cooperation with Universities, by supporting methodological innovations and intergenerational cooperation in age management, and by organizing several in-company interventions, particularly among SMEs. For further information and to view the relevant projects, please refer to the following websites:

www.agemanagement.it
www.leonardotacitus.it
www.crossages.uv.ro
www.magisterproject.eu
CONFOUNDUSTRIA VENETO SIAV’S INTERVENTION STRATEGIES 2010 -2015
THE REGION OF VENETO
THE CONTEXT WHERE CONFINDUSTRIA OPERATES

**Active Enterprises:** 551,286 (manufacturing and building industries 131,513) 95% SMEs

**Population:** 4,952,569 inhabs. (2011)- positive demographic trend due to immigration: in 2011, Immigrants were 10.19%

**Unemployment rate (2011):** Italy 9.6% - Veneto: 5.65% (male: 4.4%, female 7.2%)

**Employment rate of people aged 55-59:** 52% ; **60-64:** 18%
A comparison between Veneto’s and Italy’s employment rates constantly highlights Veneto’s better performance, even in the periods of stronger crisis (2004-2005 and 2009-2010).
In Veneto, generations of people now in their old age started working at a very young age and with a low level of education, thus reaching the retirement age requirements at a relatively “young” age, before implementation of the current welfare reform.

<table>
<thead>
<tr>
<th>AGE</th>
<th>MALE</th>
<th>FEMALE</th>
<th>TOTAL</th>
<th>% OF TOTAL EMPLOYED</th>
</tr>
</thead>
<tbody>
<tr>
<td>40-44</td>
<td>206</td>
<td>147</td>
<td>353</td>
<td>16.7</td>
</tr>
<tr>
<td>45-49</td>
<td>185</td>
<td>132</td>
<td>317</td>
<td>15.2</td>
</tr>
<tr>
<td>50-54</td>
<td>155</td>
<td>98</td>
<td>253</td>
<td>12.2</td>
</tr>
<tr>
<td>55-59</td>
<td>100</td>
<td>56</td>
<td>156</td>
<td>7.5</td>
</tr>
<tr>
<td>60-64</td>
<td>41</td>
<td>14</td>
<td>55</td>
<td>2.6</td>
</tr>
</tbody>
</table>
Veneto is very close to the national average for Italy, and it is not among the regions with the oldest population. In the “baby boom” years (1950-1960), its birth rates were, indeed, rather high, but they decreased considerably in the 1980s and 1990s, and this will consequently affect the elderly/young people ratio over the next decades.

Source: SSRMdL Staff data processing by Italia Lavoro based on RCFL-Istat microdata
Italy’s and Veneto’s age pyramids are similar in shape, thus confirming the ratio diagram between people aged over 55 and young people under 15: Veneto’s population ageing process is currently similar to the national trend.
Though still lower than the national average, Veneto’s unemployment rate increased considerably as a consequence of the 2009-2010 economic crisis. It is worth highlighting that variations (unemployment decrease) in the 2nd and 3rd quarter are due to seasonal employment in the tourism sector.
EMPLOYMENT AND AGE: THE VENETO SITUATION

VENETO 2010-2011: MIDDLE-AGED EMPLOYED, UNEMPLOYED PEOPLE AND OLDER WORKERS WITH EMPLOYMENT BENEFITS

(°) Note: Unemployment benefits are allocated in order to favour the outplacement of workers made redundant by the crisis.

A case worth highlighting is that of workers on the unemployment benefit rolls, whose total number amounted to no less than 59,673 people, are mainly concentrated in the 40-49 and the 50-59, but also in the 30-39 year-old age group. All these people are miles away from ever seeing an opportunity for early exit from the labour market as provided in the new Italian pension scheme.

<table>
<thead>
<tr>
<th>AGE</th>
<th>MALE</th>
<th>FEMALE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>50–54</td>
<td>155,000</td>
<td>98,000</td>
<td>253,000</td>
</tr>
<tr>
<td>55–59</td>
<td>100,000</td>
<td>56,000</td>
<td>156,000</td>
</tr>
<tr>
<td>60–64</td>
<td>41,000</td>
<td>14,000</td>
<td>55,000</td>
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<table>
<thead>
<tr>
<th>AGE</th>
<th>MALE</th>
<th>FEMALE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>50–54</td>
<td>9,000</td>
<td>65,000</td>
<td>74,000</td>
</tr>
<tr>
<td>55–59</td>
<td>46,000</td>
<td>92,000</td>
<td>138,000</td>
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<tr>
<td>60–64</td>
<td>103,000</td>
<td>136,000</td>
<td>239,000</td>
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<table>
<thead>
<tr>
<th>AGE</th>
<th>MALE</th>
<th>FEMALE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td>89</td>
<td>37</td>
<td>126</td>
</tr>
<tr>
<td>20-24</td>
<td>1,170</td>
<td>851</td>
<td>2,021</td>
</tr>
<tr>
<td>25-29</td>
<td>2,216</td>
<td>1,831</td>
<td>4,047</td>
</tr>
<tr>
<td>30-39</td>
<td>6,859</td>
<td>5,919</td>
<td>12,778</td>
</tr>
<tr>
<td>40-49</td>
<td>11,154</td>
<td>9,524</td>
<td>20,678</td>
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<tr>
<td>50-59</td>
<td>11,798</td>
<td>7,008</td>
<td>18,806</td>
</tr>
<tr>
<td>60-64</td>
<td>884</td>
<td>222</td>
<td>1,106</td>
</tr>
<tr>
<td>over 64</td>
<td>79</td>
<td>32</td>
<td>111</td>
</tr>
</tbody>
</table>

Source: Veneto Lavoro
### Older Workers’ Participation to Training Opportunities: A Few Data from Confindustria Veneto’s Observatory

**A. Fondimpresa (M. Savietto)**

<table>
<thead>
<tr>
<th>Age</th>
<th>Participation 2010/2011</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n.</td>
<td>%</td>
<td>n.</td>
</tr>
<tr>
<td>50 - 54</td>
<td>2169</td>
<td>12</td>
<td>1775</td>
</tr>
<tr>
<td>55 - 64</td>
<td>1473</td>
<td>8</td>
<td>1250</td>
</tr>
</tbody>
</table>

**Source:** Isfol data processing based on Eurostat data (LFS)

**C. Mobilità (V. Ciccarello)**

<table>
<thead>
<tr>
<th>Age</th>
<th>Participation</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n.</td>
<td>%</td>
<td>n.</td>
</tr>
<tr>
<td>50 - 54</td>
<td>280</td>
<td>9.65</td>
<td>162</td>
</tr>
<tr>
<td>55 - 64</td>
<td>296</td>
<td>10.20</td>
<td>183</td>
</tr>
</tbody>
</table>

**Type / subject matter of attended training**
- Quality, IT, Foreign languages, Safety

**B. Fondirigenti (E. De Checchi)**

<table>
<thead>
<tr>
<th>Employed / Unemployed</th>
<th>Age</th>
<th>Participation 2010/11</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n.</td>
<td>%</td>
<td>n.</td>
<td>%</td>
</tr>
<tr>
<td>Employed</td>
<td>50 - 54</td>
<td>9</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>Employed</td>
<td>55 - 64</td>
<td>18</td>
<td>29</td>
<td>18</td>
</tr>
<tr>
<td>Unemployed</td>
<td>50 - 54</td>
<td>26</td>
<td>44</td>
<td>26</td>
</tr>
<tr>
<td>Unemployed</td>
<td>55 - 64</td>
<td>22</td>
<td>37</td>
<td>18</td>
</tr>
</tbody>
</table>
ECONOMY: THE VENETO SITUATION

Apart from rare exceptions (1958 and 2002) Veneto’s GDP trend has remained more favourable or equalled Italy’s GDP trend, even in the light of the current crisis.

GDP trends: Veneto - Italy

Fonte: elab. Veneto Lavoro su dati Istat-Prometeia (agg. febbraio 2012)
North-east Italy’s GDP trend has always been more favourable in terms of growth or decrease if compared to the rest of the country, with the only exception of the 2009 crisis.
The new pension scheme in Italy will deeply affect the labour market: on the one hand it will re-define prospects for workers close to retirement; on the other hand, it will affect people entering the labour market. Indeed, the delayed occupational pension opportunity will result in few people meeting the requirements for retirement in Veneto in the coming years. An estimate shows that around 200,000 people more will remain on the labour market within one year, and over half a million more within three years. This situation will have an impact on young people, whose access to the labour market obviously depends either on pre-existing employment levels (the so-called “establishment position” as is the case of large companies or the Civil Service) or (mainly) on investments (as is the case of small enterprises or independent contractors).

Source: Bruno Anastasia - Veneto Lavoro – Focus Group 23.03.2012
Within a Focus activity on the subject “Ageing and Work” promoted by Confindustria Veneto SIAV, with the participation of representatives of both public and private sectors (employers, trade unions, regional authorities, universities, VET agencies, enterprises, consulting firms), several experiences were reported, and a cross-sectoral reading was given by Prof. Scortegagna from the University of Padua.

The current crisis appears to be different from the previous ones, particularly for its extent and for its specific contents, first of all the demographic factor.

The answers will not have to consider only a recovering perspective, or an adapting attitude. The global outlook for the future rather suggests the implementation of re-generative answers.

In the past, periods of crisis were faced with restructuring projects which encouraged voluntary, early retirement opportunities.

This choice can no longer be made, either for objective reasons (the sustainability of welfare costs), and for subjective ones as early retirees will ask to resume their position relying on their still unexpressed potential and on their good health favoured by a longer life expectancy.

New prospects therefore have to be constructed to meet this re-generational logic.
For the labour market

- Analyse territorial contexts, in order to enhance the cultural, technical and professional store of knowledge accumulated (crafts, small enterprises, creative manual ability, production niches, etc.), caring for the integration with new technologies, in order to associate continuity with innovation;

- Acknowledge the growth limits in the manufacturing sector and analyse the growth potential concerning services for individuals and enterprises;

- Face the crisis not only with offer-oriented policies, but also with strategies focused on demand such as new enterprises and new markets;

- Analyse changes related to the needs, especially concerning old age and ageing

- Oppose the discriminating effects of gender and age

- Identify the specific issues concerning older workers as subjects of active policies, rather than being exclusively relegated to individual skills and strategies;

- Reconcile and harmonise individual commitment and initiative with strategies concerning the issues of exit from the labour market, unemployment benefits and professional reinstatement;

- Assess and enhance the older worker's experience, also in his/her
THE IMPACT OF AGEING ON THE WORK ORGANIZATION
FOCUS GROUP 23.03.2012

For the organization of work

• Develop an organization to manage competences and age differences;
• Build new relations between apprentices and older workers, to transfer competences and experiences;
• Acknowledge the importance of new technologies in defining competence profiles;
• Study the relationship between technological change/experience, within the innovation;
• Identify criteria to accompany the retirement, by transforming the experience into a store of knowledge and experience for the company;

For promoting the well-being of the older worker

• Analyse tangible and intangible needs of older workers within a company
• Promote relations with the local welfare system with an intergenerational approach
THE IMPACT OF AGEING ON THE WORK ORGANIZATION
FOCUS GROUP 23.03.2012

For lifelong learning

- **Consider** in-company training as an opportunity to develop knowledge, skills and a store of experiences and traditions;
- **Widen** the scope of training to managerial and relational skills;
- **Involve** the older worker in the transfer of experience and of corporate culture;
- **Share** and participate in local initiatives to promote well-being, social cohesion and inclusion.

For cultural models

- **Avoid** rhetorical statements and the mere repetition of past experiences;
- **Participate** in the building of new meaningful frameworks within a new cultural model;
- **Identify** the “good practices” for new cultural models, mentality and lifestyles.
In Italy, reforms are implemented when contingent needs force us to do so, like now, at a time of deep change, for which the rules that were implemented in the past are no longer suitable… If one considers the age issue, it appears to have two sides of the same coin: the enterprise and the individual, they are often seen as antagonists, but they can become a single binomial entity. It is true that technology and innovation are eliminating all those older workers who are not capable of mastering them; however, there are also problems affecting enterprises that are faced with decisions from several points of view, in terms of organization, remuneration and vocational training. They certainly have to invest in the new languages of technology, supported by young people’s ICT skills in order to be competitive on the markets, but they must also provide a different type of answers as far as manual ability and craftsmanship are concerned, and these can be of vital importance in certain
For the worker, retirement often marks a rift in his/her system of life, and several people (not only higher professionals) express the wish to continue their working activity. Consequently, voluntary activities are a focus of interest. Social care activities are particularly increasing. This process goes through the use of experience not only at the service of the enterprise, but also for the community of people. As far as intergenerational cooperation is concerned, an agreement between younger and older people can decisively reduce tension and uncertainty that young people usually have when they enter the labour market, and that they can overcome thanks to the knowledge and competence of their older colleagues.
Let us not forget that, at least in a certain number of visited and interviewed companies, the resulting experiences aimed at enhancing the older workforce and at favouring intergenerational exchange processes have been rather limited, but very effective. To summarize, four types of older workers can be identified: Experts, Directors, Managerial Staff and Operational Staff. Clearly, the company aims at maintaining the first category of workers as long as possible at work, which is not the case (or only rarely happens) for the others. Incentive systems should be developed to favour the implementation of good practices for age management at enterprise level, by doing so not only these practices would be disseminated, but also sensitiveness towards the issue.

Great attention is focused on the need to share technical and technological experiences among young people and older people alike; however, organizational skills equally need to be taken into consideration, they are a fundamental asset, even more so than technological skills, and their value has been radically changed (or even lost) against an ever increasingly faster technological development.
A high-technology enterprise invests up to 15-20% of its annual turnover into research and creates innovation by means of scientific research activities carried out within the company and in cooperation with national and international research institutes.

These enterprises are considered “born global”, characterized by a highly skilled staff.

In terms of quantity, in 2010 Italian high-technology enterprises were 9% of the total number of Italian companies, and in Veneto they were 5.6% of all Veneto enterprises (24,000 enterprises out of a total of 426,000 active enterprises).

There are over 400,000 SMEs, making up 99.8% of the total number of Veneto enterprises. Over 92% of these SMEs are micro-enterprises, 6.6% are small enterprises and only 1% falls within the group of medium enterprises.
INNOVATIVE ENTERPRISES AND AGE MANAGEMENT

Business Model of the enterprise:
Product: Digital print
Since 2002, sales only via web with advance payment
70,000 customers
Average value of order: 200.00 Euros
Investments for High Technology Human Resources and Organization: trend on the increase in 5 years from 80 to 120 and up to 160 currently
During the interview, the entrepreneur points out the fact that, unlike the policy chosen by many Veneto enterprises, he does not wish to do without workers over 50, as «technology is no obstacle at all» and «older workers are of vital importance in generating self-confidence, for example when faced with production problems that can hardly be managed by a young worker without calm and reason». 
MANAGERS AND AGE: MOBILITY AS A RESULT OF CRISIS

Programme
“Network management” involved 85 Unemployed Managers most over 55

Model of intervention with the aim of creating a network of available managerial skills:
Methodologies of interventions:
Skills assessment Counseling, Situational checks, Training and professional upgrade with the cooperation of company expert and academics with strong links with the industrial context

Source: Manageritalia
Rejoining the workforce

Rejoining the market of managerial professions has been possible so far only through a change of mentality, no longer as a high-level employee, but as a counsellor or independent contractor. Mention must be made of the “temporary manager”, an expert “problem solver” especially for SME’s, but nowadays finding a flexible, temporary job, is increasingly difficult. A recent survey (May 2012) shows that less than 50% of dismissed managers find a new job with the same remuneration level, whereas 20% must accept a lower level than executive. Before the crisis only a manager out of three left the company because of dismissal reasons, whereas now the percentage has risen to 60%.

The pension reform

The pension reform has also affected the category of top executives and managers. In 2010 the 71% of managers accepted early retirement with adequate income until their actual retirement age. Now the pension age has been raised: times are too long, and this has an impact not only individually and socially speaking, but also in economic terms.
MANAGERS OF INNOVATIVE EMPLOYMENT: A FEW CASES

VEGA PARK INCUBATOR

Two managers have been involved in the analysis of the business plans of twenty new start-ups; their involvement in the management and development of new companies is being considered.

EMPLOYMENT IN INNOVATIVE SECTORS

Two other managers over 50 with experience in management and production control of mechanical companies have received support, also by means of creativity and innovation strategies, in rethinking new professional prospects; at the moment they are working in an innovative company of the energy sector.
The «Anziani per Padova» week is intended to promote initiatives to talk about active ageing and dialogue & solidarity between generations in order to promote healthy lifestyles fostering intergenerational cooperation.

- Municipality of Padua
- Padua Hospital corporation
- University of Padua
- CSV – Voluntary Service Centre of Padua
- Care institutes
- The wide network of associations actively working across the territory
- Provincial School Department