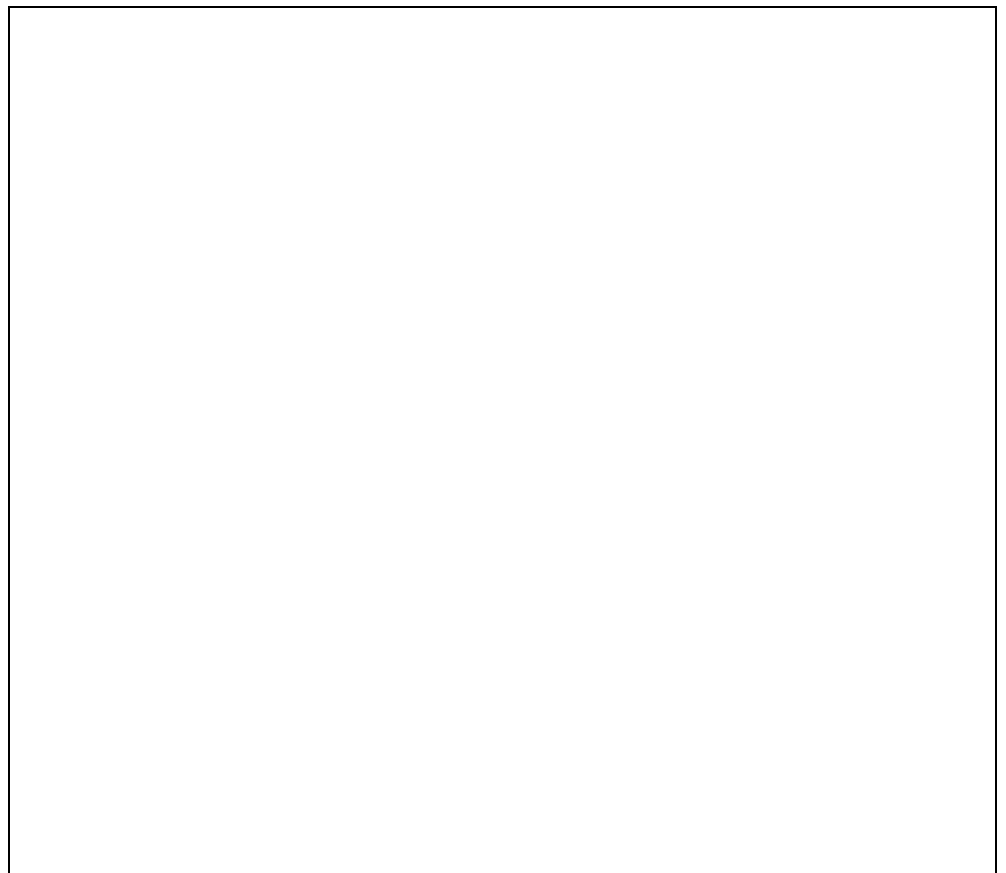




Eurofound

Impact of the recession on age management policies

Case study: Media Company, Czech Republic



Organisational background

This case study focuses on the practices of a multimedia company which has been in business in the Czech Republic since 1992. Its TV channel (launched in 1994) was the first privately owned commercial network broadcasting throughout the Czech Republic. Shortly after it commenced operations, it became the market leader in terms of viewing figures and advertising revenues. Since then, the company has successfully expanded and at present it operates four TV channels and several internet sites.

Compared to the other Czech TV channels, the company's main channel has had the highest audience share in the target group (viewers between the ages of 15–54) in the long-term. Since 2005, the company has been part of a US media and entertainment concern, as well as running other similar multimedia companies in six central and eastern European countries (main NACE code J60.20). The legal form is a limited liability company with the place of business being Prague. External broadcasting supervision is performed by the Council for Radio and Television Broadcasting, an administrative body of the Czech state.

At present, the organisation employs 568 permanent employees (329 men to 239 women). The overall employee age structure is summarised in Table 1.. When business requirements dictate, the company also uses external contractors to support some of the work functions. These contractors are in place for specific production (usually screenwriters and directors) tasks or hired for temporary work on a particular programme (such as sound engineers, lighting engineer, producers and directors).

Table 0: Employees' age structure

Age group	Number of employees	Percentage of employees
up to 22 years	12	2
23–27	83	15
28–32	123	21
33–37	135	24
38–42	59	10
43–47	49	9
48–52	42	7
53–60	53	9
60+	12	2

Source: Company's annual report 2009

With respect to the nature of type of employment offered by the organisation, the company offers both permanent and temporary contracts which can be either full-time or part-time. It also allows temporary work from home for some specific positions. Most of the contracts (97%) are permanent. A small proportion of the workforce (about 30 employees out of 568) has part-time contracts ranging from 10% to 90% of standard full-time working hours. Most of this small group are new parents. All part-time workers are covered by a permanent contract of employment. Throughout the company history, there have never been trade unions or other forms of employees' representation.

Within the company structure, a separate department is responsible for human resource development and this department is also responsible for age management policies and operations.

Policies and practice in relation to age management

According to the head of the HR department, who has worked for the company for several years, age management is a relatively recent concept in the Czech Republic. However, although the concept is still developing, the majority of HR officers in Czech organisations have already introduced age management measures to some extent into their practices. In the private sector in general, age management practices are less prevalent, often due to an excess of labour force supply over demand. However, in the media sector including TV production and broadcasting there is a shortage of qualified and experienced workers. This is particularly the case in technical and non-technical positions such as cameramen, editors and technicians. These highly skilled and specialised roles are often filled by older workers over 50 years of age. Because of the significance of this sub-group of employees to the organisation, the overall HR strategy has been influenced and shaped to ensure that talent and skill is retained for as long as possible within the business. Therefore, some of the other categories of employees including younger or part-time workers also benefit from particularly supportive HR policies (which for example work to reduce stress and ensure health and wellbeing are considered).

The head of HR, together with the company's top management (i.e. other department directors), is responsible for the creation and implementation of the overall age management policy and the measures put in place to implement this.

Within the specific context of age management policies, the company has implemented a number of measures focused specifically on older workers. These include:

- allowing workers at retirement age to work part-time if they wish (reduced working time while maintaining full pension eligibility);
- facilitating a modification of employment status to allow workers to become external contractors under the terms of author's contract if they wish more flexible working conditions;
- providing significant encouragement of older-aged employment through internal promotions, seniority-related pay and ongoing training.

According to the head of HR, these age management policies are critical to the business and enable the smooth knowledge and skill transfer from one generation to the next. Older and experienced employees are therefore given considerable flexibility about how and when they retire. The company is highly supportive of their needs and aims to create conditions that encourage older workers to continue to work for as long as possible (e.g. offering the above mentioned gradual retirement, part-time jobs, external collaboration, tailored working time etc.).

There are also several ongoing measures that are beneficial for all workers including older ones. These include:

- accommodating requests for part-time working, especially for parents with small children and workers with other family responsibilities;
- promoting flexible working time to support employees with specific family commitments;
- enabling home working for some roles where this is possible;
- developing and encouraging age-diverse teams, to optimise learning opportunities across the organisation;
- running of 'healthy days' three to four times per year during which medical doctors and life style experts provide consultations on a range of topics including healthy working and work-life balance.

Although there is no institutional employees' representation (such as a trade union), the company promotes a so called 'open door policy'. Every employee can personally or electronically, via the company's intranet, make suggestions to the HR department on working conditions and/or other work related issues. Every six months, the department carries out a survey on employees' current needs and attitudes toward introduced measures. This policy resulted for example in the introduction of the so called 'Breakfast with the director' initiative to accommodate employees' requests for better information about the company. Any employee can attend the breakfast and ask the general manager about anything related to the company's operation.

Similar to the ageing policy, the company adopted a gender-sensitive policy taking gender equality among employees into account. This was again in part due to labour shortages and related difficulties in recruitment of new employees, especially those that are highly specialised. However, neither age nor gender management is usually the driving force behind HR decisions in this company but rather clear-cut business priorities. Therefore, if the company needs to attract qualified and skilled workers, their specific situations must be considered and planned for. This is illustrated for example by the attention given to the workers on maternity leave. The company strives to tailor working conditions for them so they can stay in touch and return promptly to the company.

Changes in age management policies and practice post-2008

In 2008, the Czech economy was affected by the global financial and economic crisis, and the media industry was no exception. The crisis had an impact on the company's advertising revenues, which declined significantly in 2009. The advertising market returned to 2007 levels and the company revenues declined in other central and eastern European countries as well. Since then, the advertising market has been recovering slower than expected in the Czech Republic. Despite the company's leading role in the market, the audience share in the target group between the ages of 15–54 declined significantly in 2010 (about 5% points).

The declining advertising revenue forced the company to undergo restructuring which included making some of the company's employees redundant. The specific number of employees involved in redundancy remains confidential but the number of dismissed did not exceed the limit for mass redundancies set in the Czech Labour Code. Middle management, other employees and external workers, were not affected by cost-saving measures. Older workers were retained as far as possible since they are considered essential to the company's effectiveness and future development for the reasons mentioned above.

In response to the economic crisis, the company's educational and training policy changed. Up until 2008, company training systems had been focused on enabling managers to develop their business and marketing qualifications. Since the crisis, an educational and training system based on 'internal coaching' has been developed. The company's older workers (in terms of both age and professional experience) coach their younger and less experienced colleagues. So far, coaching has not been formalised and currently operates on an informal, as-needs basis. There are plans to formalise this arrangement.

Summary

The restructuring of the company as a result of the crisis in the media industry has not negatively impacted older-aged workers and external collaborators. In fact, several positive measures have been continued and launched since 2008. These measures reinforced the position of these key older workers in at least two ways. Firstly, their key importance for the company in terms of experience and labour quality and efficiency was re-affirmed. Secondly, their crucial experience and ability to enable skills transfer has been encouraged through the age-diversified working teams and the company's training system. Therefore, far from being considered an expense at this difficult economic time, older workers are considered to be the key to future success.

Contact persons

Head of HR section (unnamed person)

Marie Guttlová, employee

References

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Martin Nekola, Centre for Social and Economic Strategies at Charles University

Marketa Nekolova, Research Institute for Labour and Social Affairs

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