New Work Models to Cope with Increasing Age of Retirement

ICU Conference

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What exactly are the problems?
Swiss Population 1900

Swiss Population 2018

Source: Federal Office for Statistics
Scenarios for the development of the Swiss population

<table>
<thead>
<tr>
<th>Year</th>
<th>Male in Thousand</th>
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<td>2090</td>
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Male in Thousand  Female in Thousand
First Findings

• Society gets older, workforces get older too – and smaller
• Retirement of baby boomers from 2020 onwards
• Labor market gets tighter: lack of skilled employees and general bottlenecks
• Therefore: increasing working options for older employees
Transformation of the care system: the World Health Organization projected that organizations in the health care sector worldwide will be short of almost 13 million workers by the year 2035.
Scenarios for the development of the Swiss population

1. Increase Productivity (technology, education)
2. Immigration
3. Female Workforce
4. Retiring Age

Source: Federal Office for Statistics
Stabilisation of Old Age Dependency Ratio (Source OECD, 2018)

• Old age dependency ratio:
  Size of non-working age groups relative to that of people of working age (OECD average):
  • 1980  20/100
  • 2015  28/100
  • 2050  53/100

• Relevance: Labor Market & Pension Systems

• Stabilisation of this ratio on the 2015 Level => by how many years would the upper age boundary of working life have to increase?
  • Switzerland: approx. 9 years!
First Findings cont.

- Older employees > 50 (and also > 65!) will become more and more important in the labor market
- The employment rates of older employees will therefore have to be increased in the mid to longer term
- The retirement age will have to be raised towards 70 in the midterm (already today 12% of 65-69 year old population are working in Switzerland!)
- Creation and preservation of employability for older workforce is fundamental
- Companies must increase incentives to continue employment and create the respective conditions
  - E.g. Development of new career concepts and work models
Some Issues about Readiness

• Focus on MINT professions, yet time to hire also increases steadily for non-MINT profiles
• Insufficient perception of demographic challenges (30% of working population in Switzerland still retire early)
• Lack of Insight into the relevance of strategic longer term workforce planning
• Research gap as for the analysis of aging workforces
• Misjudgement of the value of older employees (cf. restructurings, focus re. personnel development)
• Varying or contradictory evaluation of the positive/negative qualities of older employees (capabilities)
Potential solutions:

1. Strategic Perspective (Desire)
2. Operational Perspective (Ability)
Strategic Action Areas
(what is the DESIRE of a company or institution to CHANGE/ADAPT):

• Corporate Culture
  • Development of an age and diversity sensitive as well as appreciating corporate culture
  • Sensibilisation of management and employees regarding the support for and development of older workers’ employability (recruiting and retention)
  • Establishment of guidelines as framework for action and direction

• HR-Strategy
  • Investment & Utilization Strategy (Conservation Model) vs. Exit Strategy (Depreciation Model)
  • Embedding of workplace accommodation and older employee development
Operational Action Areas ➔ «Active Aging»
(what is the ABILITY of a company or institution to CHANGE/ADAPT):

• Workforce Planning / Demography Management
• Personnel Development / Qualification
• Corporate Health Management
• Job Design / Labor Organization / Work Models / «Career» Concepts
• HR Competencies
## Relevance of Retention Measures

Source: Towers Watson Global Workforce Study 2012

### Top Drivers for Employee Retention

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<tr>
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<th>&lt; 30</th>
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<th>40-49</th>
<th>50+</th>
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<td>2</td>
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<td>3</td>
<td>6</td>
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<tr>
<td>Accessibility of Working Location</td>
<td>3</td>
<td>8</td>
<td>9</td>
<td>8</td>
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<tr>
<td>Job Security</td>
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<td>3</td>
<td>2</td>
<td>4</td>
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<tr>
<td>Trust into Top Management</td>
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<td>Working Environment</td>
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<td>1</td>
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<td>Stress Restricting Possibilities</td>
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<tr>
<td>Challenging Work</td>
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<td>Flexible Distribution of Work</td>
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60+?
Operational Action Areas
(what is the ABILITY of a company or institution to CHANGE/ADAPT):

1. PRECONDITION

• Workforce Planning / Demography Management
  • Consciousness of demographical changes
  • Ongoing and systematic analysis: age structure and internal demographies regarding quantity and quality
  • Anticipation of role related competency moves
    • Re-design of jobs
  • Considering changes in the workforce:
    • From full-time to multiple workforces (contractors, gig employees)

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Operational Action Areas

(what is the ABILITY of a company or institution to CHANGE/ADAPT)

2. Action Points:

• Personnel Development / Qualification
  • Focus on continuing development of older employees / increase of participation rate (mobility & multifunctionality)
  • Realization of lifecycle oriented personnel development (new career models/paths)
  • Re-Deployment instead of early retirements (cf. Restructurings!)

• Corporate Health Management
  • Focus on prevention to avoid physical performance problems
  • Measures to mitigate stress with age specific components

• HR Competencies
  • HR Department has functional capabilities to execute on strategies

• Job Design / Labor Organisation / Work Models / «Career» Concepts
Job Design / Labor Organization / Work Models / «Career» Concepts

Important Points:

• Growing older, working activity increasingly influences not only experience levels, but also health and fitness.
• Therefore it is crucial to adapt the design and organisation of work to people’s age.
• There is a wide array of possibilities.
• All these approaches, however, will increase administrative costs (time and money).
• Therefore it is important to analyse in detail which measures make sense in which context and bring most value.
Job Design / Labor Organization / Work Models / «Career» Concepts

• Working place related flexibilisation
  • Ergonomic design of working places
  • Supporting devices
Job Design / Labor Organization / Work Models / «Career» Concepts

• Time related flexibilisation
  • Age related partime work (Altersteilzeit)
  • Flexible work arrangements/schedules (project based, season based, flextime, telework, job sharing, etc.)
  • Phased retirements, semi-retirements
  • Bridge employments (including financial retirement planning)
  • Working time accounts (saving time credits for future usage)
  • Flexibilisation blocks (e.g. sabbaticals)
  • Additional leave
  • Shorter or longer qualification phases
  • Self-Employment
Job Design / Labor Organization / Work Models / «Career» Concepts

• Work related flexibilisation
  • Reduction of workload (time or giving up management responsibility)
  • Increased autonomy re. the design of work ➔ individual job crafting
  • Allocation of (new) tasks with (informal) learning options
  • Task enrichments (including teaching, consulting, etc.)
  • Job rotation (clearly defined time periods) / Lateral job moves
  • Composing age diverse teams
  • Idiosyncratic deals («I-deals»)
Job Design / Labor Organization / Work Models / «Career» Concepts

- Age inclusive career management (not necessarily upwards)
- Career related flexibilisation / lateral moves
- Informal learning or learning adjusted to individual expertise
- Active generation management
  - Mixed project teams
  - Reversed mentoring
And what about the health industry in Switzerland?

• **Workforce Planning:**
  • Change of tasks and roles due to new business models (economic pressure) or new technologies (digitalisation)
  • Consideration of specialisation vs. multi-functionality

• **Personnel Development:**
  • New role profiles (physician assistants or advanced nurse practitioners) to increase attractiveness of profession

• **HR competencies:**
  • Need for improvements and re-positioning

• **Flexibilisation:**
  • Potential for change
Industry Comparison I (Company Context)

(Source: PMO Study 2017)
Industry Comparison II (Challenges)

(Source: PMO Study 2017)
Industry Comparison III (Possibilities)

(Source: PMO Study 2017)
Industry Comparison IV (Possibilities)

(Source: PMO Study 2017)
Strategic Action Areas

Operational Action Areas

HR Strategy

Compatible Corporate Culture

Conservation Model: Long term orientation, Continuity, Stability, Retention Mode

Job Design
Labor
Organisation
Work Models
«Career» Concepts

Workforce Planning
Demography Management

Personnel Development Qualification

Corporate Health Management

HR Capabilities and Competencies
Thank you!

Any Questions?
Introduction to your Lecturer

• Professional Career
  • Human Resource professional with long experience in global leadership positions
  • Member of Executive Committee (Global Head of HR) of UBS Asset Management (2003-2007) and UBS Wealth Management (2010-2012)
  • Global Head of Human Resources of UBS Group 2007-2010 (80’000 employees with 2000 in HR)
  • Since 2013 Professor for HRM at the Institute for Human Resource Management and Organisation, School of Business FHNW, Dean for the “Master of Advanced Studies in Human Resource Management”

• Education
  • Philosophical Doctorate, University of Zurich / Yale University
  • Executive MBA, University of Rochester NY / Berne University

• Further Activities
  • Consulting
  • Family, Sports and Traveling