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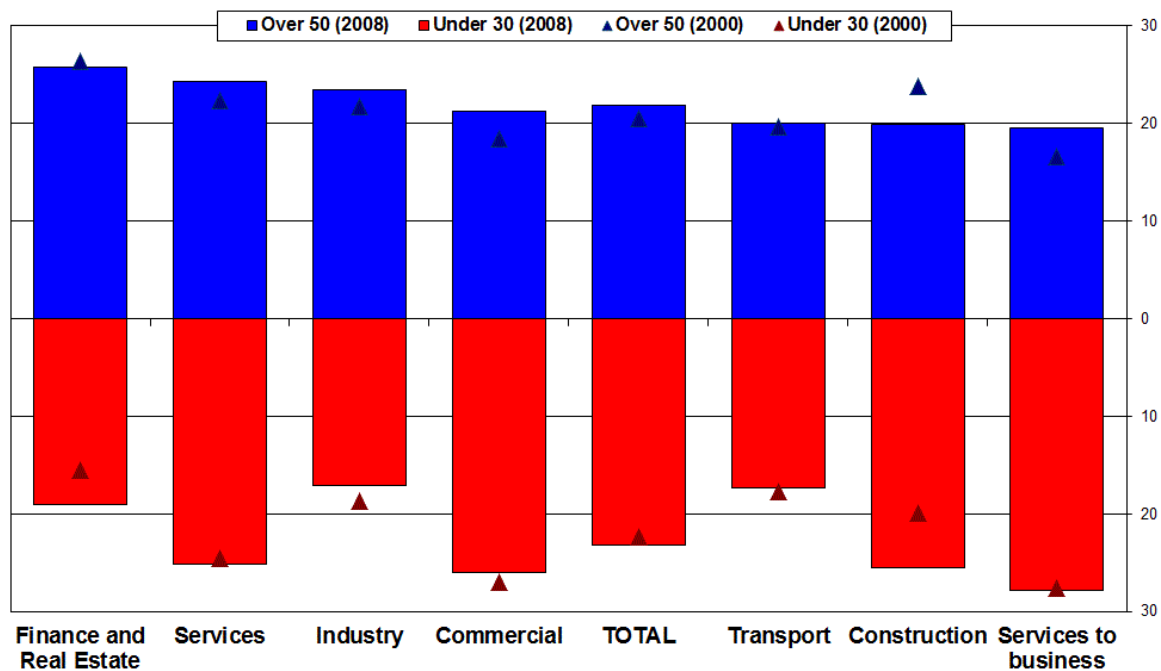
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The ageing population and the consequent increase in the share of older workers in the workforce have raised concerns among both policy makers and social partners across Europe. In France, the employment rate of older workers is still below the EU average, although it has increased slightly in the last decade. The ‘Survey of the management of employees aged 50 and older’ (EGS50+) finds that while explicit ‘age management’ in French workplaces is now more common and employers’ views about older workers has improved, perceptions of workers who are over the age of 50 are still ambivalent.

Older employees at work

The oldest members of the ‘baby-boomer’ generation reached the age of 50 in 1996 and ever since then the proportion of older people in the population and the workforce has been increasing. By 2008, 24% of the workforce in the private sector (excluding agriculture) was over the age of 50, compared with 20% in 2000 and 17% in 1995. Figure 1 shows that the proportion of older workers is higher than average in finance and real estate, services and industry. It also shows that the rate has increased since 2000 in all sectors except construction, while remaining relatively stable in finance and real estate.

Figure 1: Proportion of employees in the workforce, by age and sector (2000 and 2008)



Source: INSEE, as reported by DARES

Figure 2: Proportion of employees in the workforce, by age and sector (2000 and 2008)

Ten years of employment policies for older workers

Recognising the difficulties likely to be caused by a rapidly ageing workforce, social partners and policy makers have implemented many measures intended to keep older workers in employment over the last decade. The following list outlines the most important of these.

- The restriction of early retirement from the public sector ([FR1011041I](#)).
- The 2003 pensions reform, which encourages older workers to stay in employment in order to qualify for a higher pension by paying contributions for a longer period.
- The 2005 National Interprofessional Agreement (ANI) on the employment of older workers, followed by the 2006–2010 national plan that includes a number of measures intended to raise public awareness, keep older workers in employment, ease their transition between work and retirement, make it easier for unemployed older workers to return to the labour market, and strengthen social dialogue on the employment of older workers.
- The increase of taxes between 2007 and 2008 on enterprises that made use of early retirement and compulsory retirement.
- The liberalisation of systems allowing simultaneous employment and retirement.
- The increase of the compulsory retirement age from 65 to 70.
- Since 2009, the progressive abolition of the exemption from job-hunting previously enjoyed by older workers, while younger workers were required to show that they were looking for work in order to qualify for benefits.

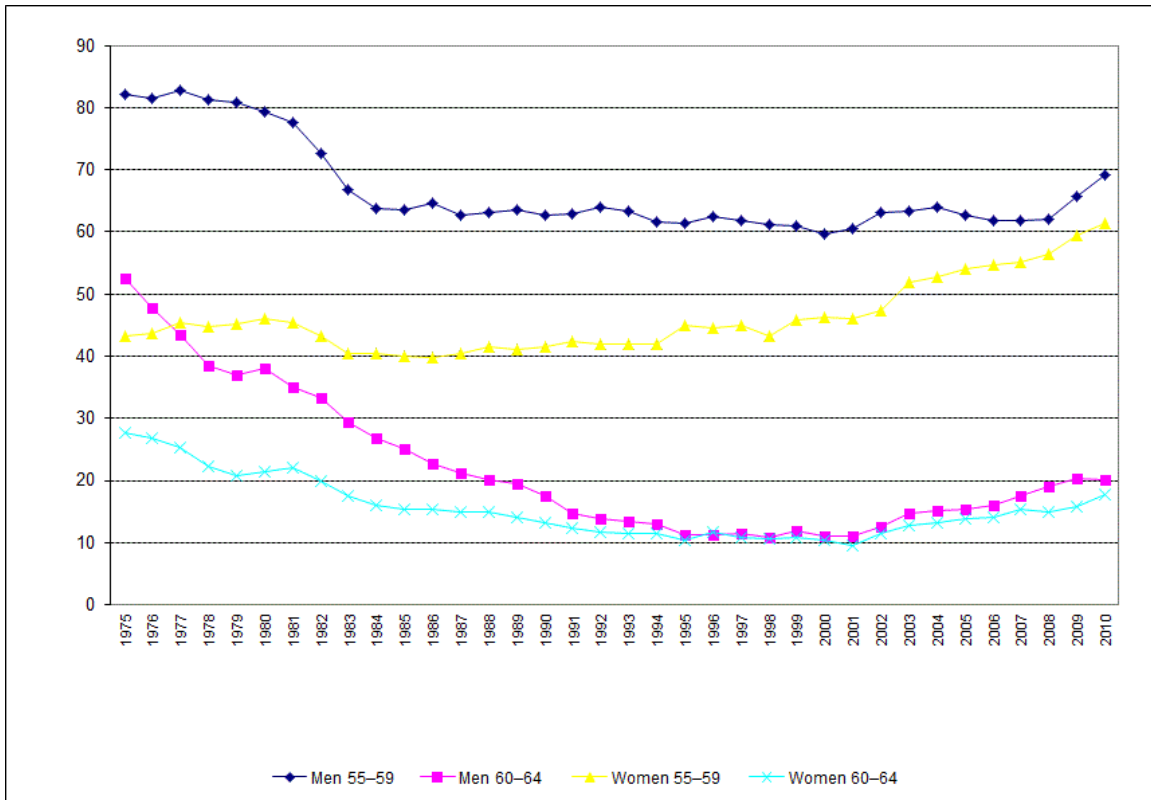
Other measures not specifically intended to help older workers remain in the labour market have nevertheless had a positive impact on their employment, such as the 2001 anti-discrimination law, the 2004 health at work plan and the 2005 law on disability. Several communication campaigns have also promoted the positive attributes of older workers.

Partly as a consequence of these initiatives, a significant growth of older workers' activity rate has been reported during the last decade for both men and women, as shown in Figure 2.

In 2000, the activity rate of male workers between the ages of 55 and 59 was 59.7%; in 2010 it was 69.2%. For male workers between the ages of 60 and 64, it was 11.1% in 2000 and 20.2% in 2010.

There has been a substantial rise in the labour market activity rate of women too. In 2000 this was 46.3% for women between the ages of 55 and 59 and in 2010 was 61.4%. Similarly, the rate was 10.3% for women between the ages of 60 and 64 in 2000 and 17.7% in 2010. It is also noticeable that the rise in activity rates gradually accelerated over the decade.

Figure 3: Activity rate of older workers by age and gender (%)



Source: Employment Surveys 1975-2010, Insee; Calculations by Dares

Figure 4: Activity rate of older workers by age and gender (%)

Last but not least, compared with the rest of Europe, the French activity rate of older workers aged 60–64 years is lower than the overall average in the EU15 countries (17.9% against an EU15 average of 32.5% in 2010). The employment rate of French workers aged 55–59 years is closer to the EU average (60.6% against the EU15 average of 63.5% in 2010), and this is due to the relatively high activity rate of women.

Table 1: Activity rates of older workers in the European Union in 2010

	All workers aged 55–64	Workers aged 55–59	Workers aged 60–64
Sweden	70.5	80.7	61.0
Germany	57.7	71.5	41.0
Denmark	57.6	75.9	39.6
United-Kingdom	57.1	70.8	44.0
Finland	56.3	72.5	40.8
Netherlands	53.7	70.1	37.2
Ireland	50.0	58.8	40.2
Portugal	49.2	57.8	40.2
EU15	48.4	63.5	32.5
EU27	46.3	60.9	30.5
Spain	43.6	54.4	32.0
Austria	42.4	61.0	22.3
Greece	42.3	53.9	30.5
France	39.7	60.6	17.9
Luxembourg	39.6	55.7	20.1
Belgium	37.3	53.1	20.2
Italy	36.6	52.7	20.5

Source: Labour Force Survey 2010, Eurostat

Data and methodology

The Survey of the management of employees aged 50 or older (*L'enquête sur la gestion des salariés de 50 ans ou plus*, EGS50+) was designed to shed light on the employment situation of older workers. The study was conducted by France's Research and Statistics Department (DARES). A representative sample of business leaders and human resource professionals from a range of sectors (industry, construction, trade, transport, finance and real estate, consulting) were questioned. Only enterprises which employed at least one person over the age of 50 throughout the year 2007 were included in the sample.

Data collection was conducted in two waves between November 2008 and February 2009. The first wave consisted of questionnaires that were designed to collect quantitative factual data covering the year 2007, in particular about the reasons for labour turnover of employees on permanent contracts in 2007 (such as dismissals, resignations, early retirement, regular retirement, compulsory retirement).

The second wave focused on explicit 'age management' measures and policies and covered practices developed by the companies to manage employees aged 50 or older. To collect subjective data such as assessments and opinions, 4,492 telephone interviews were conducted about age management policies in the workplace, anticipation of employment and skills of older

workers, managing ends of careers, general opinions about workers aged 50 or older, and how the company planned to maintain their employment. The authors have stressed that answers to this last question were interpreted as the opinions of the interviewees and did not necessarily reflect the policies and practices in place.

The response rate to the questionnaires and the telephone interviews was 45% and 34%, respectively. As the sample was drawn from official registers, the results could then be adjusted to account for non-response and so maintain representativeness.

Drawing exclusively on workplaces that employed at least one older worker in 2007 made it possible to focus on those establishments directly affected by the issue. On the other hand, the sample was necessarily biased because the employment of older workers is not distributed evenly across the economy. In particular, workplaces with fewer than ten employees are less likely to employ one person of at least 50 years of age. Similarly the service sector, where very small workplaces are common, has a significantly lower level of older workers. For these reasons, some types of workplaces are underrepresented in the final sample.

In order to account for changes over time, the results of EGS50+ are frequently compared with the findings of the ‘Survey of employees according to their age’ (*L’enquête sur l’emploi des salariés selon l’âge, ESSA*) conducted in 2001. Although the two studies are similar, there are a few sampling differences. Data were treated statistically in order to account for these differences. All comparisons, however, should be read in light of this.

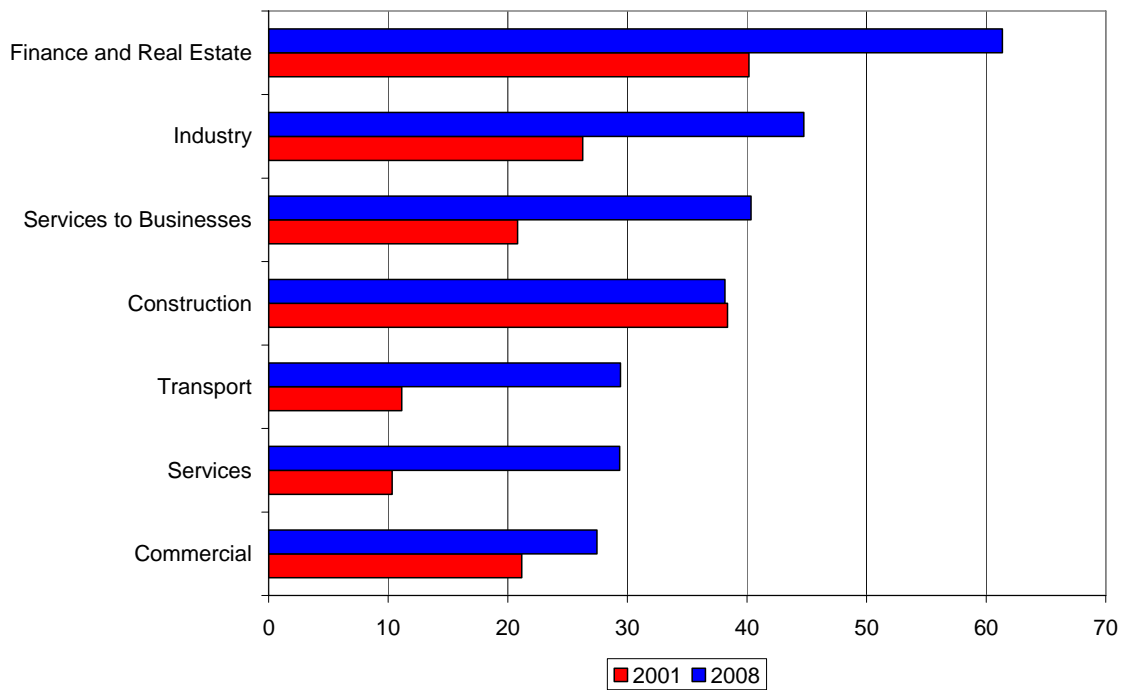
Employment of older workers

This part of the data analysis places strong emphasis on skills, age management, and training of older people in employment. EGS50+ data show that 74% of all workplaces with older workers report that these employees possess key skills, and 17% of all workplaces fear the loss of these key skills once older employees leave the workforce.

In order to manage age transition, the ‘age pyramid’ has been identified as an important management tool to anticipate such changes and challenges. It is used in 36% of all workplaces with older workers (25% in 2001), and the proportion of workplaces using it increases with the size of the establishment (from 26% for workplaces with 20–49 employees to 66% for those with more than 500 workers). The increase in use is, however, mainly due to the increased use of the pyramid as a short-term tool, usually for less than two years. Moreover, finance and real estate, and the industry sector seem to be more aware of the benefits of long-term age management (

Figure 5). Workplaces that are innovative in other ways appear to be more likely to use the tool. The survey findings show that workplaces that have launched a new product in the last five years are 1.4 times more likely to use the pyramid. Finally, its use also depends strongly on the proportion of older workers in the workforce and the existence of other anticipatory management practices, such as long-term workforce management plans negotiated by the social partners.

Figure 5: Proportion of workplaces employing older workers and using the age pyramid as an age management tool, by sector, 2000 and 2008



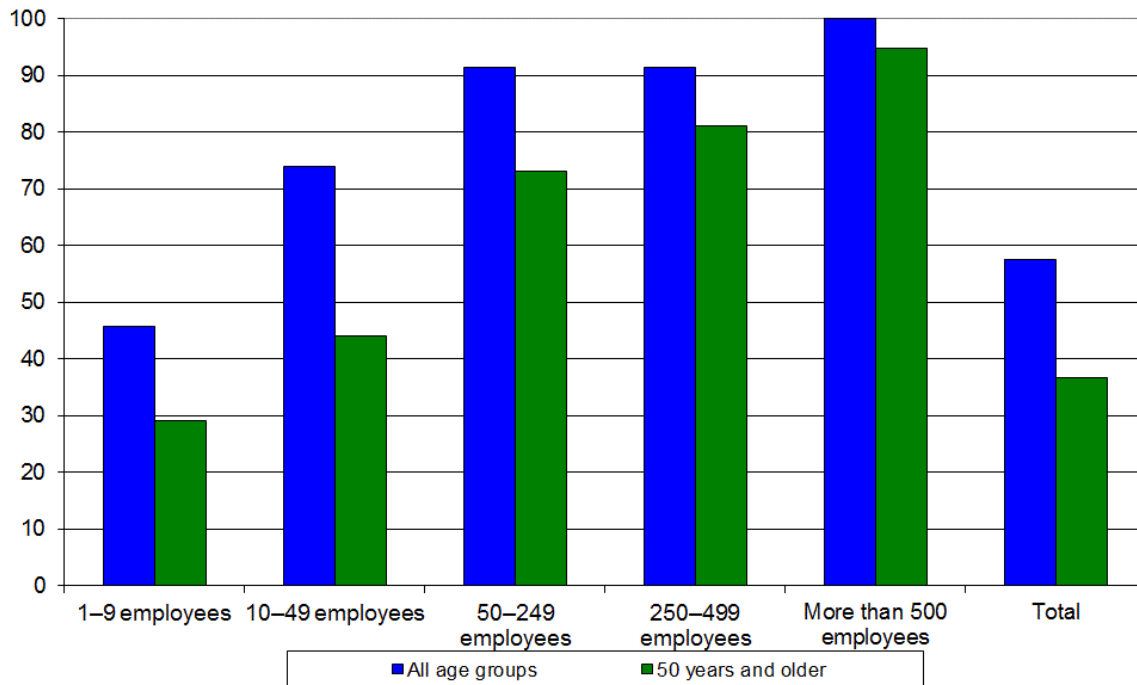
Source: EGS50+, Dares

Figure 6: Proportion of workplaces employing older workers and using the age pyramid as an age management tool, by sector, 2000 and 2008

The existence of age management plans also increases the likelihood of on-the-job training and tutorships for older employees. Responses from survey interviewees suggest that in 2007, 57% of all workplaces invested in training for their employees, but only 37% in the training of older workers. EGS50+ data show that large workplaces are more likely to train older workers (

Figure 7). In workplaces with at least 250 employees, 73% of all older workers who were offered training received offers for the development of their general skills, 66% job development training, and 58% training to adapt to their workplaces. In 2007, 10% of all workplaces with more than 500 employees offered older workers training to prepare for retirement.

Figure 7: Training for older workers by workplace size (%)



Source: EGS50+, Dares

Figure 8: Training for older workers by workplace size (%)

22% of all workplaces employing older workers reported that at least one employee used their 'individual right to training' (*droit individuel à la formation, DIF*) ([FR0311103F](#)) in 2007. Of these, 40% (9% of all workplaces employing older workers) stated that at least one senior employee had used their DIF. Older workers are more likely to take advantage of their individual right to training in workplaces that have implemented other age management tools.

French workers have the option of having their work experience formally recognised by a diploma or certificate (*La validation des acquis de l'expérience, VAE*) ([FR0404NU04](#)). The survey response showed that in 7% of all workplaces employing older workers in 2007, at least one employee had made use of the VAE. Of these, in 35% (3% of all workplaces with senior employees) at least one older worker had been awarded formal recognition of their experience.

Since 2005, workers over the age of 45 have had the right to request a special meeting with their superior to discuss future career developments. The data show that this practice is rarely used in small workplaces with less than 50 employees and at least one older worker (12%), and that the rate increases with workplace size (16%, 19% and 37% respectively, for workplaces with 50-249, 250-499, and 500 or more employees). The most common topics discussed include skills development and training, working conditions, and personal responsibilities and objectives.

It is reported that working conditions are generally better for older workers. This is, however, mainly due to a high rate of early retirement among those working under adverse conditions. Nevertheless, in three-quarters of all workplaces with adverse conditions employing older workers, at least one job with poor working conditions is performed by an older worker. This is particularly the case in the industry, transport, construction, and services to businesses sectors. Although these workplaces are more likely to put special measures in place to help older

employees to adapt to their workstations, the staff turnover rates due to physical incapacity are also higher.

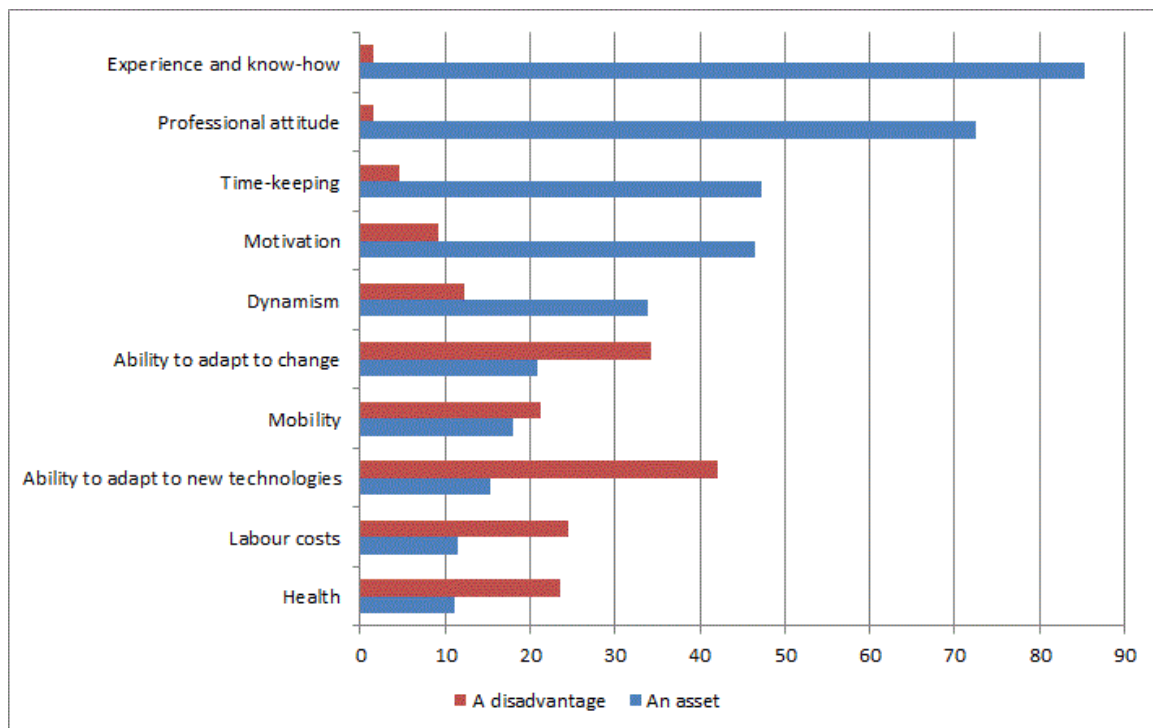
Finally, the hiring practices of companies were analysed and it was found that the hiring of older employees has decreased. The data show that in 2001, 91% of the surveyed workplaces had hired at least one older employee, but this figure had dropped by ten percentage points in 2007. Generally, older people are hired for their specific skills or in some sectors, such as services, for their long working experience. Some workplaces in the industrial sector reported that they had hired older people because no young people applied.

Employers' opinions of older workers

Assets and limitations of older workers

Figure 5 shows that in 2008, private sector employers believed experience, know-how and conscientiousness were the main assets of older workers. Older workers are particularly well-regarded for their time-keeping, motivation and dynamism. On the other hand, there is a perception that older workers are reluctant to adapt to change and to new technologies. They are also seen as more expensive than younger workers, and employers have concerns about their health and mobility.

Figure 9: Employers' perceptions of the qualities of workers aged over 50 compared to younger workers (%)



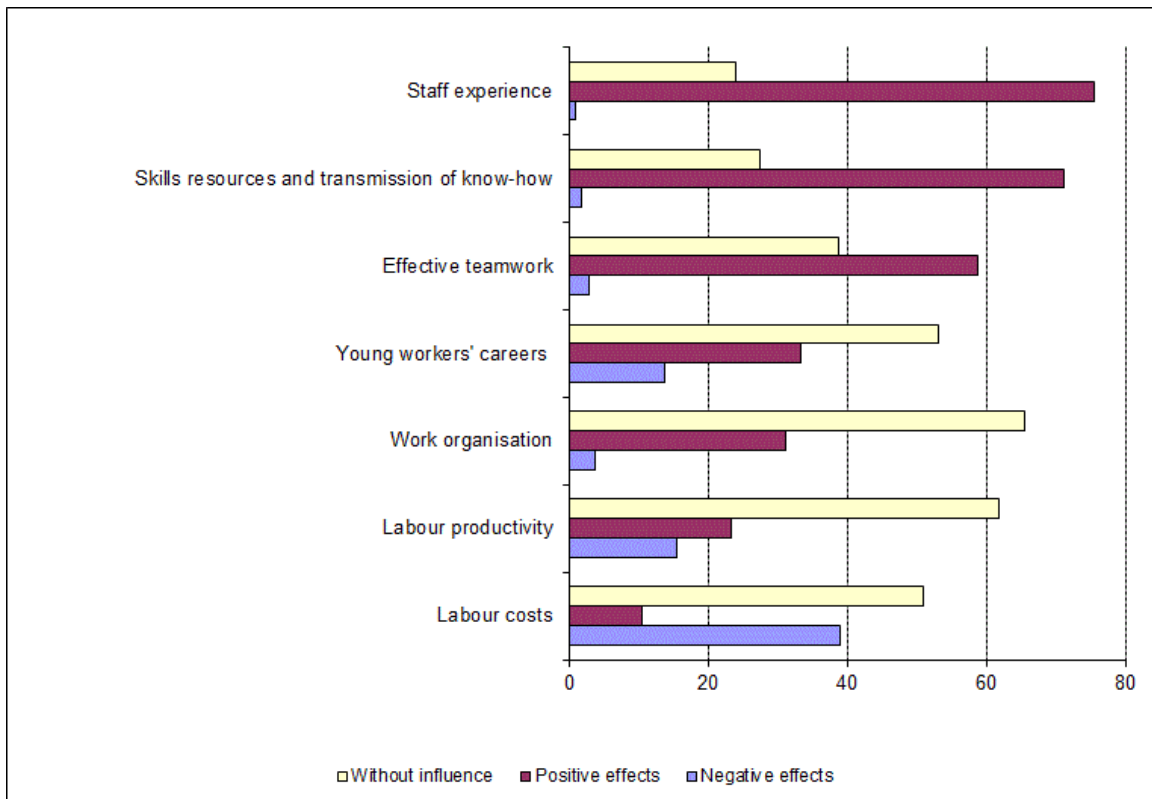
Source: EGS50+, 2008, Dares

Figure 10: Employers' perceptions of the qualities of workers aged over 50 compared to younger workers (%)

A quarter of the interviewed employers expect that the proportion of older workers in their enterprise will rise in the next five years. As shown in Figure 6, the majority expect this to be a

positive development for staff experience (76%), for the enterprise's skill resources and the transmission of know-how (71%) and for effective teamwork (59%). A majority of employers say that an increase in the number of workers aged over 50 would not have a negative influence on young workers' careers, work organisation and labour productivity. The higher labour costs of older workers is the most frequently expressed concern (38.8% of respondents) although just over half of all employers (50.8%) say this does not concern them.

Figure 11: Expected outcomes of the increase in the share of workers aged over 50 in an enterprise (%)



Source: EGS50+, 2008, Dares

Figure 12: Expected outcomes of the increase in the share of workers aged over 50 in an enterprise (%)

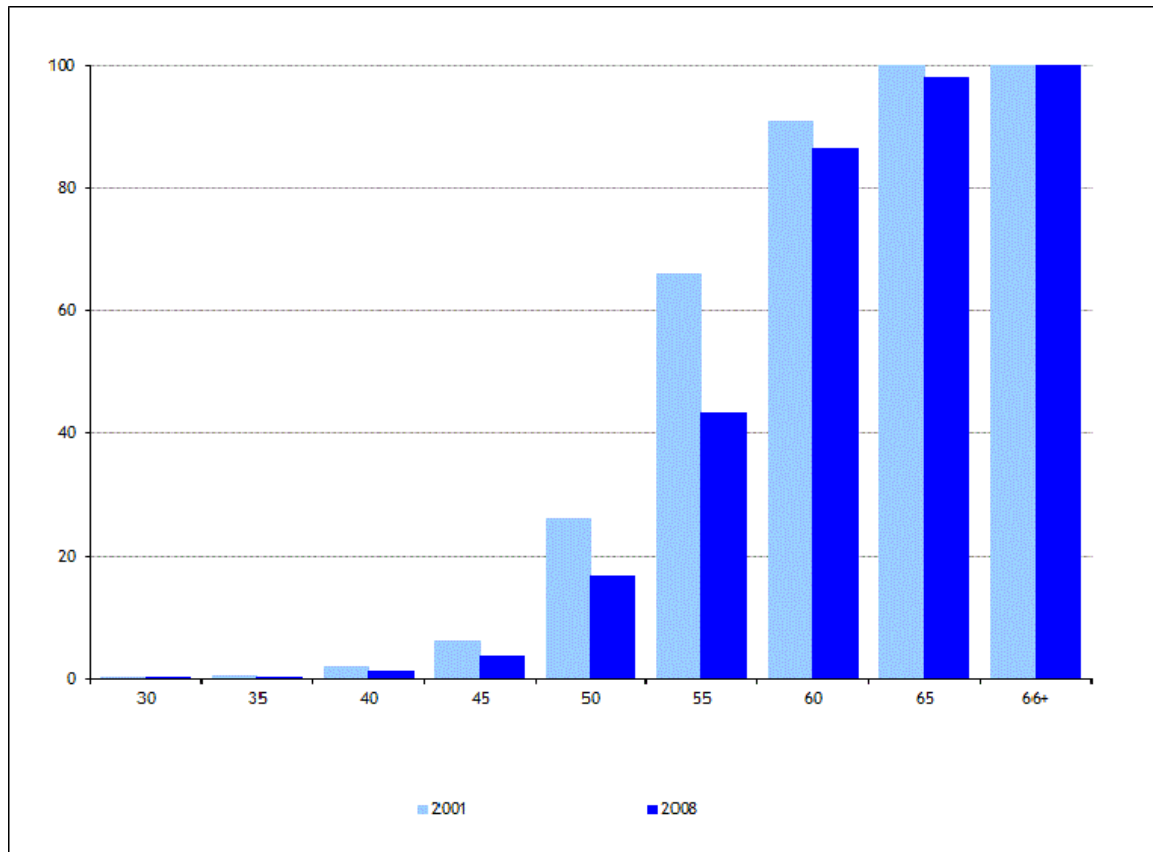
Differing perceptions of older workers

Opinions about older workers vary according to the characteristics of enterprises and employers. For example, older workers are viewed less positively in enterprises where the workforce is expected to decline in the next few years and in those where older workers already represent a large proportion of the staff.

It is of particular interest to see that the age at which workers are considered as 'old' by employers varies according to the size of the enterprise. In enterprises with fewer than 10 employees, the average interpretation of 'old' is 59.2 years old; it is 57.3 years old in enterprises with 10–49 employees; 57.1 years old in enterprises with between 50–249 employees; and only 56 in enterprises with more than 250 employees. In big enterprises, older workers are perceived to have more limitations than assets, and labour cost is seen as their biggest disadvantage.

It is worth highlighting that the overall age at which workers are believed to be ‘old’ by their employers is now higher than it was in 2001, as reported by the ESSA study (Figure 13). Then 66% of employers declared that employees over 55 were old, whereas in 2008 this view was shared by 43% of employers.

Figure 13: Age at which workers are considered ‘old’ by employers (%)



Source: ESSA 2001 and EGS50+ 2008, Dares

Figure 14: Age at which workers are considered ‘old’ by employers (%)

A final point is that the age of the respondent influences the answer. Not surprisingly, employers aged over 60 (7.6 % of the respondents) have a more positive view of older workers, while employers under 30 tended to consider that a worker is old before the age of 60.

Commentary

This report seeks to analyse the employment situation of older workers in the French labour market. Although their situation seems to have improved, it is not clear whether the progress made so far can counterbalance the dramatic increase expected in the average age of the workforce in the next few years. The crucial factor will be to what extent companies are willing to implement public policies intended to boost the employment of older workers. The involvement of social partners in the process of policy formulation and implementation seems promising. On the other hand, the survey results shows that measures such as the DIF and VAE are rarely used, despite being drawn up by both employers and unions. It may be that policy measures for older workers need to be promoted through better communication. Bottom-up

approaches might also help to formulate measures that correspond better to the needs and circumstances of French enterprises, particularly those of small and medium size.

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