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## **The consequences of demographic changes in the labor market – towards age management**

### **Konsekwencje przemian demograficznych na rynku pracy – w kierunku zarządzania wiekiem**

**Słowa kluczowe:** przemiany na rynku pracy, starzenie się zasobów pracy, zarządzanie wiekiem

**Keywords:** labor market changes, aging labor force, age management

#### **Streszczenie**

W ostatnich latach zasadniczej zmianie uległa struktura ludności pod względem wieku. W najbliższych dekadach należy oczekiwać nie tylko kurczenia się zasobów pracy, ale i ich ciągłego starzenia się. W wielu dokumentach rangi państwowej podkreśla się, że aktywne starzenie się jest jedyną szansą sprostania wyzwaniom, jakie niosą zmiany demograficzne, warunkiem koniecznym przyszłego dobrobytu i spójności społecznej. W tym kontekście wskazuje się na konieczność oddziaływania na jak najdłuższe zachowanie społecznej produktywności jednostki (działalność społeczna, zawodowa), a w odniesieniu do osób na przedpolu starości wskazuje na potrzebę aktywności zawodowej. W tej optyce starzenie się populacji nie musi nieść ze sobą tylko zagrożeń, ale może stanowić szansę na rozwój gospodarczy (usługi, towary, miejsca pracy). Jednak warunkiem dalszej aktywności zawodowej, społecznej i gospodarczej osób na przedpolu starzenia się jest dobry stan zdrowia i jak największy poziom ich samodzielności. W tej optyce zwiększa się rola zarządzania wiekiem, które dotyczy najczęściej osób w wieku powyżej 50 lat i odnosi się do przygotowania do dłuższego cyklu życia zawodowego. Zarządzanie wiekiem jest częścią polityki senioralnej, która koncentruje się na działaniach mających zwiększyć wydajność pracy osób starszych, a w konsekwencji ich zatrudnialność. Wachlarz działań podejmowanych w celu stworzenia środowiska pracy sprzyjającego pracownikom w różnym wieku, umożliwiające wykorzystanie ich możliwości i zaspokojenie potrzeb okazuje się być stosunkowo szeroki.

## Abstract

In connection with the demographic changes taking place in recent decades, one of the key issues are the appropriate management of the potential of the growing number of elderly people and undertaking action to mitigate the economic and social impact of aging of the population. The involvement of older workers in the labor market and the maintenance of good health, activity and independence are the best ways to alleviate the problems resulting from aging of societies and to preserve intergenerational solidarity. The aim of the article is to analyze the demographic situation in Poland in the context of the potential of labor resources and to present the concepts and instruments of age management. The research hypothesis oscillates around the claim that the application of age management strategies makes it possible to make the best use of the potential of all employees in a company, regardless of their age. If restructuring of positions and tasks can increase productivity of employees and improve the use of human capital, dissemination of age management systems in companies is one of the most desirable actions minimizing negative trends in the labor market, both in the social and economic sphere.

## The demographic background of changes in the labor market

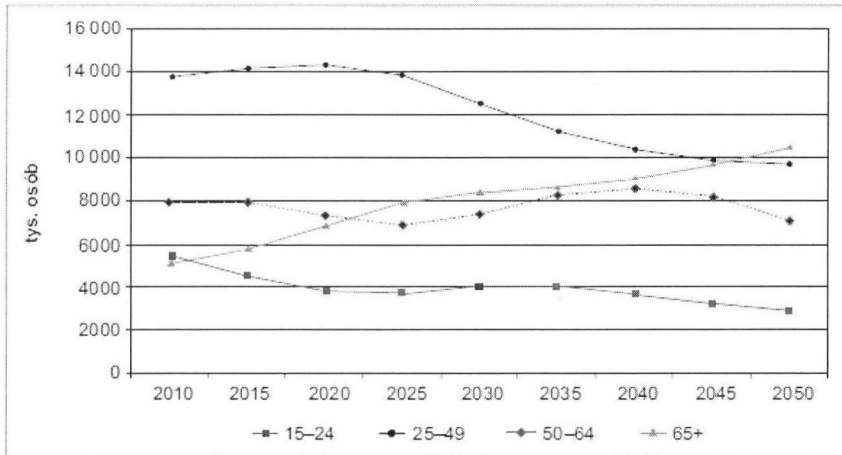
In recent years, the population structure has fundamentally changed in terms of age. First and foremost the population aging process, recorded both in the European Union and in Poland, is on the increase. Probably, in the perspective of 2060 about one third of EU citizens will be over 65 years of age (compared to 17.2% in 2010). In Poland only in the years 2015–2025 the number of 65+ people will increase from 6 million to 8.2 million (by the middle of the century it would be 11.1 million). At that time, the relative share will increase from 15.8% to 21.7% and by 2050 to 32.6%, respectively. In turn, by 2050 the share of people aged 60 and over in the Polish population will exceed 40% and amount to 13.7 million. It is also worth adding that by the middle of the century the population of Poland will shrink by 4.46 million to about 33 million 951 thousand. We are dealing with longer life expectancy<sup>1</sup>, which means that older people live longer – a 60-year-old man has an average 19.2 years of life ahead of him and a woman 24.3 years. Particular challenges connected with these demographic processes are transformations in the structures of families, numerically smaller and smaller caregiving potential for the growing number of seniors in need, as well as shrinking of the working-age population and aging of workers.

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<sup>1</sup> A boy born in 2014 in Poland has on average a chance for 73.8 years of age, while a girl for 81.6 years, that is, when compared to 1991 men live longer by 7.9 years and women by 6.5 years, *Informacja o sytuacji osób starszych za rok 2015*, document adopted by the Council of Ministers on 4.11.2016, MRPiPS Warszawa 2016, p. 16.

According to the forecast till the middle of the century the Polish population and the number of people of working age will continue to decrease. However, the latter process will be much sharper – a drop by as much as 36%, while the overall population will decrease by about 15%. In the period of 2010–2050, potential labor resources will decrease by approximately by 7 million people, and the strongest decline in the workforce size will occur in the decade 2040–2050<sup>2</sup>. The smallest percentage decline will cover the group of the oldest people aged 45–59/64, and the biggest drop – the youngest. In the coming decades, therefore, we can expect not only a shrink in labor resources but also their steady aging<sup>3</sup>. The processes taking place in Poland coincide with the pan-European tendency, however, they are characterized by a higher intensity<sup>4</sup>.

**Figure 1. Changes in the population of Poland by age groups in 2010–2050**



Source: E. Kocot, *Przemiany demograficzne świat, Europa, Polska. Wpływ zmian demograficznych na rynek pracy i sektor ochrony zdrowia*, „Zdrowie Publiczne i Zarządzanie” 2011, Vol. IX, No. 1, p. 18.

A key element determining changes in the labor market, apart from the economic situation, are demographic determinants of the economic activity of the population, that is the size of the population and its (especially age) structure and the economic

<sup>2</sup> J. Józwiak, *Demograficzne uwarunkowania rynku pracy w Polsce*, [in:] *Rynek pracy wobec przemian demograficznych*, ed. M. Kielkowska, Warszawa 2013, pp. 16–23.

<sup>3</sup> Ibidem, s. 19.

<sup>4</sup> M. Fura, B. Fura, *Zasoby pracy w Polsce i Unii Europejskiej w świetle kryzysu demograficznego*, „Nierówności Społeczne a Wzrost Gospodarczy” 2012, No. 24, p. 308.

activity rate which determine the supply of labor, while the demand for labor is a derivative of the demand for goods and services, which indirectly results from changes in the number and structure of the population. For this reason, the importance of demographic changes in the creation of socio-economic development is emphasized, and these changes are taken into account in the labor market forecasting process (demand for labor and labor supply)<sup>5</sup>.

Paweł Strzelecki undertook an attempt to answer the question about the possibility of mitigating the problems that the demographic situation presents for the labor market. One of his conclusions is that in the context of the future number of professionally active people, it is more important to raise the level of professional activity, modelled on many European countries with a more advanced population aging process, than to raise the retirement age. Changes in the age structure of the population of Poland are so deep that it is impossible to stop them or significantly reverse the trend of a decline in the size of the labor force. However, simultaneous actions to raise fertility rate, professional activity and retirement age can have positive effects. In this context, there is also the issue of so-called replacement migration, i.e. the size of the migration inflow, which could offset the losses of professionally active people in Poland resulting from the demographic change. The conducted simulations show that the number of immigrants required for such "replacement" would have to (in the period up to 2060) amount to over 5 million (and about 2.5 million descendants of migrants born in that period). Such an influx of migrants would have some social but also demographic effects, as sooner or later this group would become a part of the post-working age population – increasing its size<sup>6</sup>.

The future transformations of population structures will play a significant role in shaping the labor market and will lead to an increase in the burden of the working-age population with the post-working age population. The trends shown in the forecasts are apparent and inevitable as they are already embedded in the current age structures. Low birth rates and professional migrations will reduce the number and proportion of young people in the workforce. This will entail increased demand for work done by older people. Reduced labor resources will most likely result in staff shortages in some industries<sup>7</sup>.

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<sup>5</sup> Ł. Arendt, A. Gajdos, *Prognozowanie popytu na pracę*, [in:] *Rynek pracy wobec przemian demograficznych*, ed. M. Kielkowska, Warszawa 2013, p. 229.

<sup>6</sup> P.A. Strzelecki, *Czy Polska jest skazana na spadek podaży pracy w przyszłości? – wyniki analizy wrażliwości założeń prognoz długookresowych*, „Zeszyty Naukowe Instytutu Statystyki i Demografii SGH” 2012, No. 24.

<sup>7</sup> Z. Szweđa-Lewandowska, *Zmiany struktury demograficznej ludności jako przesłanka polityki wobec starzenia się i starości*, [in:] *Polityka wobec starości i starzenia się w Polsce w latach 2015–2035. Aspekty teoretyczne i praktyczne*, Warszawa 2016, p. 25.

## Problems in the labor market related to age and activation of people 50+

The level of professional activity of people aged 50+ in Poland is among the lowest in the European Union<sup>8</sup>. By the end of 2015 the employment rate for the 55–64 age group exceeded the level of 46% in Poland (an increase by 3.5% over the year)<sup>9</sup>. Despite some improvement, the level of employment of people on the threshold of old age in Poland significantly diverges from the EU average. Although the gap is lower than a few years ago, the difference still amounts on average to 8 percent.

**Table 1.** The employment and unemployment level in Poland and the EU by age

Eurostat 4th quarter 2015	The employment rate		The unemployment rate	
	Poland	UE (28)	Poland	UE (28)
15–64 years of age	63,7%	66,0%	7,0%	9,2%
50–64 years of age	54,6%	62,4%	4,9%	6,9%
55–64 years of age	46,1%	54,0%	4,9%	6,8%

Source: *Osoby powyżej 50 roku życia na rynku pracy w 2015 roku*, MRPiPS, Warszawa 18.05.2016, pp. 2–3, <https://psz.praca.gov.pl/documents/10828/2867503/Osoby%20powy%C5%BCej%2050%20roku%20%C5%BCycia%20na%20rynku%20pracy%20w%202015%20roku.pdf/639ba03a-39df-40e8-8d19-f634e3dec026?t=1464092558047> [accessed: 20.07.2016].

Although older workers are better educated, have higher competencies, are healthier than they used to, and can continue to perform their professional duties, it is very difficult for them to find a job<sup>10</sup>. According to the employment data, only one in

<sup>8</sup> In 2012 the employment rate of people in the 50–64 age group amounted to 50% (compared to 58% in the EU), while in the 55–64 age group it reached 38.7% (compared to the EU average – 53%), and in the second quarter of 2013 it rose to 39.9%, *Program Solidarność pokoleń Działania dla zwiększenia aktywności zawodowej osób w wieku 50+*, Annex to the Resolution of the Council of Ministers No. 239 of 24 December 2013, M.P. of 4 February 2014, item 115, p. 58.

<sup>9</sup> *Sytuacja makroekonomiczna w Polsce na tle procesów w gospodarce światowej w 2014 roku*, Warszawa 2015, p. 102.

<sup>10</sup> At the end of 2015, compared to the previous year, the decline in the number of the unemployed was recorded in all age groups except for the unemployed over the age of 60. The number of people aged 60 and over increased by 6.5 thousand, i.e. by 7.8%. The greatest decline was observed among people aged 18–24 (by 21.6%) and aged 25–34 (by 15.6%). In spite of this, the share of people in the oldest age groups in the total number of registered people was still the lowest; *Osoby powyżej 50 roku życia na rynku pracy w 2015 roku*, MRPiPS, Warszawa, 18.05.2016, p. 5, <https://psz.praca.gov.pl/documents/10828/2867503/Osoby%20powy%C5%BCej%2050%20roku%20%C5%BCycia%20na%20rynku%20pracy%20w%202015%20roku.pdf/639ba03a-39df-40e8-8d19-f634e3dec026?t=1464092558047> [accessed: 20.07.2016].

two person aged 50–64 (54.6%) still works. The analysis of the unemployment rate shows that although it afflicts older people less frequently, the share of people over 50 years of age in the total number of the registered unemployed is significant, and moreover, older people, once they are registered as unemployed, retain this status much longer than jobless persons belonging to other age groups<sup>11</sup>. Despite the adoption of specific principles of older people employment policy<sup>12</sup>, it is pointed that this may be caused by the fact that employers are driven by stereotypes in the choice of employees. Discrimination in the labor market due to ageism may be one of the biggest challenges of the coming decades<sup>13</sup>. Research results confirm that age typology is part of the recruitment process – for example, age was important for three quarters of Polish employers currently looking for employees. They preferred employees who were from in their early twenties to in their early forties. The fact that it is legally prohibited to specify age preferences in job advertisements will not change the situation<sup>14</sup>.

Employers are often deterred by the prospect of being unable to dismiss an employee for as long as four years before he/she reaches the retirement age regardless of the financial condition of the business, changing the profile of the business, restructuring the organization or department, or, for reasons related to the employee, such as failure to perform the duties, loss of trust<sup>15</sup>. It is therefore hardly surprising that entrepreneurs, considering the risk, choose younger employees in the recruitment process. Paradoxically, the long period of protection is the greatest threat to the occupational activity of people approaching retirement. It discourages employers from hiring people of this age because it ties their hands: except under exceptional circum-

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<sup>11</sup> *Informacja o sytuacji osób starszych za rok 2015*, a document adopted by the Council of Ministers on 4.11.2016, MRPiPS Warszawa 2016, pp. 37–38.

<sup>12</sup> Employment for all who can and want to work, also the elderly; possibility of free choice of employment; prohibition of discrimination on the ground of age at both the job search and the work itself; work conditions that respect health, safety and dignity of employees, also the elderly; right to fair remuneration regardless of the age; work as the basis of dignified and independent old age; right to social security as a consequence of employment; the right of everybody, including the elderly, to appropriate facilitations in the field of occupational consultation and training with the aim of choosing an occupation to best suit their skills and interests, T. Schimanek, *Zatrudnienie osób starszych*, [in:] *Strategie działania w starzejącym się społeczeństwie. tezy i rekomendacje*, RPO, Warszawa 2012, p. 84.

<sup>13</sup> Z. Szweđa-Lewandowska, *Zmiany struktury demograficznej...*, s. 27.

<sup>14</sup> K. Turek, *Znaczenie wieku na rynku pracy – model relacji pomiędzy pracownikiem i pracodawcą*, „*Studia Socjologiczne*” 2015, No. 2 (217), pp. 187–188.

<sup>15</sup> “An employer must not serve a notice of termination on an employee who will reach the retirement age in not more than 4 years, if his employment period would enable him to receive a retirement pension upon reaching this age”, Art. 39 of the Act of 26 June 1974, The Labour Code; *Journal of Laws of 1998*, No. 21, item. 94 as amended.

stances they cannot lay off a protected worker (this is confirmed by the results of the BKL study – the age was indicated as a barrier to getting hired by nearly half of the unemployed who turned 50. A particularly high percentage of indications were in age groups preceding the pre-retirement protection period and already covered by it<sup>16</sup>. The abolition of this privilege (or even a return to a two-year period) could contribute to an increase in the elderly employment rate<sup>17</sup>.

However, there is a gradual paradigm shift in the labor market, which consists in departing from the conviction about the exceptional role and high productivity of young workers while underestimating or even negating the suitability of older people in the workplace. Employers slowly become aware of the role of professional and life experience of older workers, the importance of social capital they possess, and they start to understand that older and young people generally do not compete for the same jobs. Lastly, the employment of older people produces effects that need to be addressed both from a macroeconomic and a social perspective<sup>18</sup>. In the former case, work of people aged 50+ should be regarded as important for the subsistence of this subpopulation – employment is a source of income instead of social benefits, such as early retirement or social assistance. Income from work is usually higher than that from social benefits, so the purchasing power of these people increases, as do the propensity to buy goods and services and the position of this group of employees as consumers. In addition to the increase in employment, the macroeconomic account should include a reduction in the expenditure on social benefits, which translates into a lower or at least slower rise of public debt. From a social point of view, however, the individual scale is also important: work as a source of maintenance and, at the same time, a source of satisfaction and an important element of human dignity significantly improve the quality of life.

In turn, it is connected with the promotion of active aging understood as “the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age”<sup>19</sup>. The goal of this leading concept in gerontology and social policy is to make old age an active and rewarding period. The potential of the aging generation can be realized in three main areas: occupational activity (conditions for a longer stay in the labor market); active participation in social life;

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<sup>16</sup> K. Turek, *Starzenie się ludności jako wyzwanie dla gospodarki, rynku pracy, polityki i obywateli*, [in:] *Młodość czy doświadczenie? Kapitał ludzki w Polsce Raport podsumowujący II edycję badań BKL z 2012 roku*, ed. J. Górniak, Warszawa 2013, p. 104.

<sup>17</sup> M. Zakrzewska, *Okiem pracodawcy*, [in:] *Rynek pracy wobec przemian demograficznych*, ed. M. Kielkowska, Warszawa 2013, p. 233.

<sup>18</sup> P. Błędowski, *Aktywność zawodowa osób w starszym wieku*, [in:] *Rynek pracy wobec przemian demograficznych*, ed. M. Kielkowska, Warszawa 2013, p. 54.

<sup>19</sup> *Active Ageing. A Policy Framework*, WHO, Geneva 2002.

creating conditions conducive to aging in good health and self-reliance, a comprehensive approach to aging as a stage of life<sup>20</sup>.

EU documents emphasize that active aging is the only chance to meet the challenges brought by demographic changes, a prerequisite for future prosperity and social cohesion. On the one hand, governments call for longer work to reduce the pressure of demographic aging on public budgets and, on the other hand, they struggle with discrimination in the labor market due to ageism on the part of employers<sup>21</sup>.

The measures implemented currently in the labor market to increase the employment of people aged 50+ can be divided into those addressed to employers and to older people themselves. In the first case, they often encompass the creation of material incentives, while in the case of people aged 50+, they aim to improve their professional qualifications (to increase the chances of getting or keeping a job) or to increase entrepreneurship, such as readiness to start a business. The prospect of a longer than before period before retirement should encourage not only the interested parties but also the public employment services to work more actively to find jobs. It will not only be in the interest of those concerned, but it will bring about beneficial changes on the macroeconomic scale. What is even more important are labor market services for older people who try to return after a period of unemployment or occupational inactivity.

Their activation may face great difficulties as they may have qualifications not suited to the needs of the modern economy and are generally characterized by low levels of spatial mobility (preferring to work in the vicinity of their place of residence). The adaptation of professional qualifications of these people to the expectations of the economy and increasing their professional opportunities requires an appropriate diagnosis, taking into account not only the current professional preparation but also the potential of the individual to learn new skills and the current and anticipated situation in the local labor market. Career counselling in this regard should be complemented with appropriate training and, in some cases, assistance in active job search.

The market for seniors and economic activity aiming to meet the needs of the elderly and to adapt the economy to the future needs of the growing population of older people form a basis for the dynamically developing *silver economy*. Goods and

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<sup>20</sup> Active and healthy aging is a central element of the labor market which is clearly visible in projects and programs funded by the EU, for which 75 billion euro was allocated between 2007 and 2013, *The EU Contribution to Active Ageing and Solidarity between Generations*, European Commission, Luxembourg 2012, p. 8, <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=6920&visible=1> [accessed: 10.03.2017].

<sup>21</sup> R.J. Tokarz, *Rynek pracy a osoby bezrobotne 50+. Bariery i szanse*, Warszawa 2013.



services oriented towards seniors are increasingly treated as a potential developmental stimulus for the economy. However, a condition for the successful development of the silver economy is to increase the participation of the stakeholders themselves in the social activity and to make use of the potential of the elderly in the labor market<sup>22</sup>. This activation can lead to finding “new” roles in society and the labor market. The concept of silver economy also includes the practice of age management related to raising the level of activity of older people in many fields, including professional activity and prevention of the effects of aging<sup>23</sup>. In this sense, the development of the silver economy is part of the postulate of prolonging professional activity. Its aim is to prepare the elderly for various life situations that may occur in the future.

In this context, the necessity of influencing the longest possible maintenance of the individual's social productivity (social, professional activity) is emphasized and with reference to people on the threshold of old age, the need for occupational activity is pointed to. In this optics, population aging does not necessarily entail risks, but may provide opportunities for economic growth (services, goods, jobs). However, further professional, social and economic activity of people on the threshold of old age is conditioned by their good health and the highest level of self-reliance<sup>24</sup>.

### **Age management as a need and a challenge for the labor market**

In foreign literature age management has been analyzed for about 20 years, while in Polish literature for several years<sup>25</sup>. It generally pertains to people over the age of 50 and concerns their preparation for a longer cycle of professional life. As the declining

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<sup>22</sup> See more in M. Kubiak, *Silver economy – opportunities and challenges in the face of population ageing*, „European Journal of Transformation Studies” 2016, Vol. 4, No. 2, pp. 18–38.

<sup>23</sup> I. Kołodziejczyk-Olczak, *Zarządzanie pracownikami w dojrzałym wieku. Wyzwania i problemy*, Łódź 2014, pp. 51–52.

<sup>24</sup> *Policy paper dla ochrony zdrowia na lata 2014–2020. Krajowe ramy strategiczne*, Warszawa 2014, pp. 128–129.

<sup>25</sup> Z. Wiśniewski (ed.), *Zarządzanie wiekiem w organizacjach wobec starzenia się ludności*, Toruń 2009; P. Błędowski, A. Szuwarzyński, *Aktywizacja zawodowa osób 50+ – szanse i ograniczenia*, Sopot 2009; T. Schimanek, K. Trzos, M. Zatorska, *Zarządzanie wiekiem – szansa dla przedsiębiorców. Miniprzewodnik zarządzania wiekiem*, Warszawa 2011; A. Kwiatkiewicz, *Analiza dobrych praktyk dotyczących zarządzania wiekiem w polskich przedsiębiorstwach – studium przypadku*, Warszawa 2010; J. Liwiński, U. Sztanderska, *Zarządzanie wiekiem w przedsiębiorstwie*, Warszawa 2010; J. Liwiński, U. Sztanderska, *Wstępne standardy zarządzania wiekiem w przedsiębiorstwach*, Warszawa 2010; J. Liwiński, *Opis dobrych praktyk dotyczących zarządzania wiekiem w przedsiębiorstwach polskich oraz innych krajów UE*, Warszawa 2010; I. Kołodziejczyk-Olczak, *Zarządzanie pracownikami w dojrzałym wieku. Wyzwania i problemy*, Łódź 2014.

labor resources demand the ability to make the most of their potential, these activities focus on three planes:

- activation of the elderly (as part of active aging);
- enabling to be active (age management, preventing ageism);
- „forcing” to be active – the necessity to prolong the period of professional activity<sup>26</sup>.

It can be stated that age management is part of senior policy that focuses on activities aiming at increasing the productivity of older people and, consequently, their employability. Alan Walker refers age management to “different areas in which human resources are managed within the organization, with a clear emphasis on their aging and, more generally, to managing the aging process of employees through public policy or collective bargaining”<sup>27</sup>. Polish authors formulate a similar definition of age management stating that “it refers to such a set of activities within enterprises and institutions that allow rational and efficient use of human resources, including older employees”<sup>28</sup>. Age management may include the employer’s attitude towards older workers, as well as older workers’ attitude to their work and career. It may involve the employer’s actions as well as state intervention (at the local or national level) to improve the overall situation of older workers in the labor market. Therefore, age management issues should be examined at three levels:

- the global level in terms of occupational activation of people on the threshold of old age through specific pension legislation, protection of pre-retirement age employees (justified by the problem of workforce aging and low occupational activity of the elderly), prevention of ageism, adaptation of employment policy to forecasted conditions;
- the organizational level (from the perspective of the enterprise): age management strategies in companies and concepts for using the potential of older workers; limited labor market opportunities (deficit of young workers in the local market);
- the individual level including older employees’ development possibilities and motivation to work – what is of key importance at this level is to convince older employees of the necessity to continue their professional activity. The most important factors in this respect are: the possibility to achieve the revenue needed to meet the needs of life (compared to the low replacement rate), higher self-

<sup>26</sup> P. Szukalski, *Solidarność pokoleń. Dylematy relacji międzypokoleniowych*, Łódź 2012, p. 109.

<sup>27</sup> A. Walker, *Combating Age barriers in Employment. European Research Report*, European Foundation for the Improvement of Living and Working Conditions, Dublin 1997, pp. 15–17.

<sup>28</sup> J. Liwiński, U. Sztanderska, *Wstępne standardy zarządzania wiekiem w przedsiębiorstwach*, Warszawa 2010, p. 7.

-esteem and the sense of social and professional usefulness, the ability to transfer knowledge (experience) acquired through years, the possibility of social contacts.

The range of activities to increase productivity and employability of older people is relatively wide. They can be implemented at various phases of employment (from recruitment to leaving work), concern the employees themselves (their physical and mental abilities), but also their environment shaped by the employer, for example work organization. These activities are generally divided into several groups that constitute areas of age management:

- employment and recruitment planning (good practice elements: equal access to employment and exclusion of discrimination, elimination of age limits in job offers), the recruitment process focused on skills, qualifications and experience;
- training and career development (solutions to provide older workers with the opportunity for professional development and improvement of skills, preparation and adherence to their career paths);
- flexible forms of employment (delaying the withdrawal from the labor market, organization of work enabling reconciliation of work and private obligations – *work life balance*);
- health protection and promotion (health prophylaxis – reduction of absenteeism, adaptation of the kind of work and burden to capabilities);
- workplace design and job postings (ergonomic design of workstations, transfer to another position matched to the potential and qualifications);
- termination of employment and going into retirement (voluntary retirement decisions, gradual retirement taking, e.g. by shortening working hours, encouraging to stay in touch with the enterprise, e.g. retired staff may participate in training of young workers)<sup>29</sup>.

Comprehensive age management increases the potential of employees (not only of older ones), leads to its efficient use (for example, through cooperation of workers of all ages, complementing and exchanging competencies – experts, *intermentoring*<sup>30</sup>), increases the motivation of older people to keep the job and work in the most effective way. All this forms a basis of benefits for both parties: employees (longer activity and ensuing earnings) and employers who have a team of employees with the right competencies and motivation, which leads to cost reduction and increases business development opportunities.

<sup>29</sup> G. Naegele, A. Walker, *A guide to good practice in age management*, Luxembourg 2006.

<sup>30</sup> *Intermentoring* – older workers share their knowledge and experience with workers of younger age or seniority, and older workers are trained by younger ones, e.g. in the field of new technologies.

Age management practices can bring companies the following benefits: limiting the direct and indirect costs of sick leave and substitutes, improved relationships with customers who as a result of the process of general aging of the population are more and more frequently older persons – preferring contact with a representative of the same age; better matching of employees – in terms of their professional experience – to job requirements and using individual capabilities of employees, raising older employees' motivation to work<sup>31</sup>.

It should be remembered that although we live longer and in a better physical condition, certain tasks cannot be performed full time or with the precision characteristic for young persons till attaining the age of retirement. It is worthwhile to find a new role for a long-serving employee, who may prove invaluable in the process of adaptation, e.g. of graduates<sup>32</sup>.

Employees' traits, skills and competencies that can affect the quality and nature of work they perform change with age. In Scandinavian counties research is conducted on occupational conditions and skills depending on age (*work ability index*), which confirm that although physical predispositions decrease with age, professional, social experience, and accumulated "life wisdom" increase and they can be a basis for various forms of consultation, guidance, coaching for the young. Work ability index also takes into account the health and well-being of employees. Health aspects include: actions to promote healthy lifestyles (training for healthy behavior, habits, stress-relief skills), proper nutrition, physical activity, ergonomics of work<sup>33</sup>.

Physical strength and immunity decrease with age, while knowledge and experience accumulate. Older people have better psychological predisposition to long-lasting actions than younger people. Older workers develop strategies to avoid additional unnecessary work. They do not burn out so fast, they do not waste energy on unnecessary activities. They are slightly worse in tasks that require fast pace, but they are more accurate. Life experience allows them to assess their capabilities and their limits more accurately, and they have better abilities to evaluate the situation. Thanks to this they make fewer mistakes at work. Their awareness of the importance of the quality of work, responsibility and duty is also at a higher level than in the case of younger workers.

Accuracy, reliability, better assessment of the situation resulting from experience are stressed as merits of older employees. Their least advantageous features are decreasing efficiency of physical work and low ability to adapt to new technologies. Diffe-

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<sup>31</sup> K. Zawadzki, *Zarządzanie wiekiem w organizacjach gospodarczych*, [in:] *Zarządzanie wiekiem w organizacjach wobec procesów starzenia się ludności*, ed. Z. Wiśniewski, Toruń 2009, p. 18.

<sup>32</sup> M. Zakrzewska, *Okiem pracodawcy...*, p. 234.

<sup>33</sup> H. Worach-Kardas, *Starość w cyklu życia. Społeczne i zdrowotne oblicza późnej dorosłości*, Katowice 2015, p. 150.

rences in skill levels between young and older people in Poland and between older people in different countries are visible especially in digital skills. Differences in the levels of skills between young and old people and between people in different countries are visible especially in digital skills<sup>34</sup>.

At present, however, we can observe the increasing role of age management, that is an approach to personnel management in the organization taking into account the individuals' age, aging process and life cycle in order to create a working environment that is friendly for employees of all ages, enabling them to take advantage of their capabilities and meet their needs. Age management is not only a practice addressed directly to the elderly, but a balanced approach aiming at improving the ability to work in different age groups. For the employer it is also an investment in the company's human resources – it can enable the employer to increase motivation and loyalty, to make better use of the available resources of competencies and skills, and ultimately to increase team stability and productivity. The solutions facilitating the combination of work with caring responsibilities will also play a greater role, as well as, as experts say, lifelong learning, updating and continuous improvement of employee competencies<sup>35</sup>. The productivity peak is usually achieved by workers (depending on the profession and other conditions) at the age of thirty or forty. After the age of 50, productivity falls rather than rises – but this is not a universal and unchanging trend, and old age does not have to be a period of lowered productivity. It depends on a number of factors related to the employee, the employer and the type of job.

Psychology and medicine have significantly expanded their knowledge of individual determinants of productivity and age-related changes in the functionality of the human body and mind at least since the 1970s. Scientific studies show a decrease in many general abilities of older people (health, physical strength, agility, speed), many other physiological functions also worsen as the body ages. Nevertheless, the importance of physical work in the modern economy is diminishing. In turn, the importance of cognitive abilities, such as intelligence, deduction, analytic, verbal and learning abilities is growing. A lot depends also on activities such as education throughout life. The most important productive resources of older age are the experience, practical knowledge and expertise that make senior staff experts in the environment they know. However, under new conditions and with new responsibilities (such as rapid technological progress), which require high learning abilities and adaptability, they may have more problems and cope worse than younger persons<sup>36</sup>.

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<sup>34</sup> Among older people in Poland, there are few people who represent higher levels of digital skills and there are many who are not familiar with computers, *Informacja o sytuacji osób starszych za rok 2015...*, p. 76.

<sup>35</sup> K. Turek, *Starzenie się ludności jako wyzwanie...*, p. 78.

<sup>36</sup> *Ibidem*, s. 101.

All this is an argument in favor of the promotion and implementation of lifelong learning. Neuroscientific studies show that if we adhere to the specificities of learning at all ages, we can learn effectively even in old age. Therefore, the main problem in the training of staff is not the limitation of the efficiency of employees' mind, but the lack of the habit of continuous improvement of their qualifications, occurring in all age groups. Courses during which adults are taught as if they were children, or employees over 50 years of age as if they were in their twenties only aggravate the problem because they build barriers of negative experience. What is needed is the promotion of the idea of Life Long Learning (LLL), proper strategies and approaches showing the benefits – before older people begin to learn (effectively), they usually want to know why they are doing it (their motivation is more internal than the external). They want to use their previous experience, and if possible, to decide about the course of the training<sup>37</sup>.

It cannot be assumed that greater professional activation of older workers unconditionally brings benefits to the employer. The posts, functions and roles in which older workers achieve results as good or better than younger ones should be categorized first. The analyzes should take into account the employee's career path and his development in the context of demographic changes and the role of older workers in the future, and not just focus on ad hoc training<sup>38</sup>. When these conditions are met, the benefits connected with using an age management strategy will be more probable. If success in competing for talents can be achieved by building a strong corporate image – age management is an asset – the company is perceived as an attractive employer, caring for employees and ensuring less burdensome work. In addition, it minimizes the risk of staff turbulences (recruitment and adaptation costs) and enables the use of senior staff experience combined with the potential of younger workers, which in the future may translate into a competitive advantage (in relation to those who do not implement age management strategies).

Age management solutions are implemented both at the enterprise level and at the state level. In some countries, government institutions join activities promoting age management, for example the Finnish National Aging Program, the Czech National Preparation to Aging Program, or the UK's Third Age Employment Network. These usually concern spheres of recruitment, conditions, organization of working time, pay systems, training, health care and flexible termination of employment.

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<sup>37</sup> *Learn Coaching – Nauczanie wspierające*, the material prepared within the framework of the project: „Barrier-free education – a training program to support the education of people with low professional qualifications”, Poznań 2010, p. 18, [http://edukacjabezbarrier.eu/pliki/Podrecznik\\_LearnCoaching\\_www.pdf](http://edukacjabezbarrier.eu/pliki/Podrecznik_LearnCoaching_www.pdf) [accessed: 15.05.2017].

<sup>38</sup> M. Zakrzewska, *Okiem pracodawcy...*, s. 238.

In October 2008 Poland adopted the program entitled *Solidarity of Generations. Measures to increase the professional activity of people aged 50+*, and its provisions were elaborated on in the *Implementation Document* (early January 2010), containing a number of actions emphasizing better use of human resources. The program is a package of actions that the government and local governments are expected to implement by 2020 and its strategic goal is to increase the employment level of people aged 55–64. Several legislative tasks to foster greater activity of people over 50 have been realized since the program began<sup>39</sup>.

At the end of 2013, the renewed program *Solidarity of Generations*<sup>40</sup> was adopted, which envisaged the implementation of activities in this area on many levels, and concentrated generally on extending the period of professional activity (especially for those on the threshold of old age). Although the main beneficiaries of the program are people over the age of 50, activities are also targeted at a broader group of people of various ages (for people over the age of 60 and for those who will enter the retirement age in a dozen or several dozen of years – especially for the so-called 45+ group). Addressees of the program are entrepreneurs, trade unions, non-governmental organizations, as well as social economy entities and local governments. After taking into account the costs of the program implementation, it is estimated that its introduction will have positive effects on the state budget – stemming from an increase in the employment rate of people aged 55–64 – in the form of an increase in tax revenue with the simultaneous reduction of the amount of retirement, unemployment and other benefits. The expectations also pertain to the competitiveness of the Polish economy. Thus, it can be stated that some mechanisms have been implemented at the national level, which may be a basis for strengthening the professional activity of people on the threshold of old age. However, in the process of activation in the labor market, different parties have to interact with one another, that is the government, employers, “third sector” organizations, and the stakeholders themselves. This is a rather serious challenge for the years to come, as it must be borne in mind that in the future for many older people professional work will become a necessity and an opportunity to add additional income to relatively low retirement benefits.

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<sup>39</sup> Among other things: exemption from contributions to the Labor Fund and Guaranteed Employee Benefits Fund for employers employing people over the age of 50, shortening of the sickness period for which the employer pays remuneration, provisions limiting the number of persons entitled to early retirement, facilitation of raising the professional qualifications – the possibility to go on paid holiday for employees raising professional qualifications at the initiative of the employer or with his consent.

<sup>40</sup> *Program Solidarność Pokoleń. Działania dla zwiększenia aktywności zawodowej osób w wieku 50+*, Annex to Council of Ministers resolution no. 239 of 24 December 2013 r., M.P. of 4 February 2014, item 115.

## Conclusions

In the future the share of older workers will increase significantly while the labor force resources will decrease considerably. Employees will be professionally active for much longer and will be searched for in the group of people over 50 years of age.

The presentation of the age management concept is an attempt to explain the key areas on which modern businesses should be based, creating the foundations of survival and development in the face of the coming changes. This is an approach oriented to mature employee.

Employers will need to learn to operate in the new conditions, to better understand the resources of competence and knowledge dormant in older workers and learn how to support and use them.

In the near future both the European and the Polish labor markets will move more and more towards the so-called employee market.

The incorporation of age management into enterprise management practices requires specific tools increasing the possibility to employ older workers. All age management areas should be consistent with the adopted strategy, organizational structure and culture.

Accuracy, reliability, better assessment of the situation resulting from experience are stressed as merits of older employees. Their least advantageous features are decreasing efficiency of physical work and low ability to adapt to new technologies.

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