



# Introduction

**Abstract** The aim of this book is to provide a better understanding of the value of older workers at work, and the importance of their contributions. Ageing populations have been studied in terms of the economic burden or the pressure on healthcare services and the rising numbers of seniors are generally viewed, more as a challenge, than an opportunity. However, in this book we are interested in viewing age as a potential benefit both for individuals and their workplaces.

**Keywords** Active ageing · Late career competence · Norway context

## 1.1 INTRODUCTION

“Why should we bother about older employees?” said a board member of a Norwegian hospital.

It is often difficult for managers to define the importance and value of older employees. Are they just necessary pairs of hands in an understaffed health service or are they key players in shaping and developing the workplace of today? After this board meeting, a manager felt she needed a better way to articulate the value and potential of older employees and any particular knowledge or contributions they could make. Based on this, the hospital initiated a research project with Norwegian social science research institutes.

The theme of the research in the Norwegian hospital is part of a greater social challenge facing many nations, that is the challenge of an ageing population. Ageing populations have been studied in terms of the economic burden or the pressure on healthcare services and the rising numbers of seniors are generally viewed, more as a challenge, than an opportunity. However, in this book we are more interested in viewing age as a potential benefit both for individuals and their workplaces. In addition to the hospital case, we will include data from other cases to gain a deeper understanding of the issues. We will examine the way in which senior employees actually use their knowledge and experience in their work and any advantages their age might give them.

The challenge of an ageing population is a challenge shared by most industrialised countries. The increase in life expectancy in combination with lower birth rates gives rise to a compositional shift from younger to older age groups. Across Europe there have been various research programmes investigating the challenge of an ageing population and looking at new ways of meeting this challenge. According to the EU Joint Programming Initiative (JPI) “More Years, Better Lives – The Potential and Challenges of Demographic Change” the challenge, seen from a policy perspective, has been described thus: “To sustain economic growth, prosperity and social development, many countries have recognised the need to increase the employment participation of people at higher working age. The degree of urgency is also reflected at all levels of the European policy agenda. The OECD views sustaining economic growth under conditions of population ageing by far as the most pressing global policy challenge for the next fifty years” (Hasselhorn & Apt, 2015: 12).

According to OECD (2019) the labour market participation for the age group 55–64 has increased by 8 percentage points over the last decade to an average of 64% in the OECD in 2018. Still “OECD countries are ageing rapidly. If no action is taken to improve the labour market situation of older workers, this could put a brake on further improvements in living standards and lead to unsustainable increases in social expenditures” (OECD, 2019: 9).

The demographic challenge has given rise to both research and policy efforts across most of Europe, as exemplified in the research programme JPI More Years, Better Lives—The Potential and Challenges of Demographic Change (Hasselhorn & Apt, 2015) that sums up where we have sufficient knowledge to act and where there are gaps in existing knowledge. The OECD report “Ageing and Employment Policies – Working Better with Age” sets out a wide range of policy recommendations centred around three broad areas: (1) Rewarding work and later retirement, (2) Encouraging employers to retain and hire older workers and (3) Promoting the employability of workers throughout their working lives. Of particular interest to the theme of our book is the first policy recommendation under theme three: promoting employability of workers throughout their working life. This recommendation is to “improve access to lifelong learning, especially for low-skilled and older workers; and better recognise skills acquired throughout working lives” (OECD, 2019: 17).

With increased life expectancy, age does not have to be regarded simply as a medical problem (Ilmarinen, 2006; Ilmarinen & Rantanen, 1999) or a challenge to welfare regimes. Active ageing regards experience and maturity as vital, resulting in skill and tacit knowledge, exercised by individuals and collectively, which are greatly valued by organisations (Hilsen & Ennals, 2005). Handled creatively, this group is potentially a new and unique resource.

In spite of extensive research arguing for the value and advantage of keeping older employees working longer, there is surprisingly little focus on why they are valuable. Vasconcelos (2018) argues that “their knowledge and expertise constitute an authentic source of wisdom capital that deserves careful attention from organizations to maintain by means of suitable incentives and training” (Ibid.: 114). He then goes on to stress the importance of training and motivation, but less about recognising what actually constitutes their existing knowledge and expertise.

The aim of this book is to provide a better understanding of the value of older workers, at work, and the importance of their contributions. The theme arises from the current challenges of ageing populations in western nations and the desire to keep employees actively involved in their work and contributing to society. Earlier research on cognitive ageing suggests that some abilities do decline with age; however, we subscribe to the idea that late career, i.e. from age 50 to 70 is not necessarily a period of stagnation or decline, but can also be a time for mastering new skills and finding

new ways of using prior knowledge (Lahn, 2003). Our work builds on the idea that if employees continue to learn throughout their working career, then they will be in a better position to make an active contribution and hopefully choose to continue working rather than taking early retirement (Tikkanen et al., 2002).

The body of the work in this book is based on interviews with employees aged 50–70 and workplace studies carried out in large public sector institutions. We will provide in-depth descriptions of these studies and analyse them in terms of what they tell us about the competence of older employees. The analysis will compare findings with existing concepts of competence and discuss what characterises late career competence.

Our understanding of competence is based on the idea that, as well as formal education, learning occurs outside the classroom and in the workplace. Many of our subjects have worked for many years after the completion of formal education and we assume that they have continued to learn in their working situation. The basis of our understanding of learning is best described by the concept of situated learning. The concept of situated learning developed originally as a way of understanding learning occurring outside the classroom and was used by Lave and Wenger (1991) in their studies of apprentices to describe the way they learned at work. Since the first use of this concept, it has been widely used and developed in studies, largely of practice-based learning, where learning is embedded in activities carried out in the local environment. This concept has largely been used to study younger employees and how they develop knowledge and skills in the workplace during or after the completion of formal education. However, in this book we use this concept to study those who may have completed their formal education many years ago. Many of the earlier studies of adults learning at work are focused on knowledge developed in an occupational context and have been used largely to study adults from the phase when they move from education into employment and learning in the workplace, but few have placed particular emphasis on those over 50 (Lahn, 2003).

## 1.2 THE NORWEGIAN CONTEXT

The experiences of older employees described in this book are all based in Norway. As we assume the local and national context play an important role, we therefore include a short description of the situation in Norway with regard to adult learning and employment.

Norway has a limited workforce and traditionally low unemployment. This situation has doubtlessly influenced politicians, leading them to encourage elderly employees to continue working beyond the minimum retirement age. The employment rates of older workers have increased in Norway during the last 20 years, as in all the Nordic Countries. The employment rates, in percentages in the age group 55–64 in the years 2019/2000 respectively were: Norway 73/65, Denmark 72/56, Finland 67/42, Sweden 78/65, Iceland 81/84 and OECD total 62/48 (Source: OECD Employment database).

In 2011, Norway introduced a pension reform, aimed at achieving a more economically sustainable system while still promoting higher employment rates for older workers. To achieve this the insurance scheme introduced flexible retirement age and pension withdrawals between the ages of 62 and 75 years, based on cost neutrality. This means that early pension withdrawal results in a lower annual pension, and vice versa. At the same time, pension payments are not automatically dependent on income from work. Individuals are free to draw pension and continue working. Supplementary contractual pensions and occupational pensions are gradually being adapted to the reformed Norwegian National Insurance Scheme.

The pension reform is supposed to encourage employees to continue working after the minimum retirement age, at the same time the intention of the reform is that the decision to retire should not be purely an economic one. Employees must want to continue work and be healthy enough to do so. In addition, the employer must still have a need for their labour. As described by Midtsundstad and Nielsen (2019: 14): “The age limit for employment protection is important in this respect, as the employer can terminate the employment after this age without a justifiable basis. In other words, the decision of whether to continue working or not does not lie solely with the employee since the employer needs to grant approval. In 2015, the decision was made to raise the age limit for employment protection in Norway from 70 to 72 years, while the lowest permitted age limit was raised from 67 to 70 years. The goal of the change in legislation was to improve the freedom of choice for the oldest employees and, not least, to increase labour force participation among the over 67s”.

Like most western nations, Norway has developed policies and plans for knowledge production. These plans and policies are designed to

ensure that a modern western nation should have the necessary knowledge to staff public and private institutions and to be proactive in developing new businesses and contributing to research and innovation. Most of the activities linked to knowledge production have traditionally been aimed at educational establishments and to a lesser degree at other arenas in society where learning might take place. In 2018, Norway published a strategic policy document on competence. Unlike earlier documents, this one was not based on the idea that most education happens in educational institutions, but described a much broader group of learners in a wide social arena for learning. This strategy highlighted the importance of continued learning, lifelong learning, learning at work and informal learning, as well as formal learning in the education system. In a presentation of this strategy, the Norwegian prime minister referred to the continued participation of older citizens by saying that “nobody was past their sell-by date” and encouraging employees to continue to work beyond the minimum retirement age. Many activities followed in the wake of this document and committees were set up to look into the future competence needs and at further education. The reports from these committees confirm the need for lifelong learning and suggest a range of more flexible training initiatives more suitable for people in full-time employment. New funding has been allocated to collaborative projects between business and higher educational institutions and in particular to raise digital competence among employees (Kompetanse Norge, 2018). There is little doubt that recent policy shows an understanding of the importance of employees with work experience, however reference to seniors and their need for competence is mainly expressed as a desire to keep them in full-time employment as long as possible and ease the burden of pension costs.

Working life in Norway is characterised by close cooperation between employers, employee organisations and the welfare state. Regular dialogue and involvement of the different groups has become an integral part of working life is locally referred to as The Norwegian Model. This tradition of cooperation may improve the opportunities for seniors to be heard. (Dølvik et al., 2014). Norway also has a publicly funded organisation promoting the rights of older citizens, The Centre for Senior Policy (SSP). SSP act as a bridge builder between policymakers, academics, employers and employees and they carry out an annual survey of conditions for seniors. In the 2019 survey around half of employees over 50

reported that they had participated in some form of work-related training IPSOS (2019).

In spite of recent policy initiatives and cooperative traditions of the Norwegian workplace, studies of educational qualifications, literacy and numeracy in different age groups indicate that those over 50 have lower scores than those under 50. Data from the OECD Programme for the International Assessment of Adult Competencies (PIAAC) shows a clear decline in skills level in relation to age. According to PIAAC this decline in skills starts at around 35 and continues up to and beyond retirement.

Those over 50 also participate less in formal education or organised training, informal learning remains high throughout working life (Statistics Norway, 2018). The same study also revealed an age-related decline in employment i.e. 67% of people aged 55–66 are in employment while 18% of those over 66 are in employment.

In spite of policy declarations, these statistics present a picture which largely supports the stereotype of the older worker who is perhaps gradually withdrawing and not keeping up with the pace of change in society, however many of these over 50s who are apparently not participating in formal learning, are still active in the workplace. Are they just passively waiting for retirement? Do they have no value in the workplace?

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