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Strategies and attitudes towards the older work-force among Swedish Firms. Some data from a 1995 survey on the employment patterns and policies towards the older work-force in 380 Swedish Firms

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Strategies and attitudes towards the older work-force among Swedish Firms

In a survey about the employment patterns and policies of firms towards the older work force in 380 Swedish Firms (Forsberg, Olofsson and Petersson 1996) we find that the dramatic exit patterns of the early 1990's can be linked to and to high degree are comprehensible given the prevailing organizational practices as well as conceptions of the older work force in Swedish firms.

1. Employment effects of Working Life Funds and Employment Security Funds

During the years 1991-93 65% of the firms in our sample had some kind of support from the Swedish Working Life Funds. The aim of these funds was to finance development of the work organisation, to make the work environment better, so that firms could make room for their employees in different ages etc. In our survey we asked the firms (through their personnel manager) how the aims of the Working Life funds had been met. These two aims were met in very different ways.

Table 1. The views of Swedish firms on the effects of Working Life Funds

| | <i>YES</i> | <i>NO</i> |
|--|------------|-----------|
| (a) The Funds had contributed to a change in working conditions (work environment) | 81% | 19% |
| (b) The contribution from the Funds had made it possible to retain employees | 28% | 72% |

TOTAL N= 380

Source: *Data from the Forsberg, Olofsson and Petersson Swedish Survey on "Firms and the Older Workforce (1994)" (hereafter FOP-Survey).*

The proportion of firms that had got support from the bipartist Employment Security Funds during these years was 30 %. These funds are based on agreements between the employers' federation and the trade unions, and originally built up to alleviate the problems faced by the older work force during industrial reorganisation; close-downs etc. (cf. Forsberg 1996). Among these firms about a third reported that this support made it the possible to keep employees while every second firm reported that this support had helped firms to get rid of employees.

Table 2. The views of Swedish Firms on the employment effects of Employment Security Funds

| | <i>YES</i> | <i>NO</i> |
|--|------------|-----------|
| (a) The Funds had contributed to a change in working conditions (work environment) | 35% | 65% |
| (b) The contribution from the Funds had made it possible to retain employees | 35% | 65% |
| (c) The contribution from the Funds had made it possible to dismiss employees | 52% | 48% |

Source: FOP-Survey 1996

2. Perceptions of the part-time pension system

A feature of the Swedish system that can be seen as both an exit option and as institution facilitating the continuation of older workers in firms is the part-time pension system. (Cf Wadensjö 1991 and Olofsson & Petersson 1994 for these two views). Among those firms that had experience of the part-time pension scheme the majority was positive.

Table 3. Views of firms on part-time pensions

| | <i>Problem</i> | <i>Positive</i> | <i>No comment/NA</i> |
|---|----------------|-----------------|----------------------|
| Firms' view of the Part-time pension scheme | 8% | 49% | 42% |

Source: FOP-Survey 1996

3. Older workers and industrial change

Most of the firms in our sample, which is a stratified sample of industrial firms where large firms are strongly overrepresented, have experienced dramatic shifts in the number of their personnel during 1991-93. About half of the firms have had reductions among the routine and lower grades of white collar workers as well as among the manual workers, esp. the unskilled. In many ways our data confirm the conclusion that can be drawn from other data, i.e. the fact that is the lower grade white collar employees that are under pressure. Among the long-term unemployed in the 60-64 age group in mid-1995 members of the white collar unions were clearly overrepresented.

Table 4. Changes in the labour force of the firm during the recession period (1991-1993)

| | <i>Increase</i> | <i>No real change</i> | <i>Decrease</i> |
|--------------------------------|-----------------|-----------------------|-----------------|
| Higher grades of white collars | 17% | 59% | 25% |
| Lower grades of white collars | 11% | 41% | 49% |
| Skilled workers | 15% | 40% | 44% |
| Unskilled/semiskilled | 13% | 33% | 54% |

Source: FOP-Survey 1996

There is among the firms a rather moderate sense that there are problems for the older workforce to adapt to change in tasks in the work organisation, as well as with the demands of new technology. Swedish firms perceive that they had experienced changes in their organisation and their production technique to a very high degree.

Table 5. Organisational and technical change in 380 Swedish Firms

| | <i>No</i> | <i>Yes Certain degree</i> | <i>Yes High degree</i> |
|-----------------------|-----------|-------------------------------|----------------------------|
| Organisational change | 7% | 39% | 54% |
| Technical changes | 9% | 57% | 34% |

Source: FOP-Survey 1996

4. Attitudes to older workers

We also put a series of questions - similar to the ones put by Guillemard et.al. to a French sample - on the attitudes of firms to the pro's and con's of the older workforce (problems with education, technology, level of education as well as their role as transmitter of knowledge etc.) Between half and two thirds of the firms judged that older workers had problems in these respects. On the other hand, three out of four firms thought that older workers (white collar employees as well as workers had a higher work morale than other employees.

Two thirds of firms thought that the white collar groups had some problem with the work tempo, while they thought that three fourths of the workers had the same problem. At the same time there was a very strong feeling among firms that the older workforce had an important role to play as transmitter of knowledge and experience.

The data in the FOP survey also show that the degree of technical change in the firm does not influence the view of the older workforce as a problem. There is however a strong association with decrease in size and activity and the view that the firms had too many older workers/employees. Change in organisation is more associated with the view that there are too many older employees than just technical change.

Table 6. Do personnel directors believe that the following categories have negative attitudes to older workers that can make it more difficult for this group to remain in the labour market?

| | <i>YES</i> | <i>NO</i> | <i>DON'T KNOW</i> |
|---------------------------------|------------|-----------|-------------------|
| Social Security Offices | 7% | 54% | 39% |
| Labour Market Employment Office | 12% | 50% | 39% |
| Trade Unions | 13% | 69% | 18% |
| Management | 30% | 58% | 12% |
| Supervisors | 35% | 54% | 12% |
| The older workers themselves | 37% | 43% | 20% |
| Staff of the firms (colleagues) | 43% | 42% | 15% |

Source: *FOP Survey 1996.*

The perception of personnel managers was thus that the resistance to older workers became larger the closer to the group they came.

Table 7. Views of Swedish firms on the age balance in their personnel groups

| | <i>Too few</i> | <i>About right</i> | <i>Too many</i> |
|-----------------------------------|----------------|--------------------|-----------------|
| 1. Younger white collar employees | 52% | 46% | 2% |
| 2. Younger manual workers | 35% | 59% | 6% |
| 3. Middle-aged white Collar | 9% | 59% | 16% |
| 4. Middle-aged workers | 13% | 79% | 9% |
| 5. Older white collar | 4% | 56% | 40% |
| 6. Older manual workers | 6% | 64% | 29% |

Source: FOP-Survey 1996

In Sweden there has been a recurrent debate in the political arena about raising the retirement age from 65 to 67 years. Therefore we asked the firms to judge, from the perspective of their own firm how they judged the possibility for different categories of their workforce to stay on in their kind of job and position.

Table 8. Views among firms on raising the pension age.

| | <i>No problems</i> | <i>Some problems</i> | <i>Large problems</i> |
|--------------------------------|--------------------|----------------------|-----------------------|
| Higher grades of white collars | 42% | 42% | 16% |
| Lower grades of white collars | 36% | 46% | 18% |
| Skilled workers | 14% | 41% | 44% |
| Unskilled/semiskilled | 12% | 41% | 47% |

Source: FOP-Survey 1996

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