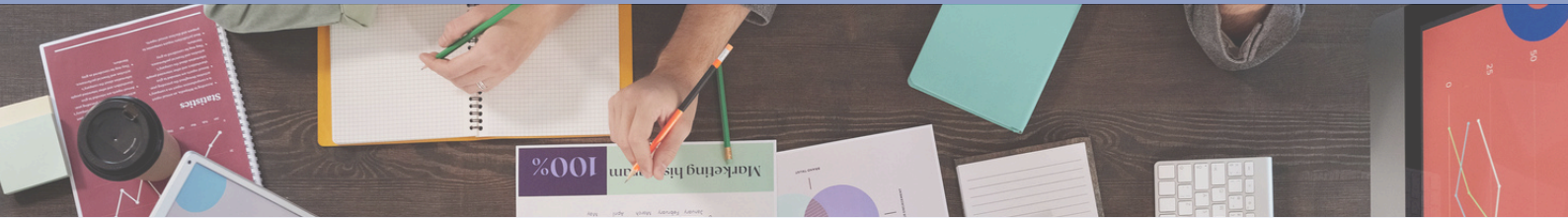


# IntegrAGE

## Curriculum



# MODULE 1

## Introduction to age management

**Interreg  
Danube Region**



Co-funded by  
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**IntegrAGE**

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## Summary

Age management is a strategic approach addressing workforce challenges in an aging demographic landscape, focusing on maintaining work ability, promoting inclusivity, and maximizing productivity across generations. The Work Ability Index (WAI) serves as a critical diagnostic tool, evaluating employee capacity through comprehensive factors including health, stress management, and job satisfaction, enabling organizations to develop targeted support strategies.

Demographic shifts in regions like the Danube, characterized by an aging population and labor shortages, have compelled countries to implement progressive workforce policies. These policies primarily aim to extend working careers through multifaceted approaches such as pension system reforms, raising retirement ages, and creating flexible working conditions that accommodate older employees' evolving health and professional needs.

The core strength of age management lies in cultivating a generational mix that promotes diversity of thought and facilitates knowledge transfer. By investing in lifelong learning, retraining programs, and creating environments that support continuous skill development, organizations can ensure older workers remain competitive and adaptable. This approach not only addresses labor market challenges but also creates balanced, resilient teams capable of addressing complex business requirements through intergenerational collaboration and mutual learning.

## Glossary

1. **Age Management:** A set of strategies designed to optimise the potential of employees across all age groups, focusing on employability, improving working conditions, and enabling long-term contributions throughout an employee's career.
2. **Work Ability Index (WAI):** A tool to assess employees' work ability based on their health and job demands, used to identify risks related to work incapacity.
3. **Generational Mix:** The combination of different age groups in the workplace, encourages diverse perspectives and collaboration.
4. **Pension Systems:** The structures and reforms aimed at providing financial security for workers post-retirement, including policies for extending working careers.
5. **Age Discrimination Laws:** Legislation to protect employees from discrimination based on age, ensuring fair treatment in the workplace.

## Introduction to Age Management

The term 'age management' refers to the various dimensions by which human resources are managed within organisations with an explicit focus on ageing and, also, more generally, to the overall management of workforce ageing via public policy or collective bargaining (Walker 1997). Age management helps organisations effectively utilise the potential of employees across all age groups. It focuses on supporting employability, improving working conditions, and enabling employees to fully contribute throughout their careers. There are five main reasons why age management has moved up the organisational and labour market agendas in recent years: the ageing of the European workforce, the age/employment paradox, public policy imperatives, initiatives by individual employers, and the European-wide drive against age discrimination (Walker 2005).

The basic concept of age management is "working ability". The Work Ability Index™ method was developed in the 1980s by the Finnish Institute of Occupational Health in Helsinki. The Work Ability Index (hereinafter "WAI") is a key tool in age management that assesses employees' work ability based on their health and job demands. It takes into account factors such as current health status, work requirements, and future work ability projections. The concept of work ability was developed, among other things, to prevent individuals from leaving the workforce due to their inability to work (Abdel-Hamid and El-Bagoury 2012).

The WAI is calculated based on a questionnaire that examines seven areas of work ability. Each area is scored, and the total score falls into one of four categories: low, moderate, good, and excellent work ability. The areas include:

- Current work ability in relation to the best state (0–10 points),
- Ability to meet job demands (2–10 points),
- Number of physician-diagnosed illnesses (maximum 7 points),
- Absence due to illness in the last year (1–5 points),
- Estimate of future work ability over the next two years (1–7 points),
- Mental capacity and ability to handle stress (1–4 points),
- Motivation and job satisfaction (1–7 points).

The WAI score ranges from 7 to 49 points, and work ability is categorised as follows:

- 7–27 points: Low work ability,
- 28–36 points: Moderate work ability,
- 37–43 points: Good work ability,
- 44–49 points: Excellent work ability.

Significantly, the WAI has also empirically verified high predictive value. A low WAI value predicts loss of work performance, retirement intentions, long-term absenteeism due to illness, and early retirement (Bethge et al. 2012). Thanks to WAI, organisations can identify risks of reduced work ability and implement measures to support employees at various stages of their careers. These measures include:

- Flexible working conditions: Such as flexible working hours or remote work.
- Health support programs: Focused on physical and mental health, stress prevention, and work-life balance.
- Lifelong learning: Skill development, training, and mentoring for knowledge transfer.
- Ergonomic adjustments: Proper workplace setup to support physical work ability.
- Individual development plans: Focused on career growth and transition to new roles.
- Mentoring and collaboration: Encouraging knowledge sharing between generations.

## Workforce demographics in the Danube region

The Danube region encompasses countries in Central and South-Eastern Europe, whose labour force demographics can show considerable variability depending on various economic, social and political factors. Key aspects of workforce demographics:

### 1. Age structure

Most countries in the region are facing an ageing population, especially in Eastern European countries such as Bulgaria and Romania. This trend affects labour availability and puts pressure on the market, where the number of active workers is decreasing while the share of people aged 65+ is increasing. The declining number of young people and the shortage of qualified workers are putting pressure on retaining older employees, especially those over 50. This shortage is most noticeable in healthcare, IT, and industry.

As a result, businesses and governments are implementing measures to extend working careers and keep older workers in the market to mitigate the effects of ageing.

## **2. Migration**

Most countries in the region are experiencing a significant outflow of labour, especially young skilled workers who are moving west in search of better working conditions. Countries such as Romania, Bulgaria and Serbia are thus experiencing a negative migration balance, while Austria and Germany are attracting labour migrants from these areas.

## **3. Employment levels**

Countries such as Germany and Austria have high employment levels, while countries in south-eastern Europe (e.g. Serbia, Moldova) still face higher unemployment rates. This may be due to lower levels of industrialisation and economic transformation that has not yet been completed.

## **4. Educational structure of the labour force**

Western countries in the region, such as Germany and Austria, have a higher share of workers with tertiary education. Eastern countries (e.g. Bulgaria, Serbia) still have a lower share of skilled workers, although many young people emigrate abroad in search of education and careers.

## **5. Gender inequality**

Some countries still face significant inequalities between men and women in the labour market, especially in more traditional societies with lower female employment rates (e.g. Serbia, Moldova).

For the Danube region, it is essential to develop comprehensive strategies that address the ageing population and help mitigate the economic consequences of this trend. Age management, skill development for older workers, and fostering their active participation in the workforce are key factors for maintaining economic stability across the region.

## Generational Differences

In the workplace, different generations meet, each with distinct values, work habits, and approaches to technology. These differences can affect team collaboration, management styles, and productivity. Understanding the characteristics of each generation and fostering their collaboration is a key element of effective age management, allowing organisations to harness the potential of each generation to achieve company goals.

Below are the classic characteristics of each generation. They are often based on the economic and technological development of countries. The countries of the Danube region do not quite fit into this concept. Economic and technological development began later, partly due to shifts in the age distribution of each generation.

Moreover, we consider it necessary to stress that according to Bobby Duffy (2021) who, based on a unique analysis of hundreds of studies, reveals that many of our preconceptions are just stereotypes.

### **Baby Boomers (born 1946–1964)**

Representatives of this generation, who entered the workforce in the post-war period, place significant emphasis on loyalty to their employer and traditional work ethics. They prefer stability and job security, prioritising long-term career growth within a single organisation. For this generation, achieving career goals and maintaining a professional reputation is crucial, which is why they tend to avoid frequent job changes.

### **Generation X (born 1965–1980)**

Generation X is positioned between the traditional work approaches of the Baby Boomers and the more modern methods of younger generations. This generation is characterised by flexibility and adaptability, having grown up during a time of technological change and globalisation. They value personal development, and work-life balance, and appreciate greater autonomy in the workplace. They often seek opportunities to develop their skills and advance their careers.

### **Millennials (born 1981–1996)**

Millennials, sometimes referred to as Generation Y, bring a strong focus on technology to the workplace, which influences their approach to work and communication. They expect flexible working conditions, such as remote work options or flexible hours, and place great emphasis on work-life balance. For Millennials, meaningful work and a variety of tasks that contribute to their personal growth and social responsibility are key.

### **Generation Z (born 1997–2012)**

Generation Z is the first generation to have grown up in a fully digital environment. These young employees expect quick access to information, digitised work processes, and modern technology in the workplace. For Gen Z, work that holds meaning not only for themselves but also for the broader society is important. This generation places great emphasis on social responsibility, inclusivity, and business ethics.

### **Generational mix**

The combination of multiple generations in the workplace can lead to innovations and growth thanks to the diverse perspectives each generation offers. Older generations can pass on their experience, while younger generations bring new technologies and modern approaches to work. This mix allows organizations to create dynamic teams that leverage a wide range of skills and support innovative solutions. Effective age management ensures harmonious collaboration between generations and the utilisation of their strengths to achieve common goals.

## **Age Management policy measures in the Danube Region**

Age management, or managing age diversity in the workplace, is a key issue for the countries of the Danube region as they face an ageing population and a shrinking workforce. Below are some approaches that different countries in the region use to address age management, along with examples:

## **1. Active ageing policies**

Countries like Germany and Austria are implementing active ageing policies aimed at extending working life and increasing the participation of older employees in the labour market. These policies include flexible working conditions, such as the possibility of part-time work or partial retirement (OECD, n.d.).

## **2. Training and lifelong learning**

Some countries, such as Hungary and Slovakia, focus on training and reskilling older workers to keep them relevant in the job market. This approach aims to reduce intergenerational barriers and facilitate adaptation to new technologies and working conditions (Eurofond, n.d.-a).

## **3. Financial incentives for employers**

Germany, Austria, and other countries in the region offer financial incentives to employers who hire or retain older workers. These incentives include tax breaks or subsidies for training programs (European Commission, n.d.).

## **4. Flexible retirement**

In countries like Croatia and Slovenia, a flexible retirement system has been introduced, allowing workers to stay in part-time positions longer and transition gradually into retirement. This approach helps to minimise the shock of leaving the labour market and allows employers to plan the gradual transfer of knowledge to younger generations (Eurostat, n.d.).

## **5. Intergenerational mentoring and knowledge sharing**


In countries such as Austria and Hungary, intergenerational mentoring programs are common, where older employees pass on their knowledge and skills to younger workers. This helps prevent the loss of know-how and improves collaboration between generations (Eurofond, n.d.-b).

## **6. Workplace health promotion**

Germany and Austria invest in workplace health programs targeted at preventing age-related illnesses, including promoting healthy lifestyles and ergonomics at work. These programs help older employees maintain both physical and mental well-being (WHO, n.d.).

These tools and approaches are essential for effective age management as the countries of the Danube region face demographic challenges, especially regarding an ageing population and a shortage of young workers.

## Case study about ČEZ, a.s.

<p><b>ČEZ, a.s.</b></p> 
<p><b>Country and Region:</b> Czech Republic, Ústí Region</p> <p><b>Sector:</b> Energy (production, distribution, and sale of electricity and heat)</p> <p><b>Size and scope:</b> Employs over 25,000 people, Annual revenues of approximately €15-20 billion</p> <p><b>Website link:</b> <a href="https://www.cez.cz/en/cez-group/about-cez">https://www.cez.cz/en/cez-group/about-cez</a></p>

### About the company:

ČEZ, a.s. is the largest energy company in the Czech Republic and a key player in the energy market of Central and Eastern Europe. The ČEZ Group is engaged in the production, distribution, and sale of electricity, heat, and energy commodity trading. The company operates a diverse range of power plants, including nuclear, coal, hydro, and renewable energy sources. ČEZ is also active in the field of renewable energy and demonstrates a commitment to sustainability. Additionally, ČEZ actively participates in initiatives focused on age management and supporting its workforce.

### The challenge:

One of the key challenges ČEZ faces is an ageing workforce, with the average employee age exceeding 46 years. The company must address the long-term employability and work ability of its ageing employees,

particularly in physically demanding roles, while simultaneously ensuring knowledge transfer to younger generations. Another challenge is reducing age-related stereotypes in recruitment and creating a diverse workplace that supports employees across all age groups.

### **The solution:**

ČEZ has implemented a comprehensive age management strategy that focuses on supporting employees throughout their entire careers, regardless of age. This includes regular health check-ups, flexible working hours, and transitioning employees from physically demanding roles to less strenuous positions. The company also fosters knowledge transfer through mentoring and graduate programs, and it ensures that recruitment processes are inclusive of older workers. Additionally, ČEZ provides personalised benefits, such as regeneration and healthcare funds, and a shorter working week (36.5 hours), to support the well-being of late-career employees.

### **The impact:**

The age management initiatives at ČEZ have helped maintain the work ability and employability of employees across all age groups. These programs ensure that physically demanding roles are managed effectively, helping to preserve the health and productivity of older workers.

Knowledge retention is safeguarded through structured mentorship and graduate programs, contributing to smoother transitions and preserving institutional knowledge. Furthermore, by hiring 10% of new employees over the age of 50, ČEZ has succeeded in promoting diversity and reducing age-related stereotypes in the workplace.

## **Content Evaluation**

### **1. What is the main goal of age management in organizations?**

- a) To hire only younger employees
- b) To reduce workforce size
- c) To utilize the potential of employees across all age groups
- d) To eliminate older workers from the workforce

**2. What is the purpose of the Work Ability Index (WAI)?**

- a) To measure job satisfaction
- b) To assess employees' work ability based on their health and job demands
- c) To track employee attendance
- d) To evaluate only the mental health of employees

**3. Which of the following is NOT a component used to calculate the WAI score?**

- a) Number of illnesses diagnosed by a physician
- b) Current work ability in relation to the best state
- c) Mental capacity and ability to handle stress
- d) Number of work promotions

**4. What WAI score range indicates 'Good' work ability?**

- a) 7–27 points
- b) 28–36 points
- c) 37–43 points
- d) 44–49 points

**5. Which demographic trend is putting pressure on the labour markets in the Danube region?**

- a) Increasing numbers of young people entering the workforce
- b) Migration of older workers to other regions
- c) Ageing population and declining number of active workers

d) Rising birth rates

**6. What measures do countries like Austria and Germany implement to extend working life?**

a) Lowering the retirement age

b) Implementing active ageing policies with flexible work arrangements

c) Removing financial incentives for older workers

d) Encouraging early retirement

**7. What do Baby Boomers (born 1946–1964) prioritise in their careers?**

a) Flexibility and work-life balance

b) Job security and long-term career growth

c) Frequent job changes

d) Working remotely

**8. Which generation is characterised by growing up in a fully digital environment?**

a) Generation X

b) Baby Boomers

c) Millennials

d) Generation Z

**9. Which generation is known for valuing flexibility, personal development, and work-life balance, having grown up during a time of technological change and globalisation?**

a) Generation X

b) Baby Boomers

c) Millennials

d) Generation Z

**10. What is one of the key age management strategies used to address an ageing workforce in the Danube region?**

a) Eliminating retirement benefits

b) Implementing flexible working conditions and retraining programs

c) Encouraging early retirement

d) Reducing healthcare support

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