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Strengthening the employability of older workers in Norway

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Chapter 5

Strengthening the employability of older workers in Norway

In addition to strengthened economic incentives and age-friendly employer practices, employability and willingness to stay on are prerequisites for increasing employment rates for older workers. Three key factors here are up-to-date skills, ready access to employment services, and better working conditions. This chapter provides an overview of related measures – taken or that could be improved upon – to boost the employability of older workers.

Reduce inequalities in training participation by age and skill

Key trends

The employment rates of older people are correlated with their education in Norway, as in most other OECD countries. In 2010, while men aged 50-64 with tertiary education had an employment rate of 90%, the employment rate of men with less than upper secondary education was only about 60% (Figure 2.4). (The employment rates in Norway exceed the OECD averages at all education levels.)

The education level of the 50-64 age group has increased considerably in Norway over time, but seems to have stabilised, particularly for men, in recent years (Table 5.1).

Table 5.1. **Distribution of people aged 50-64 by educational attainment, Norway, 1996-2011**

As a percentage of the age group

	Less than upper secondary education		Upper secondary and post-secondary non-tertiary education		Tertiary education	
	Men	Women	Men	Women	Men	Women
1996	29.4	37.1	46.8	45.6	23.8	17.4
1997	28.5	34.5	46.8	48.8	24.7	16.7
1998	25.3	31.3	50.9	49.6	23.8	19.0
1999	24.8	29.2	52.5	51.1	22.8	19.7
2000	22.7	28.9	50.7	48.5	26.5	22.6
2001	23.0	27.5	48.0	49.5	29.0	23.0
2002	23.8	26.1	47.9	51.6	28.3	22.2
2003	21.4	24.2	53.5	53.6	25.1	22.2
2004	19.6	22.5	53.0	55.1	27.4	22.5
2005	17.8	21.0	54.1	54.4	28.1	24.6
2006	21.2	24.1	51.0	49.5	27.8	26.4
2007	20.6	24.4	50.4	47.3	29.1	28.3
2008	19.4	23.8	51.4	47.6	29.2	28.6
2009	19.0	23.8	52.3	47.9	28.8	28.3
2010	19.1	23.2	52.0	48.1	29.0	28.8
2011	19.1	22.8	51.3	47.3	29.5	29.9

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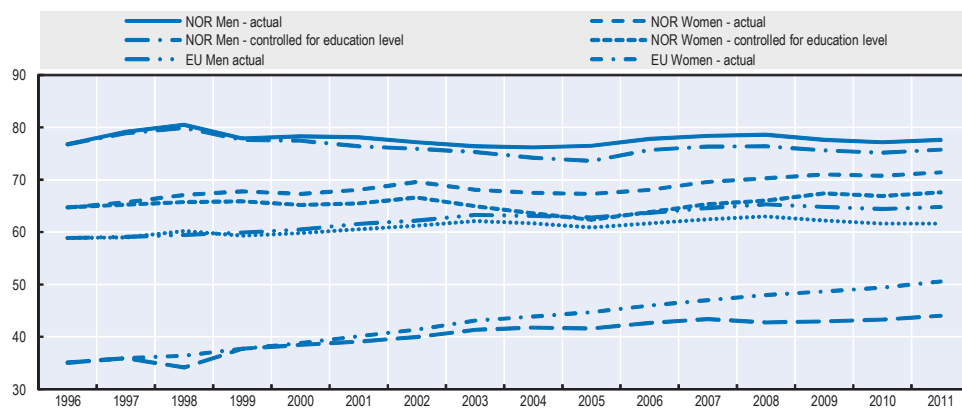
Source: OECD estimates based on the European Union Labour Force Survey (EU-LFS).


The trend in educational attainment has helped maintain the level of employment rates for men, but has not significantly increased them (Figure 5.1). For women, higher education has contributed more to increase of the employment rates. This effect has been strongest in the EU area, but to some extent also observed in Norway.

The close relation between education level and employment participation is clear evidence of the need for training. Training can be important to advance the employment prospects of those with less education, as well as to maintain and develop competences achieved through initial education. The proportion of workers above the age of 55 participating in job-related training is higher in Norway than in most other OECD countries, but is still lagging considerably behind the best performers (Figure 5.2). Participation in job-related training declines with age in Norway as in other OECD countries: 12.7% of the 55-64 age group participated in job-related training in 2011 compared with 20.1% for the 25-54 age group.

Figure 5.1. **Employment rates by gender, actual and adjusted^a for demographics, Norway and the European Union, 1996-2011**

As a percentage of the population in each group

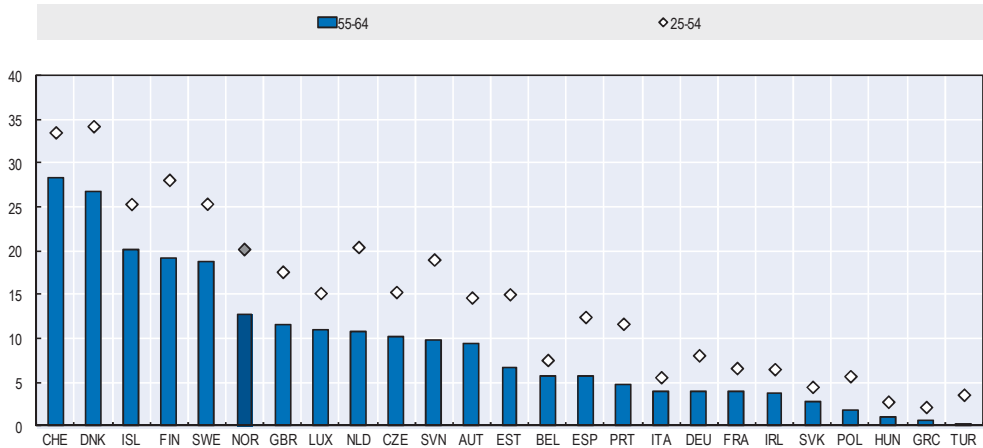


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a) Employment rates are adjusted for educational attainment by imposing unchanged 1996 population distribution by educational attainment to the employment rates by education level to recalculate the total employment rates by gender.

Source: OECD estimates based on the European Union Labour Force Survey (EU-LFS).

Figure 5.2. **Incidence of job-related training by age group, European countries, 2011**
As a percentage of all employed in the age group



StatLink  <http://dx.doi.org/10.1787/888932814561>

Source: OECD estimates based on the European Union Labour Force Survey (EU-LFS).

Key challenges

Ensuring a basic level of education

Lifelong learning is one of the principles of Norwegian education policy. An objective of adult education is to increase flexibility in the labour market and contribute to economic growth. Another of its aims is to reduce income inequality. Many people with low basic skills develop strategies to avoid difficult situations in their current job. These may work to a certain extent, but problems will often arise if the individual needs to look for a new job, or if there is restructuring.

Ensuring a basic level of education among adults has been accorded priority in public policy. Adult education measures are universal and not related to age in particular. Municipalities and counties are responsible for primary- and secondary-level education for youth, but also for adults. Vox (Norwegian Agency for Lifelong Learning) is an agency under the Ministry of Education and Research. Its main goal is to promote active citizenship, improve employability, and increase participation in learning. Vox manages government subsidies for the operational costs of study associations, distance-learning institutions and study centres, as well as

providing financial support for the pedagogical development of lifelong learning.

Vox also has a support programme, launched in 2006, that promotes basic competences in working life, known as *Basiskompetanse i arbeidslivet* (reading, writing, arithmetic and basic ICT). Seniors and the elderly are encouraged to participate, and to an increasing extent they do. As much as possible, the teaching and learning activity should be given at the workplace in combination with work, and the basic skills in the training programme should be linked to other job-relevant learning. Since 2006 over 25 000 individuals have participated in the programme, about 40% of them aged 50 and over.

Validate informal learning

Many of the competences obtained through working life are not documented. An evaluation of *informal learning* is important for the individual, so that his or her competences can be validated when applying for admission to continuing education and during changes in working life. In 2001 Norway established a system for assessing informally obtained competences. More than 50 000 people have applied for this assessment; half of them were assessed as having the competences required to study at institutions for higher education.

The Ministry of Education and Research has now adopted a national qualification framework for lifelong learning (NKR), which will extend the assessment of informal competences in relation to most formal skills. The aim is to increase flexibility, mobility and efficiency within education and the labour market. The framework will be connected to the European Qualification Network (EQF) to enable comparisons of qualifications in all EU/EEA countries.

Actions are also being taken to provide further education or updating of skills to people who have already acquired a medium or higher level of education. The Work Environment Act regulates the rights to participate in training and education, and collective agreements provide additional opportunities. Training institutes offer opportunities for skilled and specialised workers to widen their abilities. Universities and colleges have an important role to play in supplying additional education for adults at a tertiary level. In 2010, more than 18 000 students were above the age of 45, accounting for 28% of the adult students aged 30 and over.

Firms are responsible for work-specific training. In co-operation with suppliers of training and education, firms are estimated to account for about half of the training courses in the Norwegian labour market. The Ministry of Education and Research assumes that the workplace will become an even

more important place for learning in the future, since the need for specialised competences not available in schools or universities will increase. Over the past 20 years, the policies to develop the competences of adults were to a large degree designed in a collaborative effort between the education and labour market authorities and the social partners.

Underutilising the most efficient training methods

The evidence is still inconclusive regarding the effect of training. Mixed results can, however, have to do with the complexity of the issue, and highlight the need for clarification of scope and definitions. Dostie and Leger (2011) found that the decrease in positive productivity impacts from firm-sponsored classroom training is likely to be the main explanation for the inverse relation between training and age. On the other hand, Picchio and van Ours (2011), using data from the Netherlands, found that firm-provided training significantly improves employability, and that older workers who receive training are more likely to remain employed. They found that an employee aged 50–64 with a given set of characteristics is 6 percentage points less likely to be out of the workforce if they had received training on the job in the previous year than those who had not received training. Borghans, Fouarge and de Grip (2011) looked at data from Dutch lifelong learning surveys. They found that people learn as much from one hour of informal learning as from one hour of formal learning, and that only 7% of the total learning time was related to formal learning.

The informal learning will often be acquired through daily work. According to Dæhlen and Nyen (2009), learning-intensive work can provide a subjective measure of the scope of informal learning in work.¹ They found that among the oldest age category – age 60 and above – those reporting that they are engaged in learning-intensive work were far fewer in numbers than other age groups. This may to some extent be a cohort effect. Another explanation may be that older employees are more likely to end up with jobs that do not require or provide opportunities for informal learning in daily work.

Zwick (2011) mentions firms not offering the “right” training type and content as an important reason for the differences in training participation during the life cycle. Older employees prefer, and get higher returns from, informal and self-determined training, with a clear focus on practical and relevant work problems. They also profit more from training content that mainly can be tackled by abilities such as communication and management skills.

Stimulating willingness to train

Cedefop (2012) has concluded that ageing workers do not always see the true job-related and personal benefits of investing in their knowledge, skills and competences through training. Making people aware of those benefits – which can relate to their current job, but also more widely to career progression and employability – can be crucial to increasing the participation of older people in training. In a survey of employees in the municipality sector, Hagen and Nadim (2009) found that most of the older employees reported having good learning opportunities, and that their participation in courses and training was sufficient. However, older employees reported to a larger extent than younger a lack of suitable learning and training types.

Borghans, Fouarge and de Grip (2011) found that willingness to train was lower among older workers, but that their willingness was higher when training was offered by the employer than when offered by public institutions. A shorter payback period is a reason why the optimal training methods and intensity for older workers can be different from those for younger and mid-career workers, with more focus on informal on-the-job training. A higher exit age from the labour market and their increased awareness of the need to maintain competence and human capital can increase older workers' need and willingness to participate in training.

In spite of information furnished to older workers about preferred and efficient training methods, they do not have higher participation rates in the more effective types of training. Given that other decisive determinants of training effectiveness – such as training duration, financing and how to initiate training – do not change over the life cycle, a wrong allocation of training content and types seems to be a critical reason for training's lower effectiveness. Training in the mid-career phase could be crucial as a measure to improve employability and so reduce early exit from work, while ongoing inclusion in training at the workplace may help older workers to keep higher levels of productivity and work engagement. Management has to take into consideration changes in workers' needs and considerations over the life cycle in order to maintain training efficiency and individual motivation to participate in training.

The challenge of mentoring arrangements

Some employers have had positive experiences when making use of formal mentoring arrangements, where young and older employees work together for training purposes. This arrangement is most frequently used to ensure that important knowledge and experience are transferred from the older to younger staff members before retirement, but can just as well be

used to bring older workers up to date on new job-related knowledge from the education system (youth-to-seniors mentoring).

Even if the experience with such programmes is reported to be positive, they are often seen as expensive or difficult to implement. Development of guidelines based on good practices and adjusted to the situation within different branches could be a way to extend the use of such mentoring arrangements. It is necessary to clarify which mentoring programmes can draw on subsidies or other active labour market programmes. Formal mentoring schemes are a very new method in most countries, and evidence is still limited as to their effectiveness.² Albæk, Bach and Jensen (2012) concluded from their literature survey that mentoring may have positive effects, but those effects are difficult to measure. Evaluation of projects and trials will therefore be important to improve this framework and render it into a useful tool for a broad range of employers.

Older workers will normally have obtained their most valuable knowledge through their work experience. The system of assessment and validation of informal learning is well established, but could be used more extensively. Many older jobseekers could improve their chances of mobility in the labour market if they added a certification of job-related learning to their résumé. More should also be done to inform employers about methods for assessing such certificates in a recruitment process.

Helping private and public employment agencies provide better employment assistance

NAV provides follow-up services to jobseekers and people receiving health-related benefits. Assistance is universal, and similar situations and challenges are addressed in the same manner, regardless of gender, age, occupation or domicile. Youth, immigrants and the long-term unemployed are, however, given priority.

The NAV office in each municipality is responsible for the follow-up of individual cases. Offices are supported by various special units. The Working Life Centres were established, as part of the IA Agreement, as specialised units in NAV at the county level. Regarding Sub-goal 3 (Box 4.1) on senior policy, the issues prioritised in their dialogue with firms are management; how to maintain and improve competences; how to share responsibility for a prolonged career between employee and employer; removal of myths; and organisational culture.

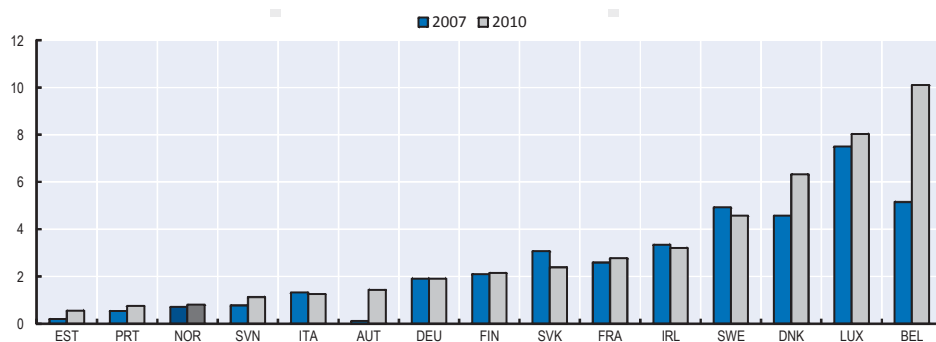
Active labour market programmes

Unemployment among older workers is low in Norway (see Table 2.1). Register-based statistics from NAV show that the length of the unemployment period increases with age, and that those unemployed over the age of 60 are less likely to be back in work within a 6- to 18-month time frame after ending participation in an active labour market measure than are younger unemployed persons.

The low share of older participants in active labour market programmes (ALMPs) in Norway (Figure 5.3) can to some extent be explained by low unemployment among older workers. The participation rate decreases sharply with age. While 3.1% of the labour force younger than 25 in Norway attended an ALMP in 2010, the rate declined to 2.6% for the age group 25-54 and to 1.0% for the age group above 55.

Figure 5.3. **Older participants^a in ALMPs,^b 2007 and 2010**

Participants in measures of categories^c 2 to 7 as a percentage of the labour force aged 55+



StatLink  <http://dx.doi.org/10.1787/888932814580>

a) Data refer to the groups of participants “aged 50 and over” or “55 and over”.

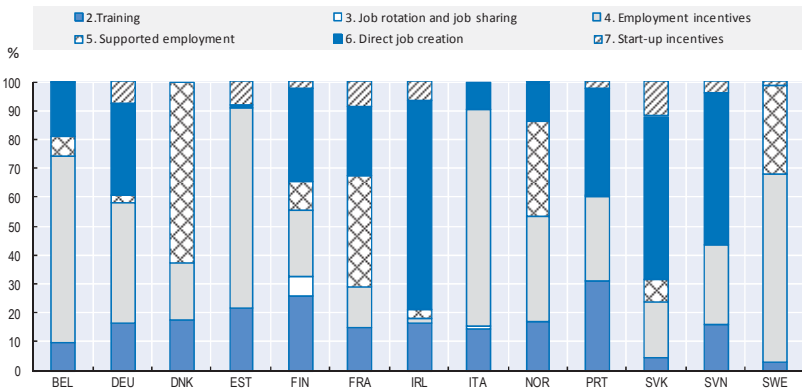
b) Italy: In category 2, data on participants in “Training post compulsory education and post diploma” are not available by age groups. The total number of participants for this measure represents 12% of the total participants in training in 2009, and 27% in 2007.

c) The measures are as follows: 2 = Training; 3 = Job rotation and job sharing; 4 = Employment incentives; 5 = Supported employment; 6 = Direct job creation; 7 = Start-up incentives.

Source: Eurostat (2011), “Labour Market Policy – Expenditure and Participants”, detailed underlying data supplied to the OECD by Eurostat; *OECD Labour Force Statistics Database*.

Norway does not have any targeted ALMPs for older people. Older participants are most likely to get an employment incentive (e.g. a wage subsidy), or take part in some sort of supported employment (Figure 5.4). But the older unemployed also participate in training and direct job creation programmes.

Figure 5.4. **Older participants^a in ALMPs by programme, 2010**
 Percentage of total participants in ALMP measures for categories 2 to 7



StatLink  <http://dx.doi.org/10.1787/888932814599>

a) Data refer to the groups of participants “aged 50 and over” or “55 and over”.

Source: Eurostat (2011), “Labour Market Policy – Expenditure and Participants”, detailed underlying data supplied to the OECD by Eurostat; *OECD Labour Force Statistics Database*.

Individual action planning and targeted group activities

As a consequence of the ageing labour force, and of the widespread shift in policies from early retirement to longer working lives, public employment services increasingly have to provide effective employment assistance to jobseekers close to retirement age. One question that remains very topical is whether the needs of older unemployed people are best met by specially targeted measures, or by an all-age mainstreaming approach (ESF Age Network, 2012a).³

In order to strengthen PES capacities for service delivery, the European Commission has launched a specific mutual learning programme, the PES to PES Dialogue.⁴ A summary of discussions in a peer review of PES and older workers highlights:

As older unemployed are far from being a homogenous group, there is a widespread consensus among the participating PES that the best route towards achieving the reintegration of unemployed workers is through competent individual action planning based upon a resource-oriented profiling, positively drawing out and marketing the skills of older workers. This sometimes requires not only professional training, but also awareness raising among PES staff. Moreover, there is evidence in some organisations that the creation of specific teams with lower counsellor-to-client ratios to tackle some of the additional challenges facing many older workers is successful (e.g. *Perspektive 50+* in Germany) (European Commission, 2012).

In addition, several national PESs have had positive experiences using group activities targeted at the older unemployed. For example, in the Netherlands and in Germany, group counselling in self-help groups has proved successful in tackling social isolation and the lack of networking skills to effectively deliver job-search skills. Kraatz (2012) states that there must be a balance between universal and targeted services. The ESF Age Network (2012b) observes that countries may, depending on their specific situation, opt for special programmes targeting older jobseekers or for universal programmes aimed at all age groups. The Network recommends that universal programmes include targets for the older age group.

The low participation in ALMPs and high inflows to disability benefits among older workers in Norway are reasons to review NAV practices towards this age group. Even if challenges and possibilities can differ, sharing good practices can be the basis for development of new policies and initiatives. Box 5.1 gives some examples of sound principles for PES practices towards older unemployed workers.

Box 5.1. PES practice – Some lessons

- The issues of ageing need to be mainstreamed into services for both employers and jobseekers.
- A shift towards preventive measures is needed, e.g. financial support of in-house training, training networks for SMEs, and financial support to adapt workplaces for workers with restricted work ability.
- The tools for awareness-raising require careful design.
- There is a role for measures targeted specifically at older workers, although individual action plans remain the most efficient overall approach.

Source: EU Mutual Learning Programme for Public Employment Services (2012), “PES and Older Workers: Toolkit for Public Employment Services”, DG Employment, Social Affairs and Inclusion, Brussels.

Individual assessment and early intervention

Early intervention is already a central element in Norwegian rehabilitation policy. For groups of seniors with a mix of labour market problems and somewhat reduced health conditions or poor work ability, it may be particularly important to keep or restore the motivation to work. Some Working Life Centres indicate that they should have advised firms more explicitly at an earlier stage to take older workers out of work before they are no longer able to perform (Midtsundstad and Bogen, 2011). Many employees work too long in jobs that are too demanding, with disability benefit or early retirement as the final outcome. Managers and supervisors may not always be aware of this situation, and the employee may be reluctant to admit there is a problem until it is too late.

A high degree of awareness of the need for guidance and help to find alternative solutions from NAV at an early stage may help reduce early exit from the labour market. Regular meetings with employees and employers should, to the extent possible, produce an assessment of further needs of assistance, independent of the person's status (i.e. sick, unemployed or in work). Criteria and tools for and the competence of the NAV officers should be developed to support this approach. A set of guidelines focusing on awareness raising, early guidance and employability could be based on available experience related to Sub-goal 3 of the IA Agreement (Box 4.1).

Easy, available tools for employers

As mentioned above, the Working Life Centres are specialised units in NAV, serving firms with an IA Agreement. In particular:

- a national co-ordination unit develops the portfolio of tasks covered by the Centres, including exchanging information and sharing effective practices;
- each IA firm has a regular contact person in a Centre assisting it in efforts to work in a focused and goal-oriented manner and to develop more inclusive workplaces;
- access to subsidies is facilitated for the IA firms;
- subsidies for the company health service are provided.

Midtsundstad and Bogen (2011) found that most of the firms assisted by the Centres were satisfied with the service they received. Many of them had, however, not received any specific support, and a large number did not want any assistance. It is not clear whether they did not want assistance because

they felt that they were managing well enough on their own, or because they were not interested in issues related to prolonging working careers.

The experience of the Centres is that firms often want to find a “quick fix” to a problem, and request information about measures and initiatives that have worked in other firms. Since firms are extremely diverse in their situations and needs, the Centres are reluctant to resort to pure “copying”, and encourage firms to design measures and policies based on the specific situation in their own company.

One possible way to avoid pure “copying” while at the same time meeting firms’ needs for easy and available support is to develop guides and tools based on empirical evidence and good practices. Many managers and supervisors will need support and advice to incorporate a more individual approach in daily work. Close co-operation among the Centre for Senior Policy, the Working Life Centres and the social partners could prove a good basis for further development and promotion of such tools and guidelines for firms.⁵

The different partners must fulfil their obligations

Substantial resources are devoted to the Working Life Centres and their assistance to firms with an IA Agreement. Some subsidies and remuneration of company health services are also reserved for those firms. In principle the agreement can be terminated, but in practice that rarely happens. To ensure efficient use of staff and financial resources, and to encourage firms to achieve their IA goals, the option of terminating the agreement should be used if the partners do not fulfil their obligations and if targets are not reached.

Employers must take responsibility

The forthcoming reformed disability benefit system will be made more flexible so as to offer greater incentive to return to work. The added flexibility will help, for example, by allowing people starting off in a part-time job to gradually increase their working hours. For the reform to be successful, employers need to provide part-time jobs to disabled employees; to increase working hours if work ability and the health situation improve; and, if necessary, to adapt working conditions.

Employers may feel that they are taking a big risk by recruiting new employees with health concerns. Establishing networks of employers could pool some of the risks they will be facing – for instance, by providing job trials in other enterprises in the network without a formal change of employer during this period.

Partial benefits: a good concept nonetheless requiring monitoring

Partially unemployed people have the right to receive unemployment benefits if their working hours are reduced by at least 50%. NAV data on the registered unemployed in 2011 show that 60% of jobseekers were registered as fully unemployed, 25% as partially unemployed, and 14% as participants in ALMPs.⁶

While participation in ALMPs decreases with age, the share of partially unemployed jobseekers increases. In 2011, 18% of the jobseekers aged 15-29 were partially unemployed. In the 55-59 age group 33% were partially unemployed, as were 29% of those aged 60-64.

Legislative provisions allowing partial unemployment benefits to be combined with work income give beneficiaries the possibility to remain in work to some extent during a temporary crisis in the firm, which ultimately prevents a loss in human capital because of unemployment. Extensive use of these provisions should, however, be monitored and evaluated to ensure that the objectives are achieved. Requirements of geographical mobility and job-search activity are more lenient if a person is defined as a jobseeker in the local labour market. There are several criteria that define someone as being a “local jobseeker”, and being over 60 is one of them.

No evidence is available on how these criteria are actually used in the provision’s application. As one out of three jobseekers over the age of 50 was registered as partially unemployed in 2011, the practice of this provision should be monitored and less strict job-search criteria removed.

Alternative routes to employment

Geographical variations in Norway’s disability rates (Bragstad and Hauge, 2008) may suggest that barriers to geographical mobility reduce the probability of returning to work. Such barriers may weigh heavily on people in the later phase of their career and enforcement of mutual obligations may need to be supplemented by other measures in order to overcome them. Particularly in parts of the country where few jobs are available, self-employment and work in the voluntary sector could be further explored.

In order to encourage and help unemployed people of all ages see self-employment as a viable alternative to benefits, the United Kingdom government introduced a New Firm Allowance as of 2011; this allowance is available to those who have been claiming Jobseeker’s Allowance for at least six months. In addition there are Firm Clubs, which provide unemployed people interested in self-employment with a place to meet and exchange skills, make contacts, share experiences, receive support and encourage each other to put their business ideas to work.⁷ The European

Commission has also funded projects to foster self-employment (Eurofound, 2012).

Given the increasing levels of education, rapid changes in the labour market, and greater flexibility in the retirement process, the need for job-search and rehabilitation assistance for older workers may have to become more differentiated. A Danish study of return to work after a period of retirement showed that private networks and direct contact with the firm were important to find new jobs for older people. On the other hand, they received negligible support from PES (Larsen et al., 2012). Hilsen and Salomon (2012) found in a case study involving Norwegian firms that various forms of social networks for pensioners in the firm resulted to some extent in their return to work, mostly as replacements or to fill temporary jobs. These findings show that alternative channels of job-search support such as formalised or semi-formalised networks may be efficient for some groups of older jobseekers.

Improve working conditions

Worn out or fit for new challenges?

A number of studies have found that the choice between work and retirement is based on a number of reasons related to economy and to personal and professional lives. Bråthen and Bakken (2012) found that in addition to the possibility of access to the AFP scheme, health conditions and retirement of the spouse had the strongest influence on the choice. Salomon (2012) stated that poor health, lack of economic incentives to continue working, lack of flexibility in working hours and discrimination are important factors bringing people out of working life. Midtsundstad and Nielsen (2013) found similar results in a study of early retirement in the municipal sector: a desire for more leisure, reduced health and exhaustion, and retirement of the spouse were the main motivations to retirement, while those staying on beyond the age of 62 emphasised interesting work, positive attitudes on the part of employers, and good health.

Ongoing evaluation of the pension reform may offer keener insight into possible changes in priorities as a result of the reform. On the other hand, Finseraas and Jakobsson (2013) found that informing people about the main elements in the pension reform more fully had no effect on their retirement plans. The authors put forward two hypotheses: the information could still be too general, or the improved incentives may not be strong enough to dominate other factors influencing the decision between work and retirement. Overall, these studies clearly demonstrated that financial incentives are not the sole criterion.

Other studies highlight the large diversity among employees and across occupations. This is supported by data showing that employment rates are clearly related to occupation and education level. Midtsundstad, Hermansen and Nielsen (2012) summarised the research in this way: “Well-educated people retire later than less educated people. And whereas early retirement is related to health problems, heavy professional burdens, and long careers among blue-collar workers and low-ranking white-collar workers, these factors are less important among high-ranking white-collar workers and managers (...). In other words, research on early retirement shows that workplace conditions also affect the decision to retire early, in addition to the design of pension systems, individual resources, and factors related to the domestic sphere or the family.”

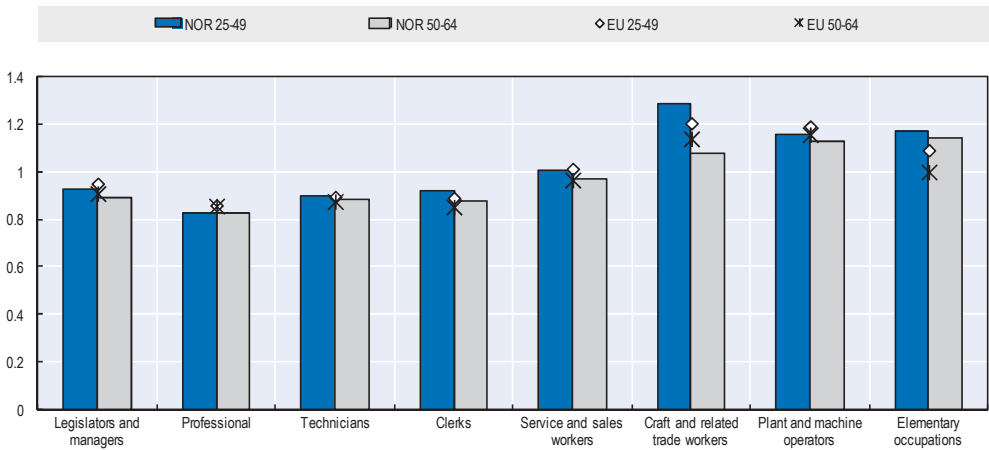
Further improvement of working conditions


The majority of workers in Norway enjoy good working conditions (Ministry of Labour, 2011): nine out of ten employees report satisfaction with their jobs. The working hours are well adapted to their family lives and social responsibilities, and the majority find that they have an influence on their working day. The share of the labour force exposed to harmful working conditions has decreased over the past twenty years. In view of this, it is worrying that employment rates of less educated workers in the 55-64 age group have remained at the same level and not increased over the past decade. In most European countries, less educated older women have increased their work participation (Figure 2.4).

The remaining challenges relating to working conditions should therefore not be neglected. The physical and psychosocial work environment may have a large impact on whether older workers continue working, particularly in many manual and low-skilled occupations (Figure 5.5). The 50-64 age group assess in the survey their work arduousness the same way as younger age groups do. Only those working in crafts and related trades report substantially less strenuous conditions. Age apart, there are notable differences across occupations, notably between “white color” and “blue collar” jobs. Older people who have been exposed to physical or mental stress over a long working life may be a vulnerable group.

Stami (2011) found that problems related to the psychosocial and organisational work environment are most often found within some occupations in the health and care sector, the education sector and parts of the service sector. While some improvement has been reported in these sectors, seniors, and particularly workers aged 60-66, are less likely to get support or response from their supervisors than their younger colleagues (Mørk, 2011): 38% of the 60-66 age group report that they never or rarely ever receive any response from their supervisor.

Figure 5.5. Index of strenuous working conditions by age group and occupation, Norway and Europe, 2010^a



StatLink  <http://dx.doi.org/10.1787/888932814618>

a) The index can be read as the within-occupation, within-country variation compared to the strenuous working conditions across the whole sample's responses. The items range from physical to mental stress experienced at work.

Source: OECD estimates based on the Fifth European Survey of Working Conditions.

Designing policies to match the great diversity among older workers

The Ministry of Labour (2006), in a white paper to the Norwegian Parliament on senior policy, stressed the need for a broad approach, since different measures can be efficient in different situations and towards different groups. The government pays considerable attention to industries with a large share of poor-quality jobs, or with a need for further improvement in working conditions (Ministry of Labour, 2011). Social dialogue is a centrepiece of their strategy. The aim of policies is to find a balance between information and advice, regulation, and surveillance and inspections. Policies are not age-specific, but improved working conditions will also mean more age-friendly conditions. However, that in no way diminishes the need to adapt working conditions to age if doing so could prevent early exit.

It is important to halt any further widening of the gap between a majority of employees with good and safe working conditions, and a significant minority remaining in poor-quality jobs. Information and communication are important, but cannot replace use of sanctions when

those are necessary. The Labour Inspection Authority sees to it that firms comply with the requirements of the Work Environment Act, carrying out 14 000-15 000 inspections each year. Supervision is mainly aimed at firms with the poorest working conditions, where there is little willingness to correct problems. This calls for clearly targeted measures. Special attention should be paid to industries and firms inducing high rates of exit out of the labour market to disability benefits or early retirement.

More women than men are at risk of leaving working life early in Norway – a challenge that is shared with other countries. In Sweden for example, the government has given the Swedish Work Environment Authority a mandate to develop special measures to prevent women from being forced to leave working life due to problems in the work environment. The focus will be on prevention of musculoskeletal disorders due to workload or working conditions. The mandate includes collecting knowledge and its dissemination, educating inspectors, and conducting a national surveillance activity.⁸ These activities may produce evidence or measures that could also be of interest in a Norwegian context.

Regarding psychosocial working conditions, Norwegian data seem consistent with similar information from other countries showing that older workers often lack feedback from their managers and supervisors. Less feedback may to some degree be explained by more autonomous working situations, but lack of support and feedback can also reduce motivation to further develop and to stay in a job. Greater emphasis should be placed on age management in the firms to change attitudes and to encourage older staff members to remain as productive as possible. In the PÖYRY study (2011), about one-third of the municipalities surveyed reported that they had given their managers some degree of training related to senior policy. Any such training for line managers and supervisors should cover *inter alia* methods for engaging in dialogue with senior staff members (see Chapter 4).

Senior measures: targeting and cost efficiency

Since the IA Agreement was signed in 2001, the Norwegian government and the social partners have encouraged companies to develop a more senior-friendly policy and implement special measures to retain older workers. Examples of senior-friendly measures are flexible working hours, partial retirement, and reduced working hours with or without wage compensation. The effect of senior policy measures is difficult to quantify (Hilsen and Salomon, 2011), and measures taken by the firms are rarely evaluated (Midtsundstad and Bogen, 2011). Midtsundstad, Hermansen and Nielsen (2012) found that the initiatives most commonly offered by Norwegian firms, such as reduced working hours, extra days off and economic incentives, fail to produce the desired results. Measures and

benefits for older workers are mostly granted after the age of 62; they will have little impact on health-related issues or inflows to disability benefits before that age. Some benefits (so-called “gifts”) create deadweight effects, as they are received by older workers who would have continued working anyway.

Midtsundstad, Hermansen and Nielsen (2012) add that special policies for seniors *can* have an effect, but in order to be effective the initiatives and instruments need to be differentiated among occupations, sectors and industries. Adapting the workplace is, according to some studies, often more effective in terms of reducing early retirement than benefits such as extra time off and age-related bonus arrangements (Midtsundstad and Bogen, 2011). Moreover, Midtsundstad, Nielsen and Hermansen (2013) and Midtsundstad and Nielsen (2013) found in analyses relating to the public sector that adapting conditions for older workers reduced sickness absence and exit to disability pension.

The relatively low cost efficiency of senior measures can to some extent be related to the financing of the previous AFP scheme in the private sector. The costs were then directly linked to the number of people taking up AFP in the firm. Changed financing of the scheme in the private sector, introduced via the 2011 pension reform, has cut this direct link (Chapter 3). That may indicate a need for greater cost-effectiveness of senior measures.

Health: short waiting times and greater co-operation

Even if overall health conditions in Norway are good, health-related benefits nonetheless remain a major pathway to early exit. Sickness prevention through good working conditions and good management is crucial. Short waiting times for treatment can be important for restoring work ability and maintaining motivation for work for older workers with a relatively short remaining career. Earlier intervention in the sick leave period, or even without any sick listing, requires a review of possible appropriate guidelines and measures.

A special programme was launched in 2006 in a co-operative effort between NAV and specialist healthcare, with the aim of preventing an absence longer than needed (*Raskere tilbake*). NAV can provide special assistance to workers with moderate mental disorders or mixed diagnoses to avoid or shorten sick leave, and the specialist healthcare can offer supportive treatment. Some of these services have been evaluated, with small gains indicated (Holmås and Kjerstad, 2010); a more comprehensive evaluation is scheduled to be published in 2013. Such programmes are not particularly targeted towards older workers but can be especially important for them, to avoid long absences from work and loss of the ability and motivation to

come back to work. Older workers must be accorded the same access to and priority for these services as other age groups.

A new co-ordination reform within the health sector (*Samhandlingsreformen*) entered into force in January 2012. Its most important goals are to put more weight on prevention than treatment; make more health services available close to where people live; and improve co-ordination and co-operation among different parts of the health sector.

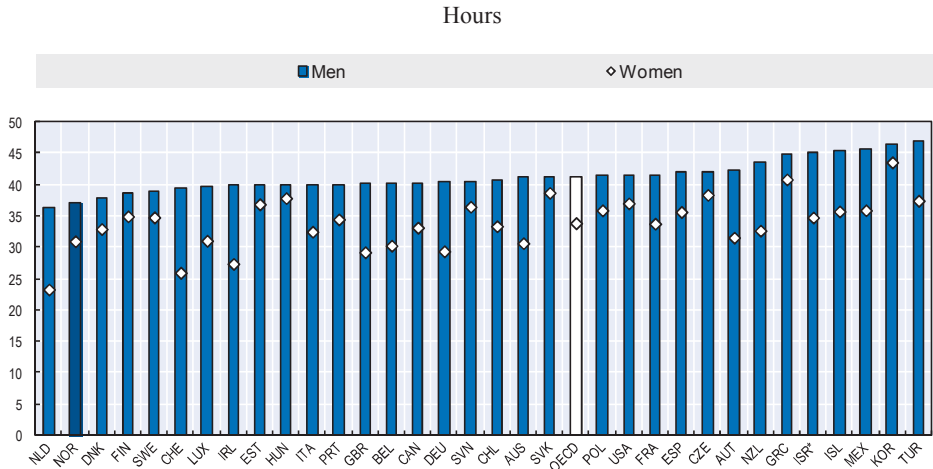
Greater responsibility for health services at the local level, close to where people live, can also facilitate co-ordination and co-operation with employers, NAV, and other institutions that may have a role in keeping people in or getting them back to work. A challenge, however, is the large number of very small municipalities in Norway. Small units may have difficulties developing and retaining sufficient competences to achieve the goals of the reform. Co-operation within *clusters* of municipalities to extend the competence base may be one way of reducing this problem. Co-operation and co-ordination with employers and institutions outside the health sector, as well as the competence issue, should also be monitored as part of the evaluation programme that began in 2012, administered by the Norwegian Research Council.

Part-time work: sometimes positive, sometimes negative

Weekly hours of work are relatively low in Norway (Figure 5.6), with the share of part-time work slightly above the OECD average: 21.3% of workers aged 55-64 in 2011 (Figure 5.7). This share has been relatively constant over the past decade, and includes more women than men. Part-time work is more widespread in some occupations than in others. It is most common within the hotel and restaurant sectors, domestic cleaning, retail sales and the care sector, and among medical and dental secretaries.

The right for people over the age of 62 to work part-time was introduced in the 2008 Work Environment Act. The possibility to engage in part-time work while receiving a pension facilitates phased withdrawal from the labour market. So far, the 2011 pension reform does not seem to have increased the incidence of part-time work. Average working hours do decline somewhat with age, but appear not to have really changed in 2011. That year OECD estimates, based on national labour force surveys, 4% of all employees aged 62-66 wanted shorter working hours. This is about the same share as for other age groups. As Norway already has shorter average working hours and extra holidays for older workers that could indicate that a policy of reduced working hours would do little to prolong working lives in general.

Figure 5.6. Usual weekly hours worked by those aged 55-64, OECD countries, 2011



StatLink  <http://dx.doi.org/10.1787/888932814637>

* Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

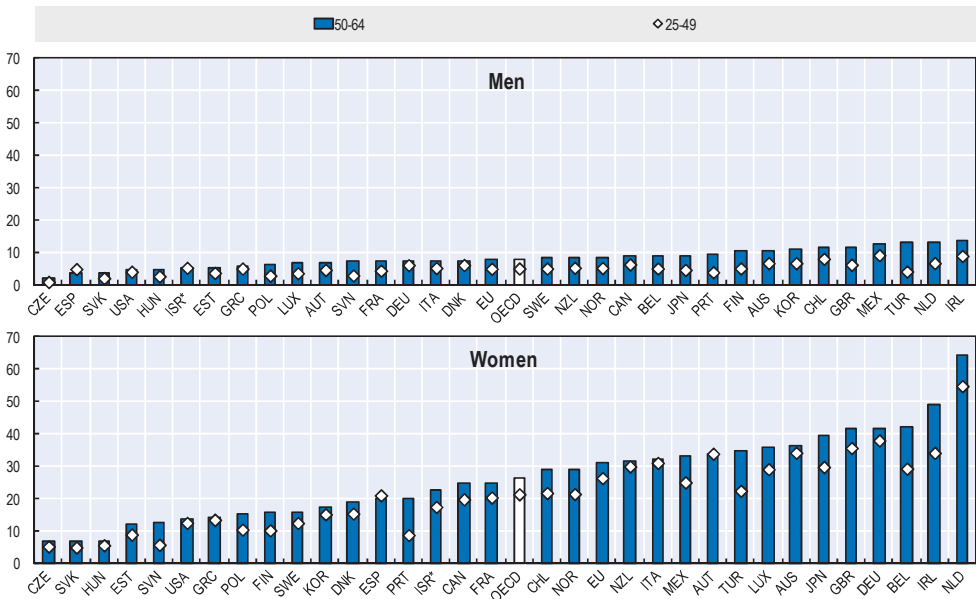
Source: OECD estimates based on national labour force surveys.

Part-time work can be stressful – especially for the so-called “involuntary part-timers”, who make up an estimated 19% of part-time workers in Norway (Nergaard, 2010). The most common reason for involuntary part-time is reported to be that no full-time jobs are available. “Involuntary” part-time is most frequent in female-dominated occupations with no higher education requirements. Disability pension rates are often relatively high in occupations and sectors with a high incidence of this work category. The proportion of “involuntary” part-time is low for the age group above 55. Ingstad and Kvande (2011) report that about half of the nurses in nursing homes work part-time, and that the half working full-time find their work less stressful than the others. That may appear paradoxical, but may be explained by more continuity and better control over the work situation among those who work full-time.

Several initiatives have been implemented to reduce the incidence of involuntary part-time work, e.g. related to work planning, alternative work shifts, and training and education (Moland and Bråthen, 2012). The government moreover launched additional measures in 2011 (Ministry of Labour, 2011). Among the latter is an evaluation of the provision in the Work Environment Act according priority to longer working hours for employees in part-time jobs over new recruitment in a company. Another possible alternative that the government is considering is more regulation of part-time

work. In the municipality sector, where the share of part-time workers is very high – for instance, in the care sector – employers and employees have agreed to promote a “full-time culture” (Box 5.2). While these measures do not explicitly touch on age, better training, work planning and organisation can be important as preventive measures to improve employability, reduce early exit from work, and (thus) support longer working lives.

Figure 5.7. Share of part-time work by gender and age, OECD countries, 2011
As a percentage of employment in the age group



StatLink  <http://dx.doi.org/10.1787/888932814656>

* Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Source: OECD estimates based on national labour force surveys.

There are both positive and negative features related to part-time work, and various factors must be taken into consideration to find a balance. Here, it is important that the legislative and organisational frameworks are neutral. Since some forms of part-time work can be more stressful than full-time work, measures to facilitate the working situation of older workers must also be available for those working part-time. A main aim must be to ensure good, and if necessary adapted, working conditions that allow as many as possible to continue in full-time jobs.

Box 5.2. Promoting a “full-time culture”

The social partners in the healthcare sector will be attempting to establish a common framework for creating a culture for full-time jobs as the norm in the sector; the issue is due to be discussed in the collective agreement negotiations in 2014.

Part-time work predominates in Norway’s municipalities, with less than half (42%) of the employees working full-time. Half of the municipalities have less than 25% full-time employees. The share of part-time workers is particularly high in the care sector. Workers with primary-level education generally have the lowest working hours.

Norwegian municipalities have experimented with a range of pilot schemes or trials to reduce this prevalence of part-time work; those most frequently administered are training and education to provide better opportunities for full-time jobs, and alternative working schedules. Increase of the permanent staff is also an element of some of the pilots.

A main conclusion from evaluation of the trials is that the initiatives have had positive effects on the hours worked, the work environment, and the quality of the services produced. The effect on costs is less clear. Formal training and increasing the permanent staff are reported to be expensive measures. Resistance from staff members and legal and practical complications are most frequently mentioned as barriers to change.

Source: Moland, L.E. and K. Bråthen (2012), “Hvordan kan kommunene tilby flere heltidsstillinger?” [How Can Municipalities Increase the Number of Full-Time Jobs?], Fafo Report No. 2012:14, Oslo.

Key stylised facts

Research has found that the senior initiatives most commonly offered by Norwegian firms fail to produce the desired effects, as they provide benefits to workers who would continue working anyway. Special policies can have an effect, but in order to be effective the initiatives need to be differentiated among occupations, sectors and industries, and implemented in a preventive approach.

The share of those aged 55-64 working part-time in 2011 was 21.3%. On the one hand, part-time work can be seen as an alternative for people who cannot manage a full-time job. On the other, part-time work can under some circumstances be stressful, particularly for the so-called “involuntary part-timers”, and may represent an underutilisation of the labour force. The following measures should be considered to improve working conditions for older workers:

- Co-operation should be strengthened among the relevant stakeholders to clarify the scope and targets for lifelong training, with a particular focus on mid-career workers; to develop and promote efficient programmes;

and to develop further the conceptual framework, including certification and assessment methods.

- Further need for assistance should be assessed during the first meeting between the NAV and older workers or jobseekers, independently of their status as sick, unemployed or in work.
- The use of remaining work ability should be facilitated by encouraging the establishment of employer networks; these could allow for job trials in other enterprises, or provide other flexible work arrangements tailored to older workers across firms.
- The legislative and organisational frameworks should remain neutral regarding the use of part-time and full-time jobs, and support initiatives to promote a “full-time culture”.

Notes

1. Work is defined as learning-intensive if 1) the job requires workers to continually learn something new or master new things, and 2) daily work provides good opportunities for acquiring the knowledge and skills needed.
2. The “Generational Contract” implemented in 2013 in France is innovative, and its possible impact on employment prospects for youth and older workers will be analysed in 2013 by the OECD.
3. <http://esfage.eu/sites/esfage/files/newsletters/ESFAgeNetworkNewsletter7.pdf>.
4. <http://ec.europa.eu/social/main.jsp?catid=964&langId=en>.
5. The Centre for Senior Policy has developed a much-used web-based guide for the workplace: “WinWin” – see www.vinnvinn.org/home.99565.en.html.
6. About 1% are registered as “Other jobseekers”.
7. www.oecd.org/employment/employmentpoliciesanddata/ageingandemploymentpolicies.htm.
8. www.oecd.org/els/employmentpoliciesanddata/Older%20Workers%20Sweden.pdf.

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