

Capitalize on mature workers for a better performance: some food for thought

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Some brutal facts and figures

Air France :
8600 fifty-year-old
people
in 2002, 16500 in 2010

Renault :
38% of technicians et
39% of workers are
over fifty

Pechiney :
32% of managers
are over fifty

**Predictable
extension of
retirement age**

**In France between 40 and 60
000 managers could be
lacking each year until 2010
(APEC)**

**Over 65-year-old people will
represent 21% of the global
population in 2050 (against
10% currently) (UN)**

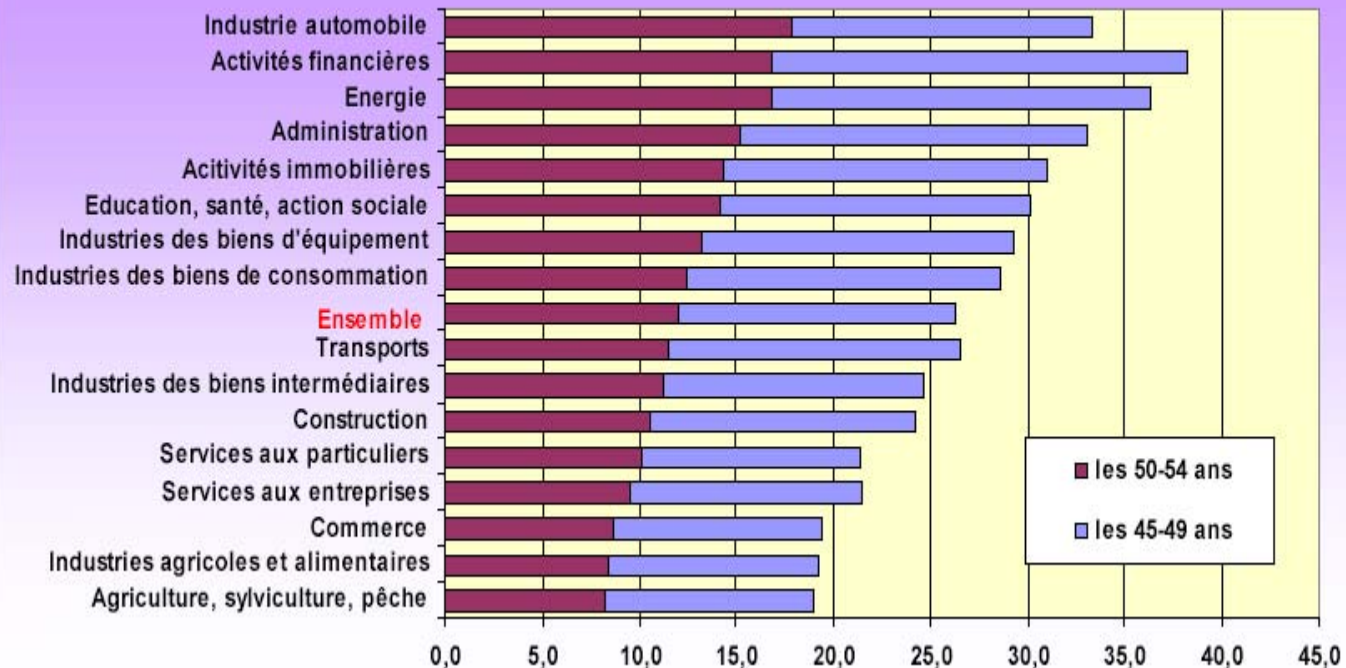
**Germany will reckon in 2030 70
millions inhabitants against 82
currently (OECD)**

**In some big banks
60% of workforce is
between 40 and 65
year-old**



Share of mature workers in France by industry sectors

Part des salariés âgés de 45 à 54 ans selon la NAF16

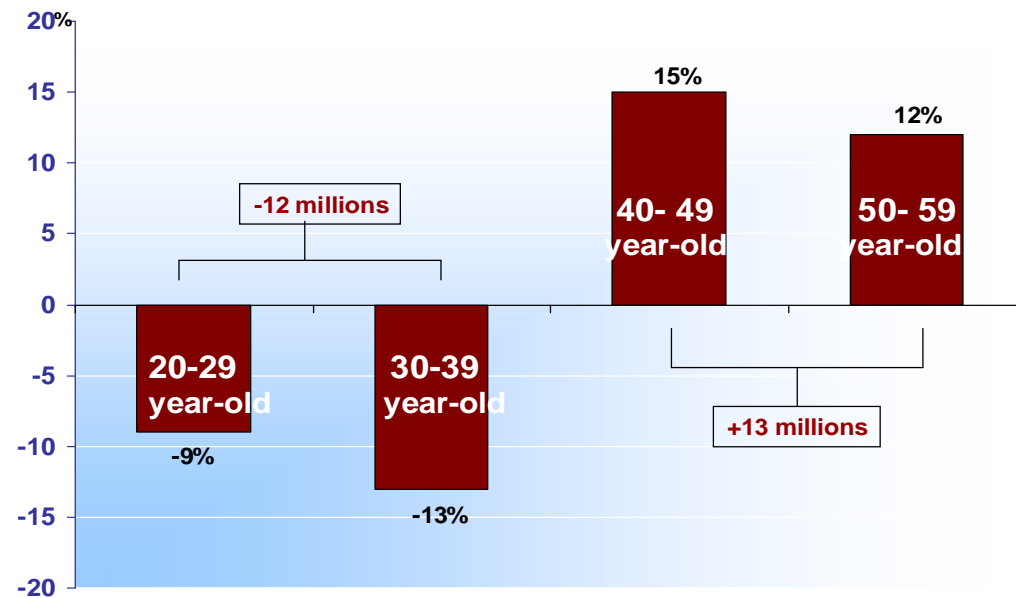


Source : Insee 2003



Tomorrow, more mature workers and less young employees

Age evolution of working people between 2000 and 2010



Source: Eurostat



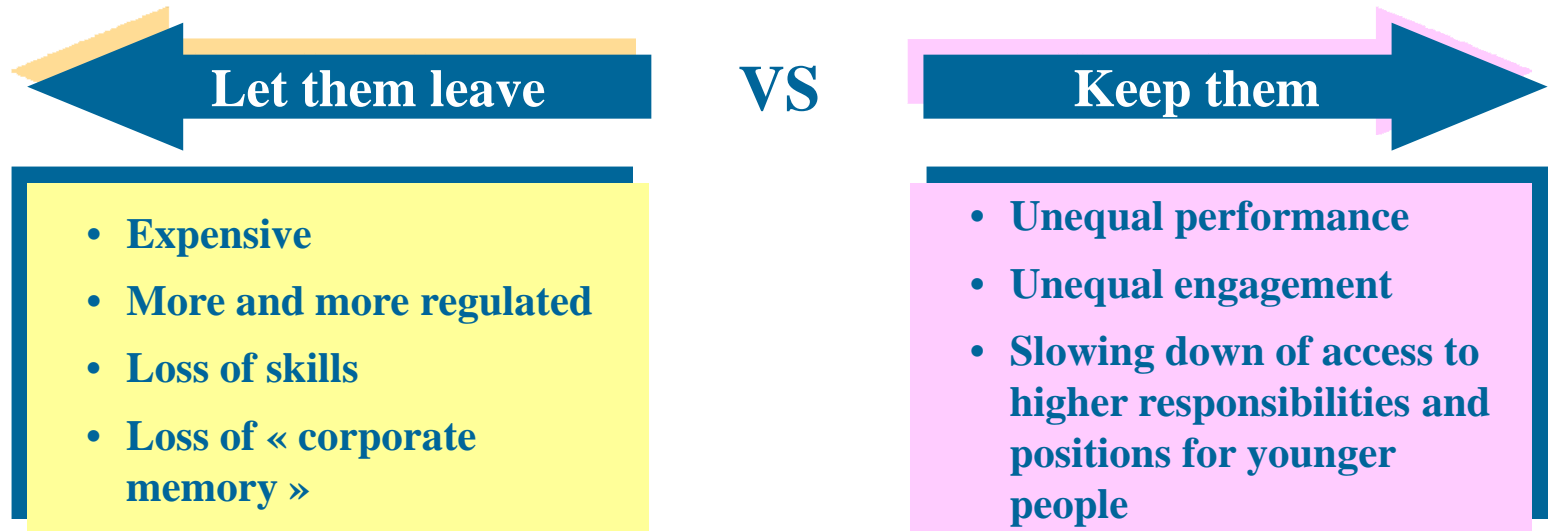
2001 – 2010: France might be lacking 440 000 managers

		Resources		Needs		Gap (resources/needs)
Private industry	Recruitments JD	630 000		Retirement leaving	755 000	
	Executives promotions	460 000		Executive positions creation	500 000	
		1 090 000			1 380 000	-290 000
Public industry	Recruitments JD	350 000		Retirement leaving	500 000	
	Executives promotions	0		Executive positions creation	0	
		350 000			500 000	-150 000
		1 440 000			1 880 000	-440 000

Source : APEC



Dilemma for companies



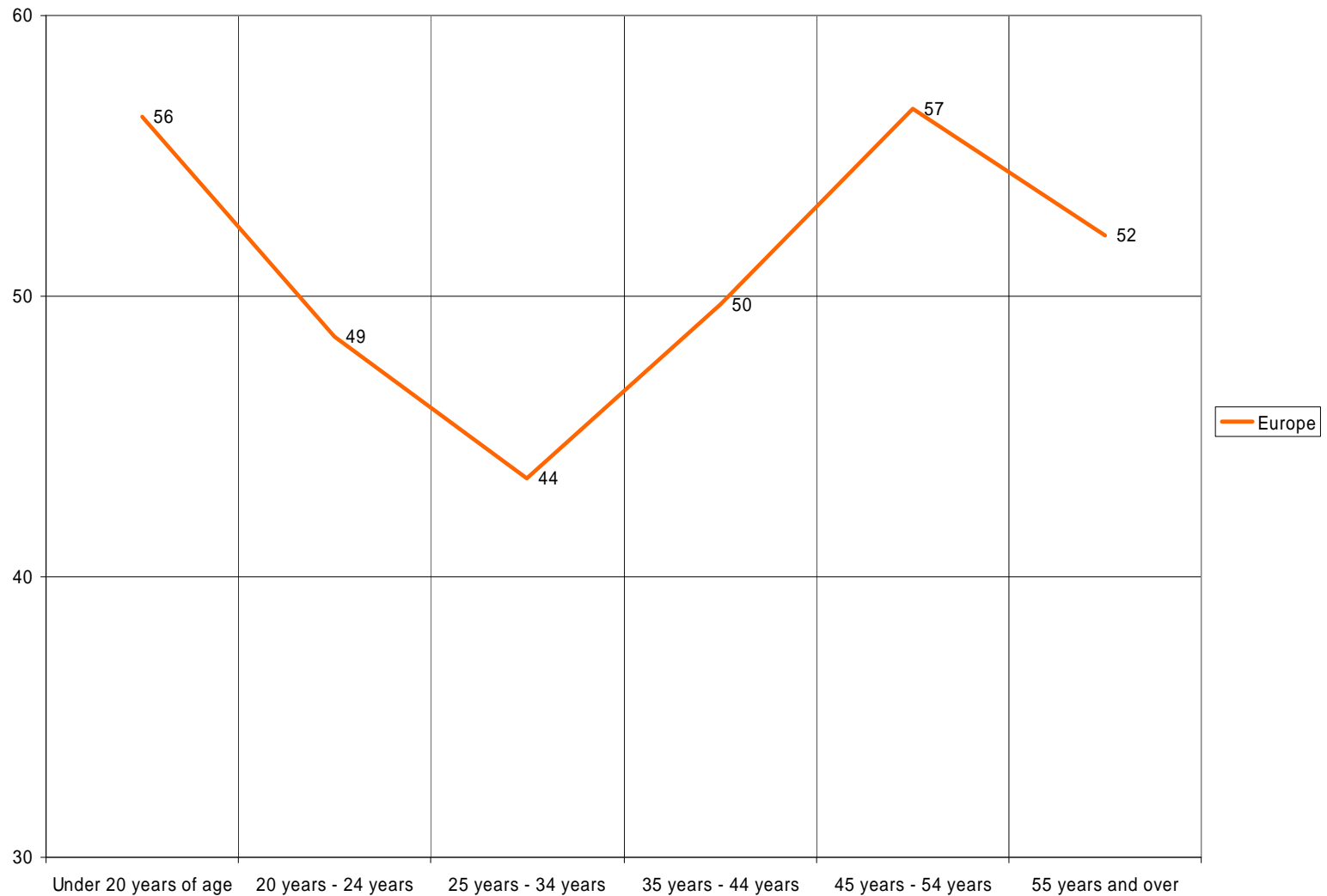
- ▶ Which alternative ?
- ▶ How to benefit from this population while renewing the positions?
- ▶ How to maintain their engagement ?
- ▶ Must this population be treated separately ?



What drives engagement for mature workers in the company?

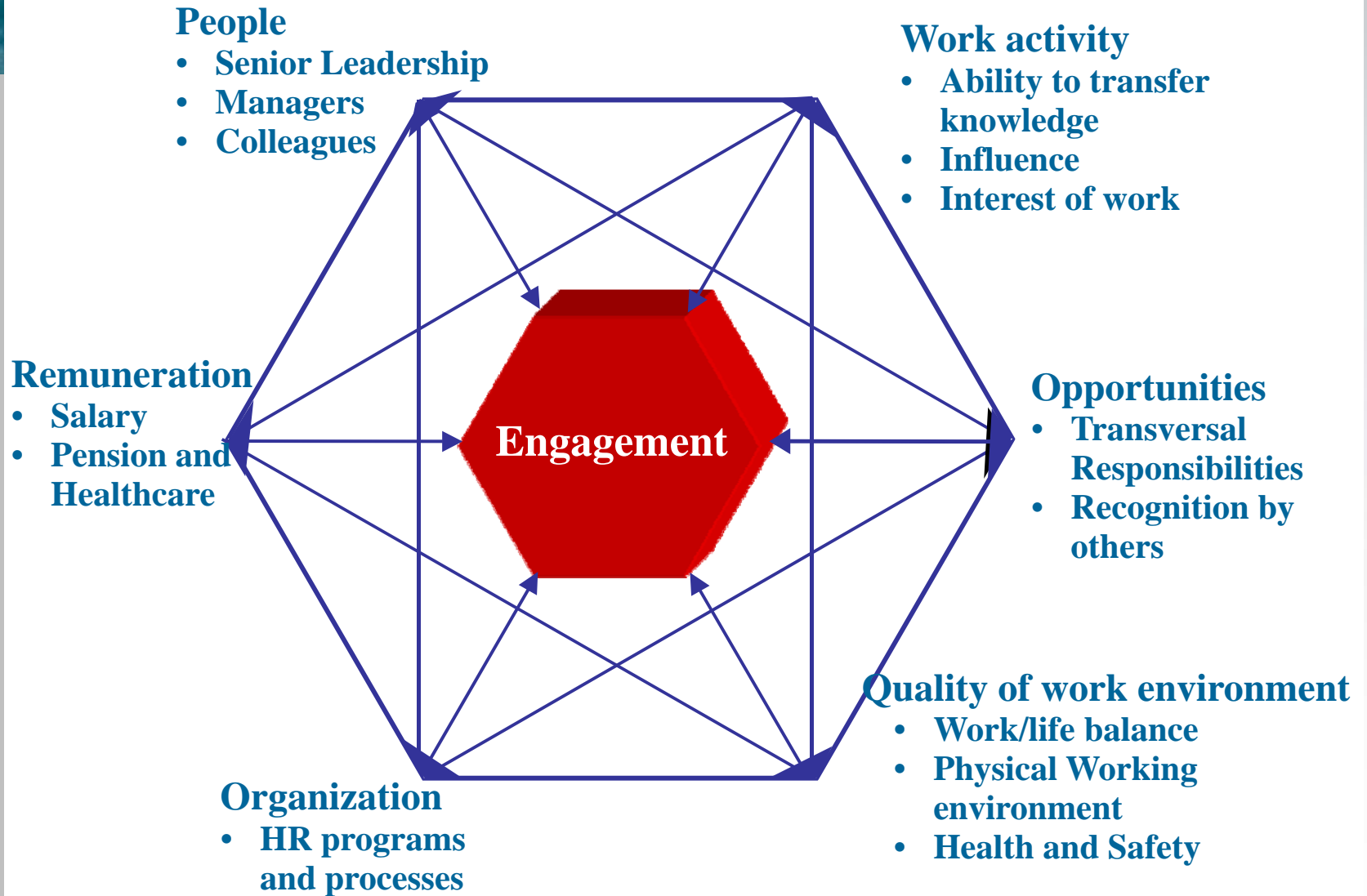


Engagement over life-cycle in Europe





What drives engagement for mature workers?





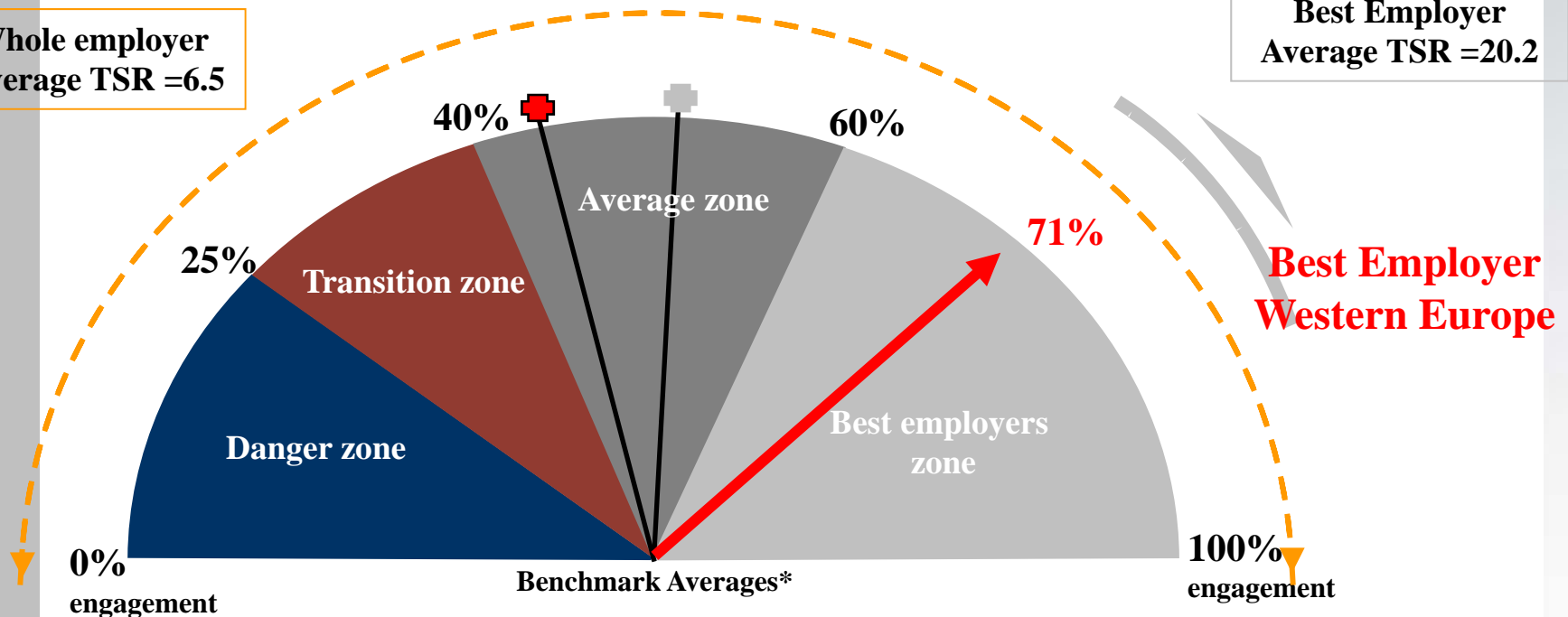
Engagement of mature workers is a performance factor



The best employers have high employee engagement rate and high financial performance

Whole employer
Average TSR =6.5

Best Employer
Average TSR =20.2



- Employers with high employee engagement rate are also employers with higher Total Shareholder Return (TSR).
- $TSR = \frac{\text{share price at the end of the period} - \text{share price at the beginning of the period} + \text{dividends}}{\text{share price at the beginning of the period}}$

■ Hewitt average worldwide (51%)
■ Hewitt average France (44%)



A triple challenge

Attract and engage young talent

- A differentiating employer promise
- Adapt to the new deal employer/employee
- Develop individual and collective performances
- Develop skills which will contribute to company's success

Develop engagement of mature workers

- Extend the working life in good conditions
- Maintain the engagement level
- Transfer skills and know-how
- Identify and develop the future teams

Revamp the Organisation

- Multi – skills / Empowerment
- Productivity improvement
- Offshoring / Outsourcing

Consider “talents” as a whole



Some food for thought (1)



Anticipate:

- To limit the risk of loss of « corporate memory »: knowledge management
- To prepare the departure and the succession of the oldest employees
- To focus on training to decrease the deskilling risk of the oldest

Listen:

- To identify engagement factors
- To match what they want with what the company needs

Segment but not exclude:

- A first segmentation with respect to their life wishes: keep working, slow down, stop, when?
- Embed them in the general system of performance management
- Using the age as a decision criteria of departure may be in some case a confusing message in terms of performance management



Some food for thought (2)



Develop an adapted mix:

- Personalize the answers to the expectations (as for all employees)
- Broaden the reward scope (benefits, healthcare, ...)
- Develop Employee Assistance programs (counseling to personal financial management,...): TF1, AGF
- Adapt working hours
 - Individualisation and flexibility of working hours, of the deadline and way of retirement departure
 - Progressive retirement (already including in the collective agreements in Germany)
 - Access to new roles
 - Transversal projects, consulting : SBB, Thalès, ...
 - Mentoring up, coaching : formerly Pechiney



By way of conclusion

- Mature workers represent a share of the working population with specific expectations.
- Management of mature workers is about adapting HR rules and integrating this population in the framework of corporate HR policies: performance management, development opportunities,...
- A company, able to keep a high engagement level among its mature workers will benefit from an important competitive advantage:
 - Leadership
 - Transfer of knowledge and experiences
 - Transfer of the corporate values and culture