

AGE MANAGEMENT AT BERNER LTD: FINLAND

1. Organisations involved

- Berner Ltd
- Mehiläinen (Berner Ltd's current occupational health care provider)
- Ilmarinen Mutual Pension Insurance Company

2. Description of the case

2.1. Introduction

Berner Ltd, established in 1883, is a manufacturer of hygiene products, detergents and plant protection products as well as ethanol and solvent-based products. In addition, the company acts as a wholesaler of branded products into the Finnish market. In Finland, the company employs 380 people, with an average age of 44 years. Eighty-three employees are over 55 years old, with 54 of these over 58 years. This group is engaged in tasks ranging from office work to shift work in a manufacturing plant as well as work in logistics.

As it is a family-owned business, good management and the wellbeing of staff have always been key concerns. The company has a history of best practice in this area, from its inaugural profit-sharing scheme in 1946, to the provision of shorter working weeks, longer maternity leave and comprehensive healthcare for its workers. Berner created a structured age management programme in 2010. This came from the identification of its ageing workforce, as well as the wide retirement age range in Finland, 63–68 years. As well as continuing its tradition of employee wellbeing, the programme allowed better prediction of and planning for changes in staff resources.

Berner Ltd's age management programme forms part of its general wellbeing policy for all employees. Its activities complement more traditional health and safety activities such as risk assessment and prevention measures.

2.2. Aims

Berner Ltd's age management programme aims to improve the working environment and retain older workers. The programme applies to employees aged 55 years or more. Specific programme objectives are:

- to develop and promote age management through increasing age-related expertise at management level;
- to reinforce a positive approach to age and ageing at individual and community levels;
- to ensure that the experience of senior employees is transferred to successors;
- to maintain the working and functional capacity, resources and motivation of senior employees;
- to value the experience, expertise and commitment of senior employees; and
- to reduce company retirement costs by reducing the number of employees retiring early on grounds of incapacity.

2.3. What was done, and how?

The company steering group, HR KESU, began to develop the senior programme in 2009, as an integral part of the overall management strategy of the company.

The programme was planned and developed by HR KESU with the help of the Ilmarinen Mutual Pension Insurance Company. After the programme had been designed, mid-level management, senior

employees, employee representatives and safety representatives helped to launch the programme through online and direct communication. Managers and senior employees were given information on the contents of the programme and senior workers were encouraged to take part in it.

Berner Ltd's age management programme comprises four distinct elements:

2.3.1. Management activities

The programme includes the following management activities:

- preparing a plan for inducting potential successors to managerial positions;
- preparing a career plan for ageing workers as part of their annual performance review;
- training managers on successful age management; and
- arranging mentoring/tutoring of younger employees by older employees to ensure knowledge transfer (including 'tacit knowledge', that gained from experience). Perhaps the biggest challenge in this area is for individual employees to identify the tacit knowledge that they carry, and to learn how to impart that knowledge to younger successors. Training of managers in general age management skills has helped in meeting this challenge.

2.3.2. Work community and work environment

Work community and work environment activities include:

- promoting awareness of age-related issues in departmental meetings as well as collective consultation days;
- distributing regular questionnaires to gain staff feedback;
- arranging tailored training sessions to ensure older employees remain up to date, for example in information technology and systems-related work;
- preparing a plan for inducting potential successors to older workers; and
- organising a seniors event on an annual basis to promote awareness of benefits available under the senior programme.

2.3.3. Individual work ability

The programme enhances and maintains the work ability of older workers in the following ways:

- making special working time arrangements where necessary, including the adoption of part-time retirement;
- making adjustments to job descriptions where necessary (for example replacing physically demanding tasks, such as lifting heavy objects, with lighter work tasks, or alternatively changing to another job position);
- providing staff who have reached 58 years, and who are committed to improving their health through physical activities, with the option of having the occupational healthcare provider prepare an individually tailored fitness programme (including annual fitness tests), biennial health checks and ergonomic workplace assessments;
- providing full-time staff who have reached 58 years, and who take part in the individual fitness programme (including the submission of a progress diary to their manager), the option to accumulate senior leave days on a sliding scale from 5 to 8 days depending on age; and
- organising retirement training days together with the pension insurance company Ilmarinen and the occupational healthcare provider to raise awareness of the consequences of retirement and ageing, the accrual of pension with a longer career, and lifestyle strategies to offset ill-health and reduced functional ability.

2.3.4. The labour reserve

The labour reserve is a register of retired Berner Ltd employees who, at the time of their retirement, indicated their interest in being contacted for availability to participate in short-term assignments. These specific-purpose assignments include, for example, covering absence or during regular staff training. The register is updated on an ongoing basis and currently has 10 names on it.

2.4. What was achieved?

Berner Ltd's age management programme has proved successful.

Reduction in retirement costs: The number of persons retiring as a result of incapacity has been close to none in recent years, which, in turn, has kept retirement costs very low. The average retirement age has also increased to 64.5 years in 2012 from 63.5 in 2009 (compared with a 2012 national average of 60.9 years).

Reduced sick leave: Berner Ltd has a low rate of sick leave, 3%, with no great difference between leave taken by younger and older workers.

Programme participation: More than 90% of eligible staff make use of the individual fitness programme and annual fitness tests, which allows them to accrue senior leave days. Sixty-five per cent of employees make use of the benefit of subsidised sports.

Employee satisfaction: The results of annual questionnaires on workplace wellbeing have indicated a high level of staff satisfaction in general, and with the age management programme in particular.

Recognition: In February 2013, Berner Ltd's programme won the National Working Life Award (Suomen työelämäpalkinto), a formal recognition presented every year to an organisation that has made an outstanding effort to improve working life and sets an example of best practice. The award is granted by the Fund for the National Working Life Award (Työelämäpalkinnon rahasto), which was set up by the Ministry of Social Affairs and Health and the Finnish Innovation Fund Sitra.

The company is continuing its commitment to improving the wellbeing of all of its staff. An age management programme for juniors (36 years and younger) was launched in 2013, with implementation scheduled for 2014.

2.5. Success factors

The following factors were significant contributors to the ongoing success of the programme:

- *Legal basis:* legislation and policy in Finland promoting age management and sustainable employment;
- *Coordination of stakeholders and involvement of managers:* consultative approach between management and workers, with awareness-raising and specific training for mid-level managers;
- *Management focus:* age management as a key aspect of effective workplace resource management, particularly succession planning;
- *Motivation of staff:* high level of participation by all staff in company-organised activities/schemes/training, thanks to the attractive measures implemented;
- *Diversity of measures:* taking a systematic approach and adopting a range of measures at management, work station and individual levels;
- *External support:* support from the external occupational health provider and pension insurer;
- *Culture of equality:* mentoring programmes to ensure the transfer of knowledge that help younger workers to value the experience of their older colleagues.

2.6. Transferability

The following aspects of the programme are transferable to other organisations of all sizes and sectors:

- career planning after the age of 55 as part of annual performance reviews;
- management training on age management;

- early succession planning and inductions;
 - mentoring/tutoring of younger workers by older workers;
 - job satisfaction questionnaires;
 - targeted training of older employees;
 - adjustable working arrangements (content and time);
 - age awareness targeted at older employees as well as the wider working community.

Larger organisations would find it easy to adopt the subsidised sports activities, age-related individual fitness programmes, annual fitness tests, biannual health checks and senior leave days described here. Such measures, however, would be more difficult for small to medium-sized organisations to implement.

2.7. Further information

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3. References and resources

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- Berner Ltd's own summary of its age management programme
- Telephone interview with Heli Rissanen, Head of Human Resources at Berner Ltd