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Rethinking Careers: How to deal with longer working lives in HR processes

Lifelong Employability Assessment (LEA) Results

An Enterprise 2020 initiative

European Business Campaign on Skills for Jobs

This report is the result of CSR Europe's collaborative work with members on company approaches to lifelong employability. It contains a practical interpretation of four HR processes and fifteen related criteria which served as the basis of CSR Europe's Lifelong Employability Assessment (LEA) tool. The report presents an overview of the initial findings from eleven companies assessed between October 2013 and January 2014.

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Lifelong career management in companies

Demographic change and postponed retirement ages in most European Member States require companies to adapt business solutions to deal with longer working lives. CSR Europe's 2011-2013 project on "the business contribution to active ageing"[1] helped to understand the requirements for lifelong career management. The next project phase (2013-2015) builds upon this to help companies to diagnose and implement the right HR processes with the LEA tool.

The need for adapted HR processes to longer working lives

Companies have already started to implement isolated measures to tackle demographic imbalance in their workforce by mainly targeting their 50+ workforce. However, in order to remain competitive and keep employees active for a longer period, there is a need to capitalise on skills, adapt working conditions as well as better internal and external mobility throughout a career to guarantee employability.

Ideal situation

Being able to prepare employees for longer working lives while maximising their employability throughout their career requires the adaption of existing career development schemes in a way that integrates a lifelong perspective within each Human Resources process. In its study, CSR Europe regrouped the processes into four categories:

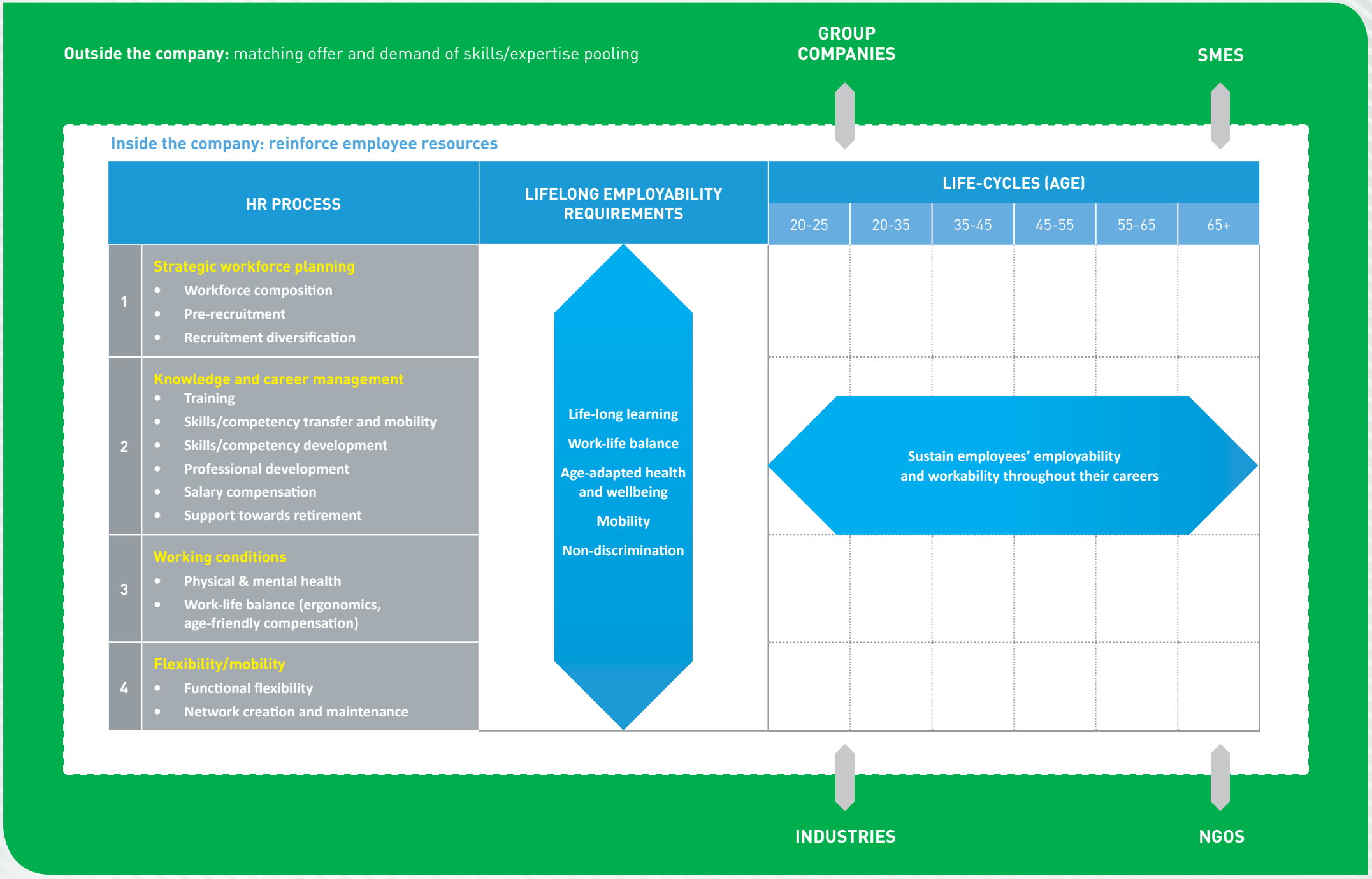
1. Strategic workforce planning;
2. Knowledge and career management;
3. Workplace adaptation;
4. Mobility and flexibility.

Table 1: For each category, the following ideal situation has been defined:

HR PROCESS		DEFINITION	IDEAL PROCESS REQUIREMENT FOR LIFELONG CAREER MANAGEMENT
1	**Strategic workforce planning**	Process used to align the needs and priorities of an organisation with those of its workforce to ensure it can meet its production requirements and organisational targets.	• Workforce planning is assessed on a yearly basis with a medium to long-term projection. Regular assessment of the workforce allows for the anticipation of employees' requirements internally (e.g. acquisition of new skills, functional mobility) or externally (e.g. outplacement, volunteering).
2	**Knowledge and career management**	Combination of structured planning and the management of an employee's professional career.	• A tailored view of personal and professional development is integrated into career development schemes. This also includes life-long and age adapted training, as well as performance (and not solely seniority) based salary schemes.
3	**Workplace adaptation**	Combination of working conditions and the work environment.	• Workplaces (all dimensions of ergonomics) and working conditions (e.g. compensation, working time arrangements) are adapted to the constraints of life-stages.
4	**Mobility and flexibility**	Mobility concerns the objective of work or the functions assigned to an employee. Mobility can be vertical or horizontal. Flexibility refers to the company's capacity to offer adaptable work options.	• The company is embedding within a wider network of organisations (companies, institutions, NGOs, suppliers, etc.) also from a career development perspective. Functional mobility is increased both inside and outside the Group. This includes secondments/outplacements/expertise pools, volunteering as well as entrepreneurial skills development schemes.

[1] http://www.csreurope.org/sites/default/files/Rethinking%20Careers.pdf

Figure 1: Embedding the company within a wider network from a career development perspective



CSR Europe's lifelong employability assessment (LEA) tool

HR Managers often lack a clear and established methodology for lifelong HR Management. In order to equip companies with the right management tools, CSR Europe has developed the Lifelong Employability Assessment (LEA) tool.

Purpose and scope

CSR Europe has developed the Lifelong Employability Assessment (LEA) tool to support companies to better identify levers and barriers to lifelong employability and help HR Managers to enhance internal processes. Specifically, its purpose is to:

1. Evaluate the maturity of individual company HR processes in lifelong employability;
2. Identify gaps and areas for improvement, illustrated with best in class examples;
3. Benchmark against the ideal situation and peers and provide access to a learning network of HR professionals. The framework was developed with the support of HR experts (SCS Consulting, Hay Group) and in consultation with HR Managers from member companies.

Thirteen interviews with HR Managers from eleven companies across sectors, covering a scope at Group and/or country level, were conducted by CSR Europe between September and December 2013: Banking & Insurance (x3), Energy (x3), ICT & Telecommunications (x3), Services (x1).

Structure

Four HR processes and fifteen related process requirements were identified as framework for the tool. Each process requirement is assessed by a set of criteria respectively, relative to:

1. Existing policies and their structure;
2. The implementation into management structures and what age groups they concern;
3. If there are existing KPIs and how they are monitored.

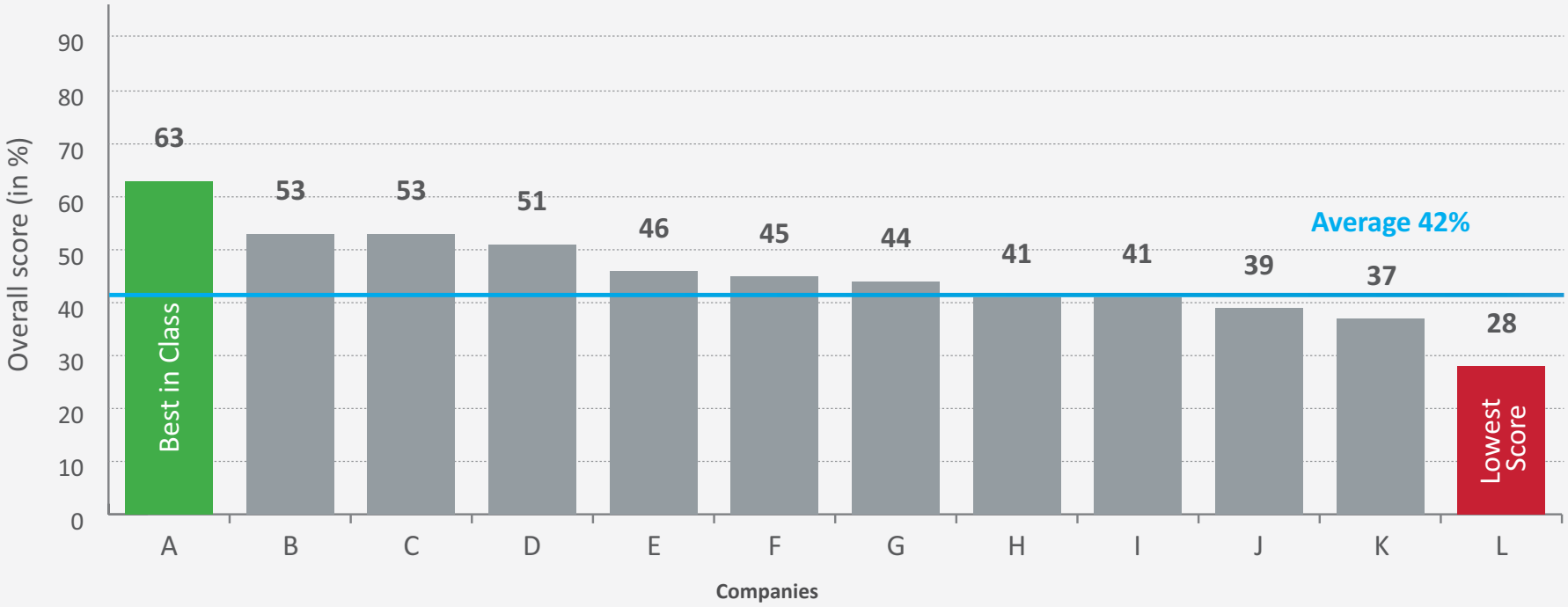
Table 2: HR process requirements for effective lifelong employability

HR PROCESS		HR PROCESS REQUIREMENTS	ASSESSED CRITERIA
1.	STRATEGIC WORKFORCE PLANNING	1.1 Workforce composition	1. Do you have policies in place as part of your HR strategy? (yes/no). 2. If yes, what measures have been implemented and what age groups are concerned? 3. Are their KPIs and a monitoring system?
		1.2 Pre-recruitment	
		1.3 Recruitment diversification	
2.	KNOWLEDGE AND CAREER MANAGEMENT	2.1 Training	
		2.2 Skills/competency transfer and mobility	
		2.3 Skills/competency development	
		2.4 Professional development	
		2.5 Salary compensation	
		2.6 Support towards retirement	
3.	WORKING CONDITIONS	3.1 Physical & mental health	
		3.2 Work-life balance (ergonomics, age-friendly compensation)	
4.	FLEXIBILITY/MOBILITY	4.1 Functional flexibility	
		4.2 Network creation and maintenance	
		4.3 Volunteering	
		4.4 Entrepreneurship	

General outcomes

From the first batch of assessments with thirteen managers from eleven companies, companies show an overall 42% readiness for lifelong employability. This means that companies are less than half way through offering the ideal employability opportunities to their employees based on their individual needs. The best in class company reaches 65% readiness and the lowest in class, 28%.

Figure 2: *Overall percentage performance of assessed companies*



HR processes in which lifelong employability processes seem to be the most integrated are:

1 Strategic workforce planning
2 Working conditions

HR processes with the weakest integration of lifelong employability are:

1 Knowledge and career management
2 Flexibility and mobility

Figure 3 and 4: *Average percentage performance on assessed process requirements against average and best in class*

Specific outcomes

From the assessment, the following can be observed:

- All interviewed companies have started to define a set of measures to respond to the increased need for lifelong career management, both at Group and country level. Yet, these measures remain fragmented and insufficiently embedded into a larger strategic framework.
- Most of the process requirements are not integrated into HR processes but implementation remains on an ad-hoc basis. This goes together with a lack of strong Key Performance Indicators (KPIs) to measure and monitor the performance of established processes.
- Managers and HR Managers are not sensitive to, or trained on the importance of lifelong career management. Also, there seems to be a confusion between and "age" and "life-stage" specific approaches.

On strategic workforce planning processes:

- In most of the cases, workforce assessment and planning is part of a company's HR strategy. It is undertaken at a frequency varying between 1 and 3 years with a short to medium-term projection.
- Talent identification and relationship to education systems is usually not part of strategic HR processes. Only a few companies plan and invest in partnerships with universities for targeted skills development. Nevertheless, most of the assessed companies offer internship/apprenticeship opportunities to students or young graduates.
- Diversity is generally not integrated into a company's recruitment strategy due to the neutrality of the process (recruitment is based on performance, not diversity criteria), with the exception of gender in some cases.

On knowledge and career management processes:

- All assessed companies do offer formal training programmes to their employees. These are mandatory when addressing specific functions and levels (typically entry level and (senior) manager level as well as identified talents). Companies also offer voluntary training programs available to all employees regardless of age and function. Attendance is tracked, but not measured and monitored.
- If some companies do promote mixed working groups or start to implement (reversed) mentoring programs, intergenerational knowledge transfer is rarely part of company's HR skills development strategies.
- Skills development and performance management is only indirectly based on employees' needs.
- Performance review processes remain very much focused on (traditional) hard skills. Soft skills or competencies acquired outside the work are not strategically taken into account in an employee's performance assessment.
- Career development schemes exclude life-stage specificities. Mid-career interviews are being pursued in countries in which this procedure is mandatory. In addition, only few companies have accompanying measures towards "exiting" as part of their HR strategies.
- Most salary formation schemes are based on employees' seniority level and performance, although this is about to be adapted in some companies. A threshold to seniority based salary schemes is applied in some cases.

On working conditions:

- All assessed companies have specific health and wellbeing policies in place as part of their HR strategy. However, these often remain voluntary, offering the same service to all age groups. Only in a few cases specific measures and attention is paid to employees based on their age or life-stage situation.
- Ergonomics and other working conditions (e.g. time arrangements) are usually provided when required and needed by an employee. Some companies offer specific training on relaxation techniques to their employees.

On flexibility and mobility:

- Achieving business performance goals while meeting the aspirations of its employees remains a priority for companies. However, this mobility is limited in the sense that it does not yet sufficiently cover outplacement and/or experience pooling opportunities (inside or even outside the Group).
- Volunteering activities during employment are promoted in several of the assessed companies. However, only few companies have specific programs in place encouraging their employees to remain active after employment (either via volunteering or entrepreneurial activities).
- If companies maintain a certain contact with former employees via various communication channels (newsletter, social media) and special events, only few of them provide job opportunity support measures (just before and/or after having left the organisation).

CSR Europe's next steps

CSR Europe will continue to conduct interviews with additional companies. Expanding the scope of the assessment will create a better understanding of the specific challenges facing each company and help identify the areas to focus on. At the same time, CSR Europe will further look into opportunities to scale up the approach at European level by further collaborating with members, partners and the European Commission.

Between autumn 2014 and autumn 2015, CSR Europe is organising a set of country workshops across Europe with the purpose of:

1. Understanding the levers and barriers of lifelong career management in light of national specificities;
2. Gathering insights and sharing experience on operationalising longer working lives across Human Resources;
3. Sharing expectations with social partners, employment service organisations, governments and peers to achieve more impact.

Disclaimer

CSR Europe maintains a policy of not acting as a representative of its members, nor does it endorse specific policies or standards. The views expressed in this report are those of its authors and not necessarily those of CSR Europe's members or those of the leaders of the collaborative project.

About the project

The LEA Assessment tool is part of CSR Europe's Skills for Jobs campaign collaborative project "Rethinking Careers: How to deal with longer working lives in HR processes", co-led with member organisations GDF SUEZ, Enel, Business and Society Belgium, Impronta Etica and Sodalitas, and in partnership with Age Platform Europe. It builds on learnings from CSR Europe's 2011-2013 project on Active Ageing.

The goal of the Skills for Jobs campaign[2] is to strengthen both pathways to jobs (strengthening the relationship between business and education providers) and workplace innovation (optimising workers employability throughout careers). By shaping multi-stakeholder learning networks, supporting the right policy framework at European level and making good practices visible, CSR Europe aims to inspire companies and partners to join the movement and magnify the impact of Skills for Jobs solutions across Europe.

For more information about the European Business Campaign and the project, contact **Sarah Dekkiche** at **sd@csreurope.org**

[2] http://www.csreurope.org/skills-jobs

For more information about CSR Europe, its national partner organisation network or to become a member please contact Stefan Crets, Executive Director, at **sc@csreurope.org**

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