

EMPLOYMENT OF THE GENERATION 55+ IN THE CONTEXT OF REGIONAL LABOUR MARKETS

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Abstract:

Focus of the article is on ways, how to support employment of generation 55+ in the regional context and how to adapt their knowledge, skills and competencies for actual employment conditions. The author of the paper analyses the labour market capacity of the regional level and adapts it to the needs of the employers. As a fundamental problem of employment, citizens of the 55+ generation see their low adaptation skills to the current working conditions. It outlines various forms of improving the qualification and employment of the 55+ generation and offers employers a satisfactory solution.

Introduction

Labour market in the Czech Republic is characterised by the strong regional diversification. Each region has different demographic, social and economic conditions. In individual region there is clearly affected the wide area of employment. While efforts to reconcile labour market requirements with the structure of school leavers are long-term and difficult, it is very important that regional education reflects the above-mentioned specificities and adapts the study offer in a way that is consistent with the region's regional development concept and which contributes to match supply and demand for labour. The structure of employment is determinate by the professional structure of labour force. Applicability of employees 55+ is complicated because of their different (mostly obsolete) education, resistance to change and low mobility. Their preparedness to learn new skills and competences is limited by historical roots. They believe in their capability to work and they consider their former education as sufficient. There is underestimated the role of the local authorities in matching demand and supply of the labour force together with the regional development plans. The professional and sector structure and ultimately also the unemployment rate in the regional labour market determine, in particular, the sector. The conditions for the recruitment of new workers are also different, which is reflected in the applicability of the school graduates.

1. Starting points

With regard to the age structure of the population, it is possible to expect an increase in the number of employees in the future as well as the unemployed aged 50+. Following the headline targets of the Europe 2020 Strategy, the Government of the Czech Republic approved national targets and partial national targets for the Czech Republic by 2020 in the area of employment. The national goal is to increase the overall employment rate in the age group of 20-64 to 75%. Sub-national targets include: raising the employment rate of women aged 20-64 to 65%, increasing the employment rate of older workers 55-64 to 55%, reducing the unemployment rate of young people aged 15-64 by one third compared to 2010. (Source:

There is the higher quality of human capital resources on urban, especially metropolitan areas, where multiplication effects and a rich structure of job opportunities provide a high chance of choosing the right job and real employment in the labour market. The distribution of human resources in the territory is a result of the process of long-term development of the economic base and is fundamentally influenced by positive or negative developmental impulses in individual parts of the territory, including their differing competitiveness and low regional labour mobility. Employment of the generation 55+ is more difficult from above mentioned reasons. This declaration is well visible in the following chart. There are highest figures namely in the age period 55-59.

Table 1: Age structure of unemployed people in regions

	celkem	Věková struktura												průměrný věk
		do 19	z toho do 18 let	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	nad 65	
Praha	26 878	429	181	1 873	3 010	3 108	3 565	3 613	2 783	2 906	3 198	2 164	229	42,4
Středočeský kraj	31819	870	361	2629	3163	3131	3817	4036	3183	3585	4433	2810	162	42,7
Jihočeský kraj	13270	391	158	1126	1412	1191	1405	1446	1307	1610	2148	1192	42	43,0
Plzeňský kraj	10983	319	143	873	1118	1093	1153	1283	1039	1310	1719	1028	48	43,1
Karlovarský kraj	8456	323	164	621	834	812	886	1001	884	1030	1295	701	69	43,0
Ústecký kraj	36533	1515	685	3092	3708	3869	4188	4510	3857	4218	4671	2690	215	41,8
Liberecký kraj	12999	446	199	1116	1321	1317	1498	1629	1358	1488	1713	1051	62	42,2
Královéhradecký kraj	11031	351	166	1040	1244	1043	1208	1244	1110	1196	1644	918	33	42,2
Pardubický kraj	10407	310	139	1023	1142	946	1149	1103	1018	1152	1538	996	30	42,4
Kraj Vysočina	12442	234	65	1134	1328	1163	1300	1381	1221	1498	2094	1062	27	43,1
Jihomoravský kraj	38901	831	284	3537	4246	4003	4573	4795	3859	4382	5315	3179	181	42,3
Olomoucký kraj	20128	459	174	1562	2036	1860	2263	2348	2151	2463	3197	1702	87	43,3
Zlínský kraj	14771	287	111	1323	1540	1336	1519	1713	1460	1862	2316	1369	46	43,3
Moravskoslezský kraj	54456	1510	666	4311	5180	5024	5554	6117	6027	7423	8334	4710	266	43,4
Celkem ČR	303074	8275	3496	25260	31282	29896	34078	36219	31257	36123	43615	25572	1497	42,7

Source: ČSÚ – 06/2017

2. Reasons of employment 55+

Support of persons over 55 years of age in employment does not correspond with the need to solve the social problem or direct threatening of older workers. Such a problem exists and there is difficult to define it only from statistical indicators. The causes of age management in demographic trends, such as population aging, and the need to employ older people in the organization are coming from the simple reason. There are no other age segments available at the labour market. Companies have no chance to recruit younger staff. Contemporary is entering this problem growing income differentials and stability job-related qualifications between different areas of employment and among workers of different education. Work flexibility due to technological, economic, organizational changes or changes in the concept of management is demanded. Changes concern both workers (worker flexibility) and the labour market. Flexible work and employment at the individual level has a negative impact on older employees in particular (Nemec&Surynek 2012). The population projections in the Czech Republic predict the development of the different age groups until 2050. It is clear that

the only group to grow in numbers is the population aged over 65. The share of young population aged 19 and below as a reserve of future labour force will decline slightly, the share of the labour force at the age of 20-54 will drop sharply, but the share of people aged 50-64, it means people of eminent interest, 2037 to rise to begin to decline. The shares of the senior population aged 65+ shows a permanent, almost linear growth. By 2050, it will rise to 31% from today's 15%. These projections are related to the so-called old age dependence ratio (Cimbáľníková et al., 2012).

Table 2: *Population structure by sex and age groups*

	2010	2020	2030	2040	2050
Population in thousands	10 283	10 284	10 102	9 795	9 438
Men	100%	100%	100%	100%	100%
0 - 19	20,2	19,2	18,2	17,4	17,5
20 – 54	52,2	50,5	46,5	42,0	39,5
55 – 64	14,4	12,8	15,3	16,4	14,5
65 -	12,8	17,5	20,0	24,1	28,5
Women	100%	100%	100%	100%	100%
0 - 19	18,3	17,4	16,5	15,8	15,9
20 – 54	48,8	46,8	42,9	38,6	36,1
55 – 64	14,8	12,8	15,1	16,1	14,0
65 -	18,1	23,0	25,6	29,5	34,0
Both genders	100%	100%	100%	100%	100%
0 - 19	19,2	18,3	17,3	16,6	16,7
20 – 54	50,7	48,6	44,6	40,3	37,8
55 – 64	14,6	12,8	15,2	16,3	14,2
65 -	15,5	20,3	22,8	26,9	31,3

Source: ČSÚ; <http://www.mpsv.cz/files/clanky/2237/srovnani-demografie.pdf> (20. 06. 2013)

Statistics, research results and available forecasts show that the position of 55+ people on the labour market is currently perceived as a problem. It is clear that higher age is a major factor in making people more difficult to apply to the labour market, and that any loss of employment may already mean a final dependence on the social system for workers over 55 years of age. These people are more likely to face economic and social threats, despite all the potentials they can offer on the labour market and in social life.

The unfavourably evolving demographic situation has an impact on the pension and social security system. Objectively, older people have a number of disabilities that can seriously compromise their work. The first problem is the general view of older workers as less efficient, less adaptable and therefore less employable. This view may result in working discrimination of people in this age group. Work performance can actually be affected by lower performance in physical work, less agility, reduced mobility. Sensory perception is weakened (worse vision and hearing), worse short-term memory, more difficult and longer regeneration. This applies in particular to physical forces. Cognitive abilities change, but not in the sense of their weakening. Older people may get into collision with younger people, both because of the differences in lifestyle and behaviour, as well as because of greater adherence to accepted values. Older workers have lower aspirations and less self-confidence, On the contrary, they are more critical of themselves. Difficult and longer time they learn new things and cope with change. However, large individual differences between people or differences in social and cultural affiliation can completely overcome differences in age.

3. Differences in regional labour markets

The situation of the local and regional labour markets is possible to describe by unemployed population. The data, which are taken over from the Czech Statistical Office, quite convincingly show that according to the population in the region, the numbers of unemployment are higher in regions. The most of unemployed people has only elementary school. Significant it is in Ústecký region or Moravskoslezský region. If we confront this data with the demand for workers, we cannot identify any useful correlation between these data. If we make a look at workers with an apprenticeship certificate, we can see that demand and supply is well balanced.

The figures concerning bachelor and magister level of education are in the minority, but a-level represent big sample of applicants. There seems to be pool near in all regions for future employment. If we consider, that 15% of these potential applicants are 55+, we investigated to niche for intensive work in the field, in the terms of encouraging people to work and to be active in later age.

It is also necessary to concentrate on the sector's structure of the regions. Although some changes are taking place in this area, some regions have retained their original character, which is reflected in the employment structure. In traditional industrial regions, the need to employ a certain type of skilled workers, who at the age of 55+ find themselves outside the interest of companies as potential employees, is diminishing. Employing this group of people is relatively difficult because many refuse retraining and their labour mobility is low. The reason for this is often the cost of moving. State support, which would increase mobility, focuses more on the cost of commuting than on work-related mobility.

Table 3: Scholarship of unemployed people structure: by regions

	Uchazeči celkem														
	celkem	Vzdělanostní struktura													
		bez	neúplné	zákl.	nižší	nižší str.	str.odb.vzd.	str. a str.odb.	ÚSO	ÚSO s	vyšší	bakalář.	VŠ	doktor.	
		vzděl.	zákl.vzděl.	vzděl.	stř.vzděl.	odbor.vzd.	s vyuč.lis.	bez mat. a v.l.	ÚSV	s vyuč.a mat.	mat.bez vyuč.	odb.vzděl.	vzděl.	vzděl.	
	A	B	C	D	E	H	J	K	L	M	N	R	T	V	
Praha	26 878	105	34	5 212	24	243	6 679	227	1 155	1 201	6 273	514	929	4 144	138
Středočeský kraj	31819	114	208	8812	20	646	10688	217	1076	1379	5547	394	601	2065	52
Jihočeský kraj	13270	69	88	3378	3	261	4777	93	396	547	2255	150	317	902	34
Plzeňský kraj	10983	31	73	3202	6	223	3767	66	283	482	1839	91	238	667	15
Karlovarský kraj	8456	2687	201	1580	5	264	2160	37	131	212	855	29	100	187	8
Ústecký kraj	36533	4252	602	12577	27	1286	10577	172	725	1087	3805	144	385	866	28
Liberecký kraj	12999	547	333	3452	8	352	4427	71	330	412	2077	107	252	617	14
Královéhradecký kraj	11031	42	37	3304	9	274	3649	68	332	445	1809	106	260	662	34
Pardubický kraj	10407	211	104	2463	10	280	3632	62	287	431	1862	131	246	664	24
Kraj Vysočina	12442	15	11	2349	3	255	5116	70	388	569	2366	159	316	797	28
Jihomoravský kraj	38901	30	46	9927	16	709	13604	185	1381	1793	6678	371	957	3093	111
Olomoucký kraj	20128	18	40	5681	14	617	7216	122	618	910	3012	155	433	1248	44
Zlínský kraj	14771	3	15	2869	11	335	5789	95	517	827	2616	132	405	1126	31
Moravskoslezský kraj	54456	358	946	16934	24	1689	20202	274	1517	2416	6330	275	875	2534	82
Celkem ČR	303074	8482	2738	81740	180	7434	102283	1759	9136	12711	47324	2758	6314	19572	643

Source: ČSÚ; <http://www.mpsv.cz/files/clanky/2237/srovnani-demografie.pdf> (20. 06. 2013)

Long-term unemployment of 55+ people is undoubtedly a very serious problem, which should be given much more attention. In the long run, the consequences may be reflected in the reduction of the available human capital, the pressure to raise wages or the growth of social benefits paid. The percentage of unemployed who have been unemployed for more than 12 months is the highest among all age groups in the 50-74 age groups. The average EU 27 is almost 50% of all the unemployed. Such a 55+ unemployment rate is the same problem as youth unemployment. One possible explanation is so-called Age Discrimination on the part of the employer. This phenomenon is hard to prove and solvable, yet it is obvious that in times of economic recession it is much more likely for older workers that they will lose their job and then get worse, new job positions. Other structural causes of high long-term unemployment in the 50-74 age groups are specific knowledge and skills, often obsolete, for which they are forced to look for work more selectively. Employers are concerned that older people will be less adaptable and willing to increase their skills in the field, and are thus induced to shake their jobs for other, technologically and skill full less demanding ones.

Table 4: *Structure of vacancies in regions according to education requirements*

	Struktura volných míst														
	Vzdělanostní struktura														
	ÚSO ÚSO														
	celkem	bez vzděl.	neúplné zákl.vzděl.	zákl. vzděl.	nižší stř.vzděl.	nižší str. odbor.vzd.	str.odv.vzd. s vyuč.lis.	str. a str.odv. bez mat. a v.l.	vyšší ÚSV	bakalář. s vyuč.a mat.	VŠ s mat.bez vyuč.	doktor. odb.vzděl.	VŠ vzděl.	VŠ vzděl.	VŠ vzděl.
		A	B	C	D	E	H	J	K	L	M	N	R	T	V
Praha	14 620	3 997	254	16 895	479	1 619	4 117	592	1 986	988	1 841	668	1 953	1 967	18
Středočeský kraj	18196	336	32	13492	186	1320	4595	495	356	501	1046	161	127	833	0
Jihočeský kraj	7641	176	5	5686	74	905	4047	79	164	334	644	50	34	258	2
Plzeňský kraj	6289	349	34	8555	145	973	3331	22	163	230	809	50	62	301	0
Karlovarský kraj	4386	87	0	2235	51	399	1565	22	202	221	500	70	35	269	0
Ústecký kraj	19775	203	19	4144	282	510	2819	20	375	223	525	75	48	586	8
Liberecký kraj	7413	54	8	3783	25	306	2295	16	75	105	735	113	39	283	0
Královéhradecký kraj	6110	110	5	3742	20	542	2285	20	117	169	534	70	33	258	1
Pardubický kraj	5841	182	19	9815	103	551	3322	118	252	289	434	95	49	295	0
Kraj Vysočina	7072	86	0	2997	117	422	2289	11	88	161	410	47	18	142	1
Jihomoravský kraj	21306	119	3	7766	59	662	4402	142	569	275	915	78	219	359	2
Olomoucký kraj	10783	102	13	3584	71	548	3072	42	239	305	583	44	51	249	2
Zlínský kraj	7979	140	17	3576	73	771	2741	54	159	280	361	48	39	168	1
Moravskoslezský kraj	27519	244	0	5078	75	803	4677	40	348	380	1010	74	155	393	1
Celkem ČR	164930	6185	409	91348	1760	10331	45557	1673	5093	4461	10347	1643	2862	6361	36

Resource: ČSÚ; <http://www.mpsv.cz/files/clanky/2237/srovnani-demografie.pdf> (20. 06. 2013)

To understand better the regional problems of staffing people 55+ we need to consider the geographical indicators as well. Looking at the map of the Czech Republic there is significant horizontal differentiation in the direction West and East. There is ever strong position of the main regional centre, but we can identify also the region with the large number or small villages like regions Highland or Central and South Bohemia. Higher rate of urbanisation is in the regions of North and West Bohemia or North Moravia.

Low mobility is also more problematic in the specific regions. Many people 55+ prefer passive waiting and their life attitudes and requirements are not meeting the potential of their region. Even where mobility is not an obstacle to economic mobility, they remain in their

lifelong residence and prefer to choose a path of limited income rather than active job searching for the necessary retraining.

4. Business recommendations

Thanks to the better health care, which is increasing human's physical potential, job restructuring and thanks to the creation of a space for the use of work abilities in the changing working environment (with the elimination of disruptive effects), the adaptation of aged workers start to be realistic. Of course there is recognised need to respect the rest time periods, implement more ergonomic principles, but in general there is the chance to keep people 55+ well stimulating and increase the involvement, and keep them in the strengthening physical and mental fitness. This is in the hands of personal manager to develop for each person 55+ personal strategy in the direction of applying the different experiences and skills of age-diverse staff, promoting job satisfaction. (Nemec & Surynek, 2012)

The HR Managers have to change their strategy and working with existing employees. Concerning the recruitment of the new staff, there is necessary to emphasize on people, who were educated in the past and who confess values, which are valid in the beginning of their professional life. However these potential adepts do not meet exactly requirements and job description namely in terms of attitudes. There are two problems to be solved. The first one is their potential to be adapted for the new required knowledge and skills and second their social adaptability for the new social situation. There is the risk that they could be able to learn new competencies, but they will not accept actual company culture. The actual company culture means namely communication processes, problem solving and common decision making. Other point could be the ability to work in the changing IT environment. Also the middle aged people, who are able to work with PC and have basic knowledge how to use IT for personal purposes, they are sometimes resistant to accept new IT applications. However the trend in IT use across a variety of corporate portals (including attendance records, travel orders, etc.) start to be widely spread. So there is no excuse and exception for no employee in the company. When assessing the suitability of an applicant, the HR manager should take into account his ability to learn new things. There are many methods to recognize the ability of self-help or assisted learning. Similarly, job seekers need to focus on their social adaptability. Young men or women are well prepared to communicate openly and to express their needs and problems. People from generation 55+ are ashamed of their ignorance, because they were educated and refused to talk about problems. The role of HR manager is to help them open up and give them sense of respect and seriousness.

Speaking about regional labour markets, there is significant, that this group of job seekers will be more psychologically closed compared to people from large agglomerations, Social pressure in the cities and industrial agglomerations keep people more active and open to the new challenges.

Now turn attention to existing employees. There is assumption that generation 55+ have generally the same barriers, which are not applied to existing employees. HR manager must consider that in the company is usually big diversity from different age segments. The biggest problem is the age group of young employees up to the age of thirty and employees before retirement. It is precisely these employees that we should keep in employment and give them new challenges to fill their work and do not feel burnout. On the contrary, they need to be motivated to further develop their skills and competencies. Why to keep employed people before retirement in staff? It is because the labour market does not offer compensation. It

happens namely in regions, where the young generation goes to work in larger cities and agglomerations.

The task for the HR manager is clear. It is to bring young and older workers to work together and share experiences and competencies. One way how to manage such a situation is application of E-portfolio methodology. E-portfolio like the tool for self-recognition can help to both young and older workers recognize their strengths and weaknesses and find out how they have the skills and experiences that others might need. But it is only the first step in “intergeneration” HR management. The decisive factor is how to bring both generations to share mutual merits. The HR manager must take into account not only resistance to mutual communication, but also other value attitudes. Both generations tend to underestimate each other and complicate mutual approximation. For these reasons, this process needs to be controlled and not left to the employees themselves. Large companies like to use the relationship between employees outside work activities known as outdoors. Outdoors offers enhanced sharing of corporate values. In the case of the 55+ generation, and especially in the region level, this activity may not be suitable. It should be taken into account that generations 55+ may also have certain health restrictions that may cause them to stay outdoors.

However, there is one tool that can make it easier for businesses to process. The tool is motivation. However, it is to be expected that some older workers will perceive the motivation as an embarrassment and will only react formally to it. Nevertheless, it is possible to work with the declaration of mutual benefits and benefits.

"Even the most genius people are becoming victims of flattery."

Molière

Motivation as an instrument (especially if it is based on admiration) allows you to change the behaviour of people through economic, social and self-realization factors. Motivational factors are very sensitive, but in the case of older workers there is a clear need for recognition. They need recognizing their lifelong experience, recognizing their practice, and recognizing their view of the world as a guideline for understanding their attitudes.

The good example of the good practise is creation of employee couples. Always one younger and the other older employee can communicate and compare their experience and knowledge. This connection, combined with mutual learning or enriching experience, is an effective tool for increasing the self-esteem of both partners in a couple. The condition is that this process is preceded by the processing of E-Portfolios and also that the whole process has a clear timeline and is monitored.

Finally is possible to stress, that to be from region is not disadvantage, but challenge. Just like an employer or employees

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