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# **ANALYSIS OF THE CROATIAN SURVEY OF THE “AGEGAP” PROJECT**

**BRIDGING THE AGE GAP ­– DEVELOPMENT OF SOCIAL PARTNERS’ INITIATIVES FOR MANAGING  
AGE RELATED CHALLENGES**

# **ANALYSIS OF THE CROATIAN SURVEY OF THE “AGEGAP” PROJECT**

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CRO Razvoj inicijativa za uspješno upravljanje među-generacijskim izazovima (Age management)

ENG Development of initiatives to successfully manage intergenerational challenges (Age Management)

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BRIDGING THE AGEGAP - DEVELOPMENT OF SOCIAL PARTNERS’  
INITIATIVES FOR MANAGING AGE RELATED CHALLENGES

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# Development of initiatives to successfully manage intergenerational challenges (Age Management)

## INTRODUCTION

Every year, employers in all sectors face new challenges that arise in the labour market in their environment. One of the currently more important problems of the European Union is the impact of aging population on the economy, with an emphasis on this impact on national pension and health systems.

Croatia is additionally facing the challenge of reduced labour market due to the departure of part of the population, primarily younger people, outside Croatia.

The labour market of the Republic of Croatia is additionally poorly adapted to older age groups and the highest chances for a longer stay in the labour market have highly educated people and those of better material status, who generally have the most opportunities, while those with lower education levels, socioeconomic status and health have little chance to stay longer in the labour market[[1]](#footnote-1).

The main demographic trends[[2]](#footnote-2) in the Republic of Croatia are:

* decrease in the birth rate and
* increase in life expectancy.

Both trends have their social and economic consequences. The structure of the population is changing, the population of 65+is growing and there are long-term challenges and burdens primarily on the Croatian health and pension system. We cannot expect the shortage of labour in the Republic of Croatia to be compensated through immigration, because the tendency of the migrants is to migrate toward more developed EU countries.

## 2. STATE OF THE LABOR MARKET IN CROATIA

A fair part of older, able-bodied people also have tendency to retire early. There are various reasons for using the option of early retirement and they are most often a combination of factors arising from the social, economic, financial, psychological, and other characteristics of the environment in which they work and live.

According to the research made by Galić, Parmač Kovačić, Vehovec*[[3]](#footnote-3)*: **Quality of Working Life (QWL - Quality of Working Life)** represents the quality of workers' relationships with the entire work environment and includes a number of factors such as economic, social, psychological, and financial.

QWL is a construct that refers to a person’s business experiences in relation to the psychological needs he or she has. Psychological needs are the *"intangible"* factor through which employers seek to influence employee engagement and consequently achieve greater efficiency and productivity of the entire organization, or in economic terms, increase of profitability, that is, increase of revenues and / or reduction of costs.

How does the quality of working life affect engagement and the workforce?

Looking through the three main dimensions that underlie almost all theories of motivation: economic security (meeting basic physiological needs and security), the need for social belonging (family, friends and partnerships) and the need for a sense of achievement (meaningful work, achievements), quality working life can contribute to meeting these needs or not. As long as we can meet these needs, at least in part, in our work environment - we remain in a business relationship. When we cannot meet these needs enough in our work environment - we choose another environment in which we will be able to meet those needs. This way of functioning is common to all people, regardless of their age, gender, or educational status.

Meeting the need for social belonging, and primarily the need for a sense of accomplishment, is closely related to employee engagement and their contribution to the organization.

Economic security is a stable and sufficient monetary income (worker's salary) with which the worker can afford to meet basic physiological needs (food, clothing) and physical security ("roof over his head"). Economic security also refers to the psychological security that a worker will have (keep) a job or, if necessary, find another job.

The need for social belonging refers to the realization of relationships that are important for the well-being of the individual – both in quantity and quality. This need relates to a desire to interact, a connection to different groups of people, a sense of belonging, and a sense of mutual concern.

The need for a sense of accomplishment refers to a sense of contributing to the environment in which we find ourselves, purposeful work, the ability to influence decisions and outcomes, and a sense that the environment values what we give. Purposeful work allows a person to be creative in his/her contribution and consequently gives a sense of usefulness and achievement. In this way a person has the feeling of managing his own life and realizing his full potential.

If the work environment enables the worker to meet these needs, the sense of quality of working life is higher and the worker is intrinsically motivated and engaged, that is, he/she gives a bigger, better and more lasting contribution to the organization.

If the work environment does not enable the worker to meet the stated needs, the employed worker does not give even the part of h/her maximum. Additionally, the worker has a tendency to leave - through temporary absence (sick leave), psychological absence (low engagement) or leaving the employer.

One possible reason for early retirement could be the quality of working life of older employees. The findings of some researches[[4]](#footnote-4) and experiences show that older workers are less satisfied with the quality of their working life, economic security, sense of contribution, sense of belonging, purpose, than younger workers. Therefore, they use the opportunity and, if economic reasons allow them, that is, if they have sufficient financial resources, retire before qualifying for a full old-age pension and seek to meet those needs elsewhere in society.

On the other hand, employers themselves often feel that older workers contribute less to the organization's success than younger workers and use the moment when older workers acquire the first retirement condition as an opportunity to rebuild the workforce and / or save. In doing so, the loss of knowledge resource that occurs on that occasion is often overlooked.

## 3. SURVEY RESULTS

### 3.1. BASIC DATA ON RESPONDENTS / SURVEY PARTICIPANTS

The participants in the research were employees and employers, as well as the representatives of trade unions. Of all the participants in the survey, only 8% of the participants were from trade unions.

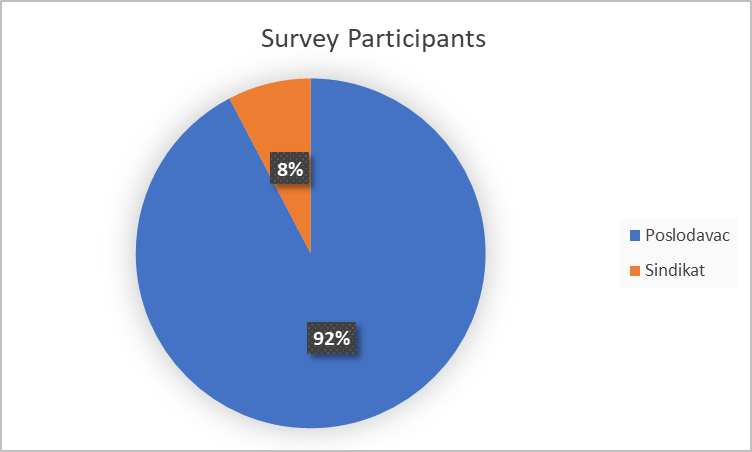


Figure 1: Overview of research participants depending on the type of organization they come from.

BLUE: EMPLOYERS

ORANGE: TRADE UNIONS

According to the size of the company or the number of employees who are employed in the organization, we distinguish:

* Micro enterprises with 1 to 10 employees
* Small businesses with 11 to 50 employees
* Medium enterprises with 51 to 250 employees
* Large companies with more than 250 employees

The largest number of survey participants comes from large companies - 35% of them, followed by small companies (30%), while just over 15% of respondents come from micro and medium – sized companies.

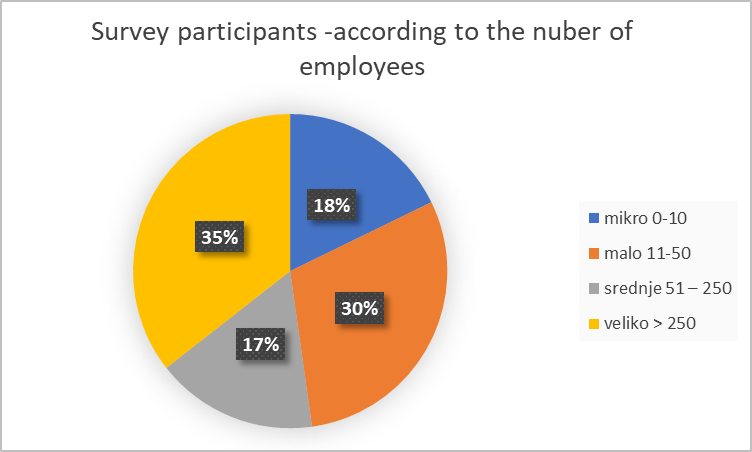


Figure 2: Overview of survey participants, according to the number of employees in the organization in which they work.

BLUE: MICRO COMPANIES

ORANGE: SMALL

GREY: MEDIUM-SIZED COMPANIES

YELLOW: BIG COMPANIES

Survey participants are coming from organizations belonging to different economic activities:

Agriculture (NACE code A)

Industry (NACE code C-D-E)

Trade (NACE code G)

Transport (NACE code H)

Tourism, catering (NACE code I)

Information, communications (NACE code J)

Banking, insurance (NACE code K)

Professional, scientific, and technical activity (NACE M)

Administrative and service activities (NACE N)

Public administration and defense (NACE O)

Education (NACE P)

Health and social work (NACE Q)

Figure 3: Overview of % of research participants according to the economic activity of the organization.

According to the ownership of the organization, the research participants were classified into three categories:

Domestic private property - 46%

Foreign or mixed ownership (domestic and foreign) -37%

State and other property – 17%.

Figure 4: Overview of survey participants according to the ownership of the company where they work.

BLUE – domestic, private ownership

ORANGE – Foreign or mixed ownership

GREY – State ownership and other

### 3.2. GENERATION CHALLENGES

The questionnaire listed 7 generational challenges. We were interested in the importance of each individual challenge for the organization from which the respondents come from, ie how much of a problem each of these challenges poses to the company. The response options were as follows:

1: We have no problem with that at all;

2: We have a small problem with that;

3: We have problems with it, but we are successfully dealing with them;

4: It causes us serious problems;

5: This creates very serious problems for us.

The generational challenges were as follows:

(1) The loyalty and motivation of the younger generation is not satisfactory; there is strong fluctuation among younger employees.

(2) Business opportunities abroad are more attractive to younger generations than building a career at home.

(3) The knowledge possessed by the older generations is sometimes outdated.

(4) Older generations have resistance to ICT solutions.

(5) Different generations find it difficult to adopt the work culture of the second generation group.

(6) The health status of older employees is a cause for concern.

(7) The management is not focused on using the potential of older workers, nor on the cooperation of different generations in the workplace.

All respondents estimated that generational challenges (1) and (2) are their biggest problems.

(1) The loyalty and motivation of the younger generation is not satisfactory; there is strong fluctuation among younger employees. (22% of respondents)

(2) Business opportunities abroad are more attractive to younger generations than building a career at home. (24.2% of respondents).

With a generational challenge (5), as many as 92% of organizations either do not have a problem or are successfully coping with it:

(5) Different generations find it difficult to adopt the work culture of the second generation group.

But looking at generational challenges in general, most respondents answered the question about the presence of challenges: we have no problem with it at all or we have a small problem with it.

If organizations have a problem with the generational challenge then it is a challenge (2) Younger generations are more attracted to business opportunities abroad than building a career at home, but this challenge is a problem for a total of 44% of respondents / organizations of which as many as 50% successfully manages the challenge.

Figure 5: Overview of responses to the perception of the severity of generational challenges for the organizations from which respondents come.

* BLUE: we do not have a problem
* RED: we have a problem and we are succsessfuly dealing with it
* GREY: serious or very serious problem

We examined, through the degree of agreement with the statement, the potential importance of 4 aspects of cooperation of different generations (Age management) in the workplace. The answers are expressed as a scale from 1 to 5 where 1 = absolutely disagree and 5 = absolutely agree.

(1) The competencies of different generations complement each other.

(2) The transfer of knowledge between generations is important.

(3) The presence of different work cultures strengthens the organization.

(4) It is possible to combine communication practices of different generations well.

Only five responses of the respondents marked (2) the transfer of knowledge between generations and (3) the strengthening of the organization through the presence of different cultures as irrelevant.

Respondents consider (2) the transfer of knowledge between generations as the most important aspect of Age management. As many as 95% of respondents marked this aspect as important (ratings of agreement with importance 4 or 5). Aspects of (1) complementing the competencies of different generations and (3) strengthening the organization through the presence of different cultures are next in importance, as 82% of respondents marked them as important, ie by assessing their agreement with 4 or 5.

Aspect (4) combining communication practices of different generations is considered by the respondents to be the least important of the 4 mentioned aspects, but still important enough that over 76% of the respondents mark it as important, ie by assessing agreement with 4 or 5.

 Respondents coming from domestically-owned companies, unlike respondents from mixed-ownership organizations and others (state and other ownership), consider the aspect of Age management (3) to strengthen the organization through the presence of different cultures, the least important and only 71% of respondents mark it as important or by estimating their agreement with 4 or 5.

When asked about the way of managing intergenerational challenges, i.e. Age management in the organization, respondents were able to choose between the following answers that best describes the situation in the organization:

(1) This challenge has not yet emerged.

(2) Securing the workforce for continuous work has marginalized the challenges associated with intergenerational issues.

(3) The goal of employers is to employ labour force mainly from the ranks of the middle generation, i.e. there is a tendency to avoid the generation younger than 25 and older than 55 years.

(4) Employers do not seek help from associations, they prefer to solve their intergenerational problems on their own.

(5) Our organization already has a program to develop an intergenerational strategy.

(6) The criteria for managing different age groups (i.e. age management) are already covered by the collective agreement of our organization.

Almost one third (33%) of all respondents state that their organizations have a greater challenge with finding a workforce in the labour market than with intergenerational cooperation or Age management.

Also, almost one third of the respondents (33%) state that the challenges of Age management have not yet appeared in their organizations, i.e. that the challenges of intergenerational cooperation, although present and important, have not yet been highlighted.

Respondents from smaller enterprises (from 11 to 50 employees) in a slightly higher percentage (19%) than respondents from micro, medium and large enterprises (less than 9%) report (3) a tendency to employ labour force mainly from the middle generation. Based on these data, it is justified to ask the reasons why employers prefer middle-aged (primary working age) employees.

Time and money should be invested in young employees in order for them to become competent to take on jobs and tasks independently; with older employees, the challenge is to master new technologies and additionally, to motivate them and to adapt, but employees of primary working age are "ready-made workers". The need to invest in the development of primary working age employees is very small and they can take over the jobs and tasks in their profession very quickly. Do employers avoid investing in employee development by selecting employees of primary working age? Or do they have prejudices and feel that primary working age employees are more productive?

Respondents from micro and small organizations (1 to 50 employees) do not state that their organizations have programs for strategy development or fixed Age management criteria.

Over 50% of respondents from micro organizations and over 30% of respondents from large organizations state that inter-generational challenges have not yet arisen.

Figure 6: Overview of how organizations manage intergenerational challenges

* (6) The criteria for managing different age groups (i.e. age management) are already covered by the collective agreement of our organization. – 3%
* (5) Our organization already has a program to develop an intergenerational strategy. – 3%
* (4) Employers do not seek help from associations, they prefer to solve their intergenerational problems on their own. – 16%
* (3) The goal of employers is to employ labour force mainly from the ranks of the middle generation, i.e. there is a tendency to avoid the generation younger than 25 and older than 55 years. – 10%
* (2) Securing the workforce for continuous work has marginalized the challenges associated with intergenerational issues. – 35%
* This challenge has not yet emerged. – 32%

Almost one third (1/3) of all respondents state that their companies have a greater challenge with finding labour in the labour market than with intergenerational cooperation.

Also, almost one third of the respondents (1/3) state that the challenge with inter-generational cooperation has not yet appeared in their companies.

Respondents from small companies (11 to 50 employees) in a slightly higher percentage (19%) than respondents from micro, medium and large companies (less than 9%) report a tendency to employ labour mainly from the middle generation, i.e. there is a tendency to avoid generations younger than 25 and older than 55 years.

Respondents from micro and small companies (1 to 50 employees) do not state that their organizations have programs for strategy development or fixed age management criteria.

Over 50% of respondents from micro companies and over 30% of respondents from large companies state that intergenerational challenges have not yet occurred.

 When asked whether the organization has already included or plans to include unions and / or other workers’ representative bodies in order to support the management of different age groups, over 40% of all respondents answered that there are no Age management activities in their organizations.

(1) No, because in our organization there are no Age management activities for different age groups.

(2) No, because there are no trade unions in our organization.

(3) Not yet, but we plan to do so.

(4) Yes, we have included the union(s).

Over 43% of respondents whose organizations belong to micro companies answered that there are no Age management activities for different age groups in their organizations, and the same answer was given by over 50% of respondents working in large companies.

Over 60% of respondents working in small and medium-sized enterprises answered that there is no trade union in their organizations and that therefore they cannot even include them in Age management.

Of all respondents, 11% said that the organizations in which they work plan to hire unions and / or other representative bodies of workers to support the management of different age groups, while over 8% said that they have already included unions in Age management.

Of those who initiated Age management programs for different age groups, in most cases they were initiated by the employer.

In most organizations, trade unions do not have a proactive role in developing a strategy to address the challenges posed by the labour market. The role of the trade union is usually more reactive and focused on the negative aspects of the employer's actions. It would be useful for trade unions to be involved as a partner to the employers in developing strategies that would enable them to better address labour market challenges and changes, and to proactively contribute not only to workers 'rights requirements’ (primarily material) but also to workers' development initiatives, employee retention, employer brand development and attracting new employees.

We were interested in the importance of elements of Age management with different age groups such as:

(1) When allocating tasks, it is necessary to take into account the abilities, skills and knowledge of employees, and not their age;

(2) The mentor / trainer from the ranks of older employees should greet and introduce younger colleagues to their work environment, including the ways in which they can best realize their potential;

(3) Programs to transfer knowledge / skills from younger employees to older ones and vice versa, including IT, digital, transversal skills, as well as customer relationship skills;

(4) Creation of a "knowledge bank" that would include specific knowledge and professional information developed within the company, and its transfer to new employees;

(5) Raising awareness of the importance of a positive attitude towards different age groups and promoting age diversity, including consideration of age balance in teams;

(6) Establishment of an advisory body to collect and share examples of best Age management practices for different age groups;

(7) Cooperation with educational institutions, public services and employment agencies to encourage them to adopt an Age management approach for different age groups.

The first five elements in the management of different age groups were rated as important or very important by over 86% of responses.

The majority of respondents, 96% of them, believe that the most important element in the management of different age groups is: (1) When allocating tasks, it is necessary to take into account the abilities, skills and knowledge of employees, not their age.

Furthermore, the most important or very important element, with 90% of answers, is also: (2) The mentor / trainer from the ranks of older employees should greet and introduce younger colleagues to their work environment, including ways in which they can best realize their potential and (5) levels of awareness of the importance of a positive attitude towards different age groups and the promotion of age diversity, including consideration of age balance in teams.

The least important elements of management of different age groups were the following elements: (6) Establishment of an advisory body for collecting and sharing examples of best practices in managing different age groups (only 33% of answers are from the category important or very important) and element (7) Cooperation with educational institutions , public services and employment agencies to encourage them to accept the Age management approach of different age groups (only 47% of responses are from the category of important or very important).

Following all the above, we can say that respondents believe that the most important elements for managing different age groups are those that relate to the internal activities of the employer and which the employer can directly influence by his activities and processes. Elements related to external cooperation and exchange of experience and advice are considered far less important.

In order to improve the employability of workers and increase the human capital of the organization, i.e. competencies in terms of knowledge and skills, employers must support the development of skills and knowledge of workers and lifelong learning.

In general, most respondents feel that their organization sufficiently supports the lifelong learning process.

Figure 7: Overview of attitudes about the organization's support for lifelong learning.

BLUE: yes

RED: no

GREEN: not yet, but we are planning to do it.

But first, we must ask what exactly the construction "sufficiently supports the process" means.

An organization can support a lifelong learning process that takes place outside the organization, but greater support would certainly be for organizations to actively participate in the organization of a lifelong learning program or not only enable employees to attend such a program, but also actively encourage and direct them.

Over 80% of the organizations covered by this survey have started to apply at least one of the elements of lifelong learning.

Most organizations apply the element (3) Motivating employees to adopt new technologies, with special emphasis on the development of their digital competences for lifelong learning.

Over 74% of organizations apply element (1) Training of employees of all ages in order to maintain and further develop the necessary knowledge and skills throughout their careers and element (4) Employers should consider aspects of managing different age groups when designing lifelong learning.

Element (2) The promotion of personalized career development plans is applied by the smallest number of organizations - just over 50%.

Foreign or mixed-ownership organizations have a uniform application of all 4 elements of lifelong learning (from 67% to 79%), while domestic-owned organizations use the least element (2) Promoting personalized career development plans (only 40%).

Large organizations make the most use of the element (4) Employers should consider aspects of managing different age groups when designing professional development - over 80%, while medium-sized organizations mostly use the element of lifelong learning (1) Training employees of all ages to maintain and further develop the necessary knowledge and skills throughout the career - as much as 93%.

Both small and micro organizations as an element of lifelong learning primarily use (3) Motivating employees to adopt new technologies, with special emphasis on the development of their digital competencies - over 81%.

Elements of lifelong learning:

(1) Training of employees of all ages with the aim of maintaining and further developing the necessary knowledge and skills throughout their careers.

(2) Promoting personalized career development plans.

(3) Motivating employees to adopt new technologies, with special emphasis on the development of their digital competencies.

(4) Employers should consider aspects of managing different age groups when designing professional development.

Of the most important resources for managing intergenerational challenges, on both national and EU level, organizations are of the opinion that those are - advisory resources. After advisory resources, they prefer financial resources and only then, technical resources. Only 6% of respondents believe that their organizations do not need any of the listed resources to overcome intergenerational challenges and apply Age management.

BLUE: financial resources

RED: technical resources

GREEN: advisory resources

VIOLET: none of the above

The majority of respondents included in the survey (88% of them) stated that their organizations do not have any special initiative when it comes to managing different age groups, such as corporate policies, cultures, or methodologies that can be shared as an example of good practice.

We can say that most organizations approach Age management (managing intergenerational collaboration and challenges) in an intuitive and *ad hoc* way. They try to cope with the challenge of intergenerational cooperation when it arises, but this challenge is not their priority at the moment and is not the main one, so they do not work very actively on the development of the Age management strategy. The good practices mentioned relate to the corporate diversity policies that some foreign-owned companies have in education programs as well.

## 4. RECOMMENDATIONS

In 2018, there were three employees per one pensioner, while in 2050 it will fall to two employees per one pensioner[[5]](#footnote-5).

In the context of an aging workforce and the sustainability of the pension and health care system, the only correct solution is to extend the employability of older workers and their longer active stay in the labour market.

The important question is which aspects of working life in organizations need to be changed and / or adjusted so that older people can continue to work well and be satisfied with their work?

The decision to stay in the labour market depends mostly on the level of control that an individual has, so those who can choose, those with better education, health and general socio-economic status in general have the best chances to stay longer. On the other hand, those who work primarily have a lower chance of staying, primarily due to the poor financial situation, with the level of choice, ie the possibility of staying, depending on all the above factors that affect the labour market of older workers. In the Republic of Croatia, for 59% of people, aged 50 to 69, the main reason for remaining in the labour market was insufficient income[[6]](#footnote-6). So, of that small number of people who stay in the job market, most work for financial reasons.

**CHALLENGE No. 1: Multigenerational workforce**

 Different generations can complement each other in sharing the working time, knowledge, experience, communication practices (approaches, ways, knowledge) to ensure business growth and development.

The knowledge and experience of older employees represent a valuable asset of the organization - the capital of knowledge. It is capital for the compensation of which young workers need to invest considerable resources, both in sense of finance and time, in education and development.

Compared to other EU member states, the Republic of Croatia is among the worst, in terms of the labour force activity index[[7]](#footnote-7). The activity index for the working population 20-64 is 71.3 compared to the European average of 78.2, and the activity index for the population aged 50-64 is particularly low; 54.5 compared to the European average of 70.1.

Many employers prefer to hire workers from the primary working age group (25 to 50 years of age) to reduce the need to invest in employee development. By not investing in employee development, in the long run there is a reduction in the competencies of the workforce and eventually over a number of years, the result is the older working population that is unable to respond to new challenges quickly enough and that lacks the necessary competencies to stay active in the labour market.

The roles of the state, social partners and employers should be to encourage and invest resources in the development of workforce competencies. Without investing in the development of all employees, not just young ones, we continuously allow a less competent population of older employees to be created.

THE ROLE OF THE EMPLOYEE or the role of every person entering the labour market cannot and must not be passive. Taking responsibility for one's own development the quality of work, and life in general, should be one of the focuses of the education system, but also of society in general. Development is the right and obligation of every person; to work on herself/himself, his/her abilities, knowledge and skills so that person can cope at all times with the changes brought about by the development of technology and the environment.

THE ROLE OF THE MANAGER is twofold. On the one hand, manager is responsible for developing his/her own skills, especially people management skills, with an emphasis on coaching skills to motivate, develop and provide feedback, to be able to respond to all management challenges of different generations, processes and challenges. in front of him/her. On the other hand, manager is responsible for the development of others - to recognize, encourage and motivate them to be engaged and give their best. The key is balance in self-leadership and managing others.

 THE ROLE OF HUMAN RESOURCES is primarily to recognize the expectations of all stakeholders and to provide partner support in shaping those expectations in a way that all parties understand each other: younger and older employees, managers and executives, production and creatives, trade- unions and management. In addition, it is crucial to develop career management processes and systems for employees of all ages in order to enable all stakeholders to make a quality contribution.

THE ROLE OF THE EMPLOYER in employee development must be active to be effective in the long run. Respecting the needs and expectations, as well as the diversity of all stakeholders in the process and the labour market is the only way to provide sustainability of both the organization and society in general.

THE ROLE OF SOCIAL PARTNERS is in affirmative contribution through the promotion of concepts that contribute to the partnership of employers and employees for the purpose of long-term company’s sustainability. By promoting positive activities and focusing on examples of good practice, their role in society can be even greater.

THE ROLE OF THE STATE. The share of people working part-time is extremely small in Croatia and the share of older self-employed is extremely low, from which we can conclude that the labour market is not adapted to the needs of older workers. Some measures have already been taken regarding the employment of pensioners, after retirement. Can additional financial incentives for employers further encourage the employment of part-time pensioners or perhaps the stay of older part-time employees until they are entitled to a full old-age pension? There are various possibilities, but it is certain that if the State is willing to do the right thing in terms of quality extension of the working life of employees and achieve the sustainability of the pension system – the real work still needs to be done.

Another question is: how to keep older employees to do the quality work well and work well with young people at the same time?

Younger generations of employees want to learn to work much faster and get into a position of independent work, give their contribution, and develop their careers as soon as possible. They are impatient, in general, and are willing to change what does not suit them (both organizations, jobs and locations). If their expectations are not met - they will go further. Employers want to get quality from them as soon as possible, before they leave, and therefore the combination of younger and older generations represent an opportunity. Older employees can pass on their knowledge, which they have patiently acquired over the years, to younger generations - teach them and offer them ready-made concepts.

**CHALLENGE No. 2: Managing an aging workforce**

Workforce planning, both short-term and long-term, is one of the organization’s key competencies for the future and survival. Ensuring enough competent workers is a basic precondition for achieving results. In an aging working population, all generations need to be ensured that they are contributing and feeling engaged. New ways of organizing work and new ways of working are inevitable.

Managers must necessarily be educated and also work on their people management skills in order to successfully manage an aging workforce that spans through multiple, different generations, with their unique needs. Now, more than ever, these skills are the key. Motivating people, delegating in a meaningful and purposeful way, letting go of control, giving trust and responsibility, managing diversity, understanding other people's perspectives, giving quality feedback, using coaching skills, are just some of the “soft skills”, relational, emotional and communication skills, necessary to manage different generations.

We can say that the basic assumptions of age management are:

* Appropriate education of managers in terms of people management skills and coaching skills;
* Appropriate education of the elderly population regarding the development of skills and acquisition of knowledge they need for a longer and quality stay in the labour market, digital skills[[8]](#footnote-8), communication skills;
* Appropriate education of younger generations in terms of respect for diversity and communication skills;
* Establishment of a career management system for employees of all ages.

Career management for employees and older age groups - enabling them to continue working on challenging jobs and tasks, such as new tasks, mentoring, creating educational programs and, at least, developing their careers horizontally. Staying too long in one place or the same jobs doesn’t suit everyone. Namely, staying in one job for too long reduces enthusiasm and creativity in doing the job, so organizations need to use flexibility in the ways of organizing work and respond more quickly to requests for change.

For older employees, there are many opportunities to contribute, under condition that organizations have the willingness and capacity. Some of the ways to give value and importance to the work of older employees are:

* **Mentoring system** which implies the transfer of knowledge by the mentor to the mentored/mentee in a systematic way, which is monitored by the organization over a longer period of time (from 3 months to a year). The knowledge that the mentor transfers is not only professional or technical, but also knowledge about the ways to work and communicate, knowledge related to organizational values ​​and culture, the relationship with people in the organizational environment. The mentoring system has a threefold positive impact: for the mentor, for the mentee and for the organization. The organization thus ensures that knowledge is transferred and transferred effectively, the mentee has the opportunity to learn and develop faster, and the mentor through the transfer of knowledge gets a sense of purpose of the work he does, contributes and consequently gets a reason to stay active in the organization and employment[[9]](#footnote-9). The best quality learning is learning that takes place at work - directly in the work environment. Such learning is much better, more meaningful, and more interesting for the employee.
* **Education and coaching work** which implies the transfer of specific knowledge to other persons. Training and education of younger generations brings more benefits to all stakeholders: young people learn faster and in accordance with their expectations and ambitions, they become a full-fledged members of the business environment and give their full contribution. The organization shortens the time of introduction of new employees, and the coach feels useful and psychologically well.
* **Working on and maintaining “old” systems and technologies** is one area in which older employees can contribute. Working with older technologies that are slowly leaving, but they are still being worked on, is not interesting to younger employees. Additionally, these technologies may no longer be available in full-time or additional education, and older employees are successfully handling them. Namely, older employees are often not even interested in learning how to deal with new technologies; they are discouraged by rapid changes in technology, and additionally their learning curve is no longer on the rise. Although technologies are changing rapidly, their implementation is not keeping pace, so there is always a need to "maintain some old technology", which is not interesting to young employees, and employers do not pay to invest in educating young people for it. In general, younger employees today (Generation Y) are focused on mastering as much as possible new, and older employees on quality mastering the already known.
* **Flexible working hours** would help extend working lives and combine different generations in the work environment. Enabling older workers to work part-time would contribute to their sense of security, both economic and financial, and allow companies to transfer knowledge and jobs more easily to other employees.

**CHALLENGE No. 3: Lifelong learning**

Today, one of the prerequisites for success and competitive advantage - to have a workforce that can respond to the challenges of today, but even more so to the challenges of tomorrow.

Continuing education increases employability and provides better opportunities for both employees and organizations. The basic precondition for continuing education (lifelong learning) is the interest of the individual and / or employer to invest in human resources and consequently to stay longer or keep workers in the labour market.

The key skills needed to compete in the labour market of the future are:

*Courage* - to get out of the comfort zone, courage to take risks,

*Agility* - to respond quickly and easily to all the challenges that lie ahead,

*Collaboration* - be able to work with others and achieve results through joint or team work,

*Innovation* - openness and active encouragement of new ideas that are advanced and original.

In order to provide employees with these competencies, it is necessary to include them in lifelong learning programs when entering the labour market and in the organization, in order to acquire the habit of working on their own development. It is useful to apply the same assumption to the current workforce. Young people need skills or experience to actively enter the labour market, and they can get that experience more easily and with quality through a program of work with older employees - mentoring and coaching systems, internships.

In all business sectors skills change, and in some, demands for change are present on a daily basis. Accordingly, the response to them must be adequate. In order to be able to successfully respond to new and new challenges brought by the development of technology, changes in the environment, like continuing education and lifelong learning are necessary. The culture of investing in human resources and working on career development of employees, especially those belonging to the group of older workers, is still poorly developed in Croatia (Croatia is one of the EU countries with the lowest share of adults in education and training.[[10]](#footnote-10)

It would be useful to encourage investment in education through counseling, as well as some other concrete economic and financial measures, especially in the education of older groups of workers.

Lifelong learning and support programs have three interdependent dimensions:

* internal - external,
* resistance - support and
* active - passive.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **RESISTANCE** | | **SUPPORT** | |
|  |  | ACTIVE | PASSIVE | PASSIVE | ACTIVE |
| **LIFELONG LEARNING** | **INTERNAL PROGRAMS** | *Manage*ment  *marginalises*  *importance of the program* | *management does not mention inclusion in the program* | *internal program is “just some project over there"* | *benefits for participation (intangible and psychological)* |
| **EXTERNAL PROGRAMS** | *system is negative towards the*  *program* | *system does nothing (ignores)* | *approval on request of workers* | *encouraging workers to participate psychologically and/or materially )* |

Figure 9: Display of elements of the organization's engagement for lifelong learning.

The best quality support for the organization's lifelong learning programs would be the organization of internal programs and encouraging employees to participate through active support. In other words, in order for support for employee participation in programs to be internalized, it must be active and effective, supported by various benefits, such as paid study leave, support in the workplace in applying acquired knowledge, celebration of program completion and the like.

Perhaps organizations today provide all employees with lifelong learning, but the question remains how open and receptive employees, especially older workers, are to that learning. On the one hand, it is necessary for organizations to encourage workers more actively to train. On the other hand, it is not in the interest of organizations because education costs money.

Especially if we take into account that today, when economic growth is slow and when companies, depending on the sector in which they operate, are more or less affected by the crisis. It is generally known that in a time of crisis, organizations first tend to reduce education budgets and additional benefits. The education budget is directly related to lifelong learning opportunities. One should be aware of the fact that paying for education is an investment, not a cost.

Online education is growing rapidly in the EU and is becoming increasingly popular, especially thanks to the crisis caused by the COVID-19 virus. In addition, that kind of education is more financially advantageous than “live” education. There is no good reason for older employees not to use them either. The aversion that may exist towards online education is just an excuse. And once resistance is overcome, there is no reason why online education should not become part of lifelong learning for the older working population as well. To attend online education, it is necessary to master basic digital skills, which can be provided by the employer, but can also be organized by the social partners and by the state.

Large employers are likely to have greater opportunities to secure funding to invest in employee digital skills, while smaller employers find it harder to afford it. And this is probably one of the reasons why smaller employers have a higher demand for digitally skilled employees, which automatically causes a smaller opportunity for the older population to get a job.

Actively referring the older working population to the educational opportunities they have in the environment, can further increase the number of people involved in learning and development[[11]](#footnote-11) and consequently lead to increased skills, personal satisfaction and longer stay in the working role.

In order to cope well in the role of mentor and coach, it would be useful to enable the older working population to develop, through training, mentoring and coaching, coaching and mentoring skills, as well as knowledge transfer skills.

To raise the level of personal development through lifelong learning, education quotas may be introduced in the sense that every inhabitant of the Republic of Croatia should have a certain number of hours of education per year. In addition, through various national programs, free trainings and workshops can be provided, through which, by investing primarily one's own time and energy, the expected minimum can be met.

Programs can be designed to encourage the development of those skills that are least developed in the older population - knowledge transfer, working with young people, digital skills, mentoring. At the beginning, one can start developing skills that are identified through a pilot project in a larger organization, and over time, skills development programs (so-called assessment centres) could be created, the outcome of which would be further used in creating further education, workshops, seminars.

It would be possible to encourage employers financially, through incentives, to invest in the education and development of older employees; by prescribing a certain number of working hours that the employee must spend in the education process.

As the requirements for new skills in the labour market, due to the development of new technologies, change more and more often, there is a consequent widening gap in the skills that exist in the labour market and those that are in demand. So, lifelong learning is a necessity, not an option.

Lifelong learning and the acquisition of new skills should become a habit and practice for workers of all generations. Investment in development should not be reserved only for younger age groups of workers.

## 5. CONCLUSION

A review of the research results could lead us to the conclusion that most organizations either do not have problems with generational challenges or are successfully coping with them or at the moment due to the challenge of finding a workforce - they did not pay enough attention to this challenge.

It should certainly be noted that the challenge of recruiting employees is not independent of the challenge of managing older employees. In a way, these challenges are on the same line, because it is about the same labour market.

By shifting the orientation from young people, who are scarce, due to emigration, to the older workers, and by redirecting resources, time, and money, from recruitment to education - part of the challenge can certainly be solved.

We can conclude that all aspects of age management are important, while the most important aspect is the transfer of knowledge between generations.

The need to develop a strategy or prescribed age management criteria is stated primarily by respondents from medium and large organizations (more than 51 employees), which is to be expected. Small and micro enterprises usually do not have collective agreements and / or programs for developing a strategy to face various market challenges, including Age management.

Systematic activities to manage the challenge of age management in organizations, at the moment, do not exist.

In managing different age groups, employers tend to focus on elements that they can manage themselves and that they can create themselves. They consider the establishment of advisory bodies and the exchange of knowledge with institutions and agencies to be less important and less effective.

The largest number of respondents regarding the elements of lifelong learning used in organizations, say that these are measures to motivate and train employees to learn new knowledge, skills, and new technologies, with an emphasis on digital technologies.

We can say that most organizations approach age management (i.e. management of intergenerational cooperation and challenges) in an intuitive and *ad hoc* way.

Intergenerational cooperation has many advantages that have been neglected so far. One of the main advantages is certainly the combination of younger and older employees, with younger employees bringing energy, innovation, relaxed approach and a large dose of flexibility into the work environment, while older employees bring knowledge, experience, stability and a more systematic approach to work and learning. The combination of the characteristics of both is a winning combination. Employers who recognize this and find a way to match each other’s expectations will secure their long-term potential for success.

The key to this is development and learning - learning about oneself, learning about organization, learning about employees, learning about change, learning about responses to change and learning about the environment. Hence, a lifelong learning.

Lifelong learning and access to lifelong development can be considered a habit. Habit is a behaviour that is learned and adopted. Accordingly, the habit of working on one's own development can be acquired / adopted - by employees and organizations and society.

Certainly, in this learning and development one should act in a planned and systematic way.

Observed from the professional side of human resources management in the organization, age management is more systematic and effective if the organization:

* plans its needs for people in accordance with labour market trends,
* has clear descriptions of jobs, business roles and requirements that jobs place before executives,
* has formalized and systematic monitoring and evaluation of work performance,
* has a system of additional education and development that is harmonized with organizational needs,
* anticipates and encourages internal mobility and readily introduces changes in work roles (mentors, trainers)
* actively works on training of human resources experts and management in the field of knowledge of the characteristics of older employees.

Finally, continuous investment in the development of employees of all ages is a basic prerequisite for the long-term development of a competent workforce throughout working life / employment.

Continuous investment in employee development, in addition to raising the level of competence development, also gives additional psychological value to the employment relationship, i.e. meaning, purpose, value.

The state, social partners, and employers, but also employees, all have a key and active role to play in this by adding value to what they do.

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