



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

ANALYSIS OF THE HUNGARIAN SURVEY OF THE “AGEGAP” PROJECT



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THE SURVEY WAS TAKEN IN FRAME OF THE AGEGAP PROJECT, IN THE
COOPERATION OF MGYOSZ-BUSINESSHUNGARY AND KOPINT-TARKI
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Analysis of the Hungarian Survey

The online survey was conducted between October 2019 and April 2020. The invitation for participation was sent by the Confederation of Hungarian Employers and Industrialists to its members and some trade unions and other associations representing the Hungarian employees.

Altogether 174 respondents have filled in the questionnaire. Most of them are employers, only 16 trade unions and 9 other associations representing the employees participated in the research.

As to the number of employees working with the respondents, the breakdown of the sample was almost homogeneous. Either the micro, the small, the medium or the big companies represented almost one quarter of the sample.

Regarding the economic branches where respondents are operating, the industry had a preponderant majority with 49% of the total. It was followed by construction (10%), trade (6%) and transport (5%).

Considering the owners of the respondents' organizations the national private persons lead the list with their share of 63%. Affiliates of multinational concerns represented the second largest group with 15%.

We would like to notice that we had 174 filled in questionnaires, nevertheless the sample size regarding the different questions may differ from this number. Like in any other surveys, we also had some respondents who did not answer each question. That is why in our diagrams we always indicate the factual number (N) of them.

The following figures illustrate the composition of the sample:

Figure 1.

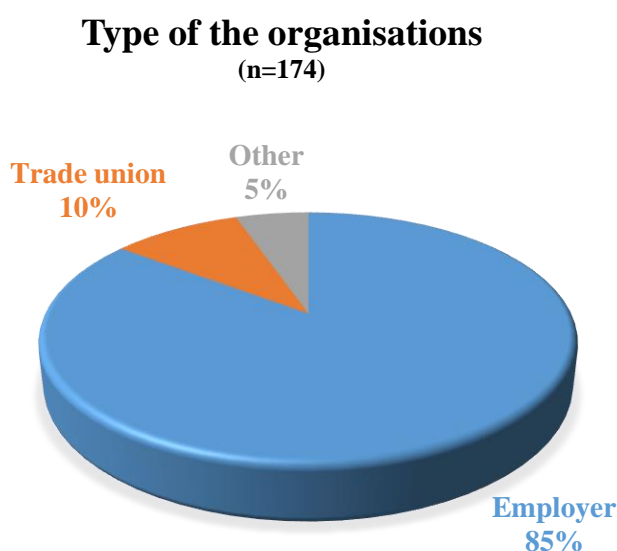


Figure 2.

Number of employees in respondents' organisations (n = 167)

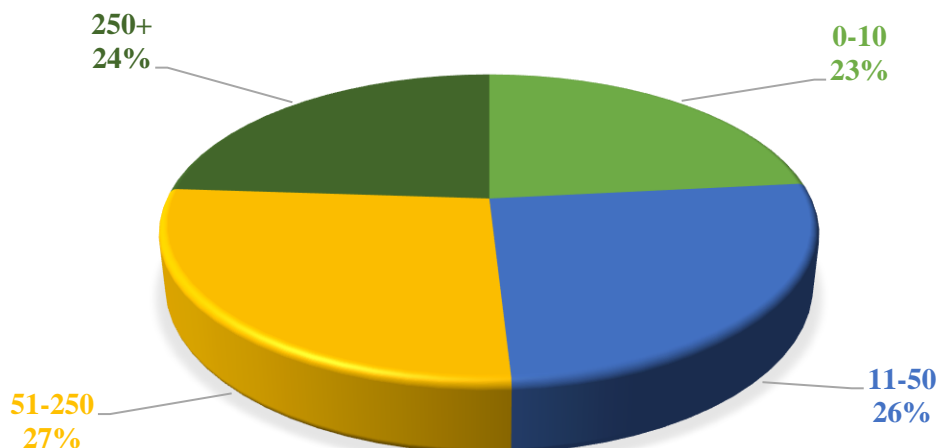


Figure 3.

The economic branches where respondents are operating (n = 168)

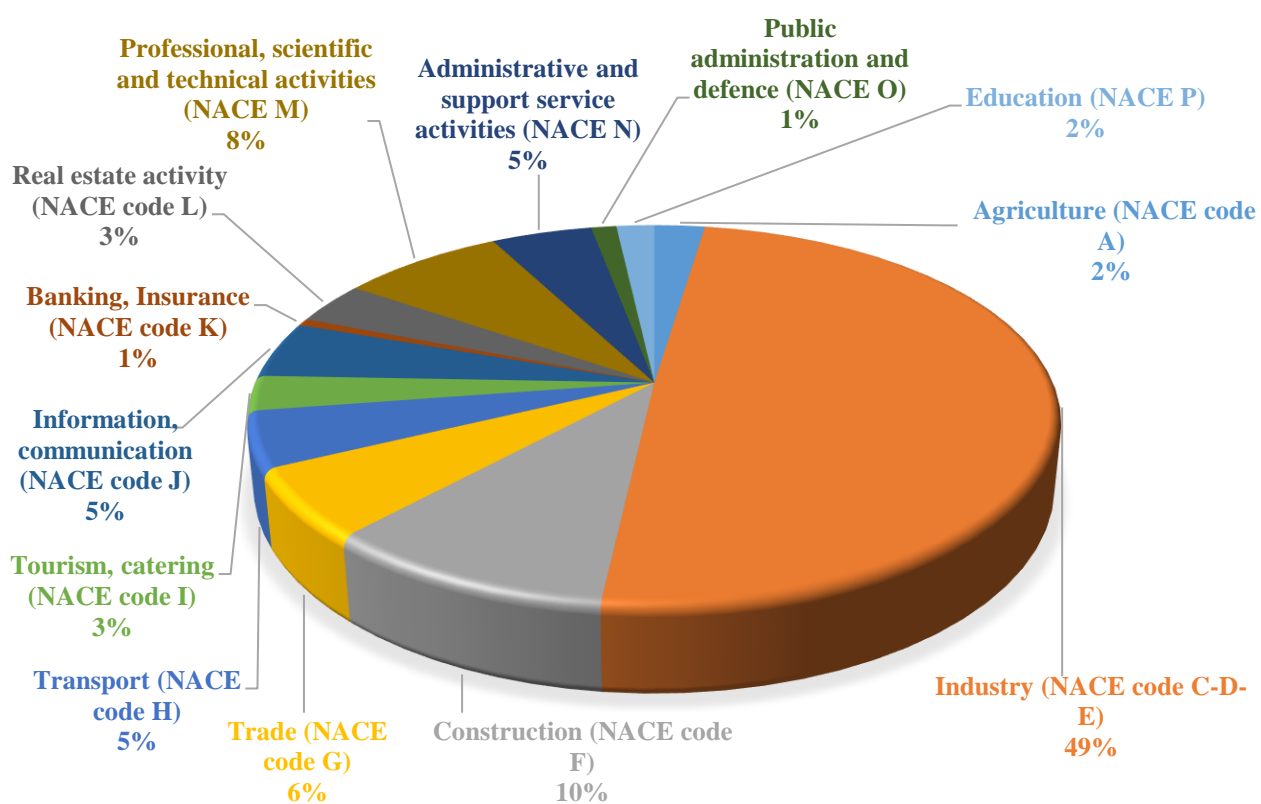
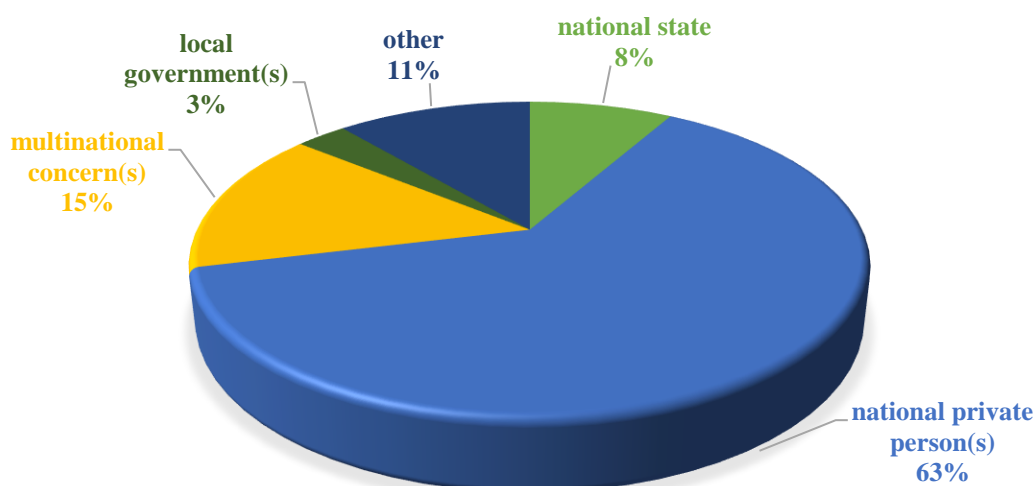


Figure 4.

The owner of the respondents' organisation (n = 170)



1. Assessment of intergenerational issues

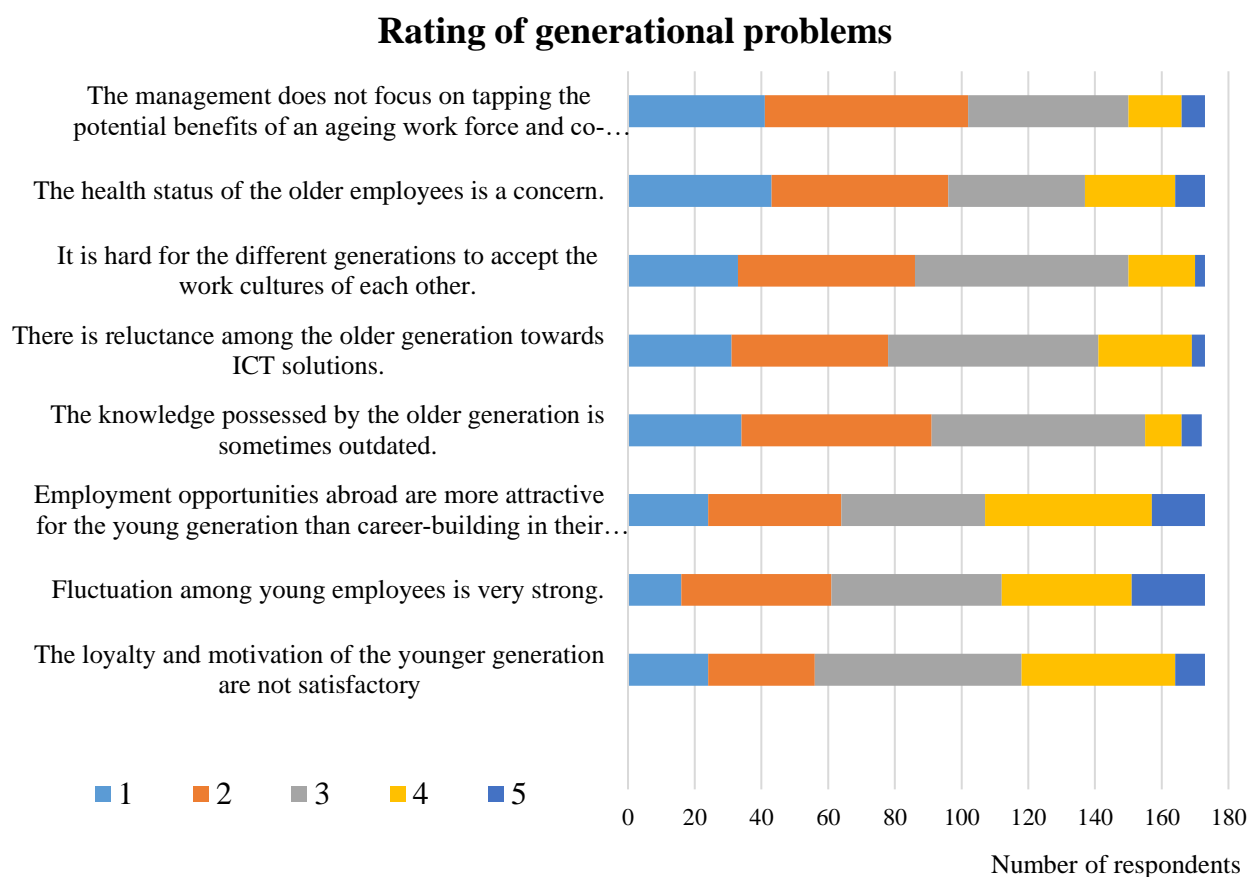
We have requested our respondents to rate some generational problems according to how serious they are for their organisation. (1: *There is absolutely no problem with it*; 2: *There are some small problems with it*; 3: *We have this problem, but we can manage it*. 4: *It causes serious problems*; 5: *It creates very serious problems*.)

We have selected 8 assessments regarding the young on the one hand and the elder employees on the other. They were the following:

- The loyalty and motivation of the younger generation are not satisfactory
- Fluctuation among young employees is very strong
- Employment opportunities abroad are more attractive for the young generation than career-building in their homeland
- The knowledge possessed by the older generation is sometimes outdated
- There is reluctance among the older generation towards ICT solutions
- It is hard for the different generations to accept the work cultures of each other
- The health status of the older employees is a concern
- The management does not focus on tapping the potential benefits of an ageing work force and co-operation among the different generations in the workplace

The overall results are demonstrated by Figure 5.

Figure 5.



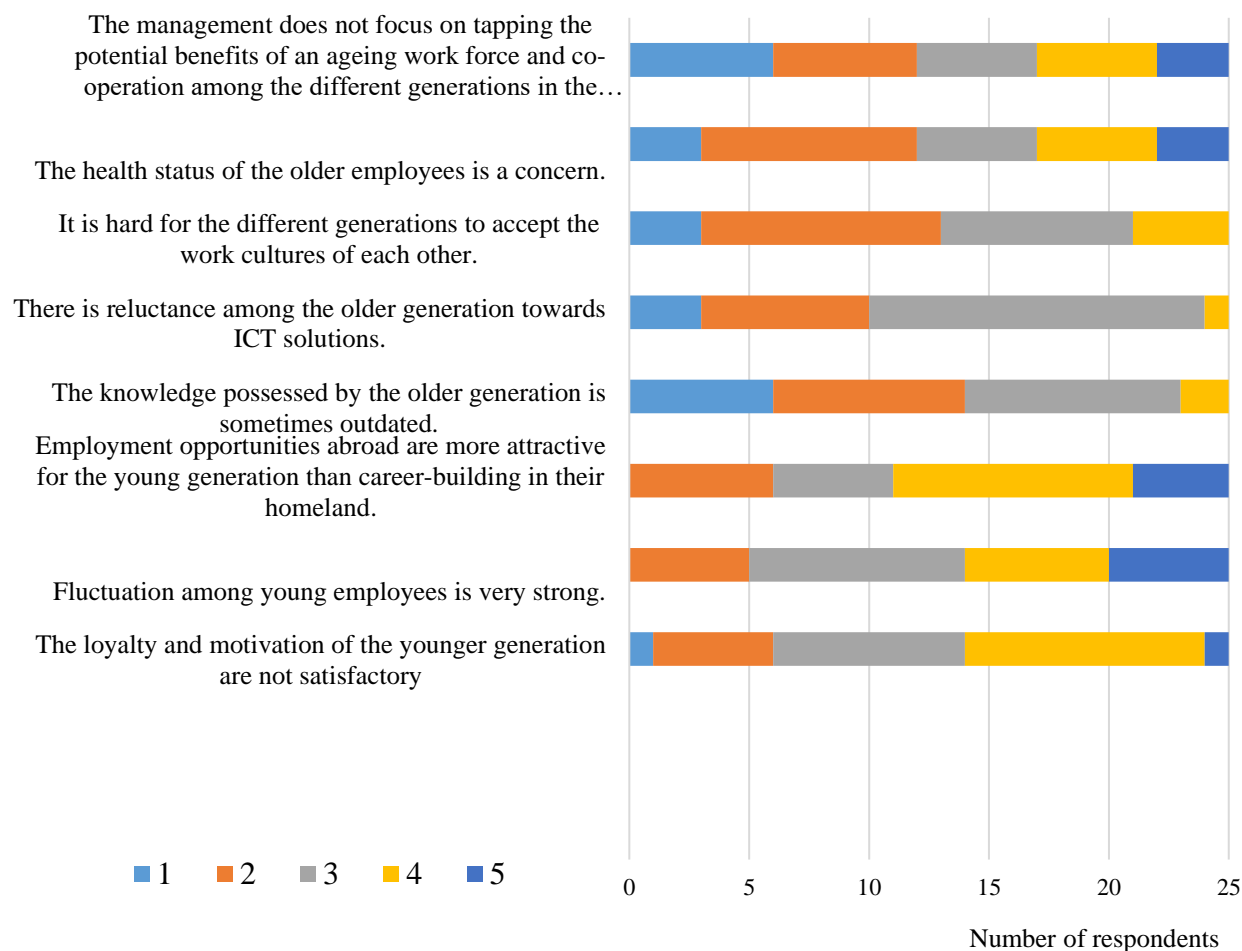
Our respondents have considered more serious the problems connecting to the younger generation than those relating to the senior employees. The most mark 5 were given to their fluctuation, and it was followed by the attractiveness of career-building abroad. The most important problem regarding the older generation, namely their health status, has been given the same number of mark 5 as the unsatisfactory loyalty and motivation of the youngsters.

If we consider marks 5 and 4 together as indicators of seriousness we could declare that our respondents feel less problematic the older generation. Moreover, the most mark 1, indicating the absolute lack of problems, were given to the elder specific problems.

In order to give a more sophisticated picture we have examined different segments of our respondents. The Figure 6. demonstrate how the representatives of the employees, i.e. the trade unions and some other associations consider the intergenerational problems.

Figure 6.

Rating of generational problems by trade unions & associations



We can state on the one hand that the representatives of the employees are more rigorous towards the young generation than the whole group of our respondents, and on the other hand they have not felt really serious the problems connected to the elder ones. E.g. in the case of three problems of them they have not given any mark 5.

We have also examined how the representatives of different sized companies assess the intergenerational problems. With the help of the next graphs we demonstrate how the micro (employing 0-10 people), the small (employing 11-50 people), the medium (employing 51-500 people) and the big (employing 500+) companies regard the intergenerational problems.

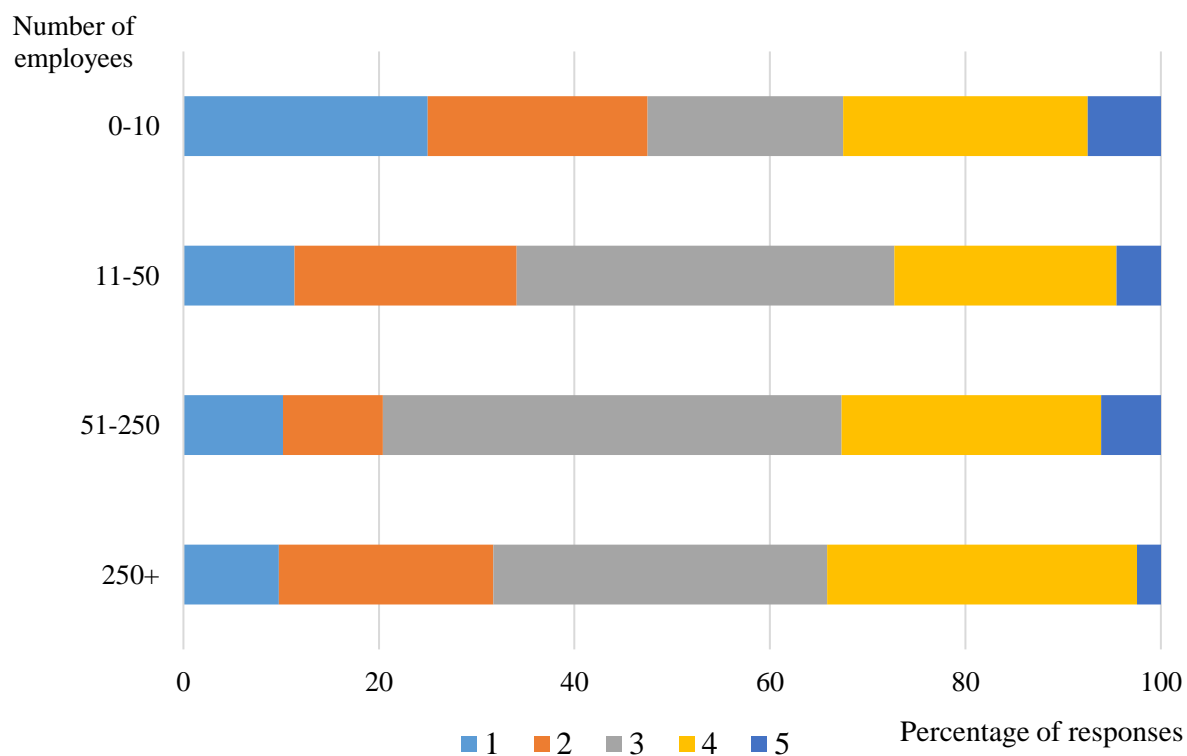
As it was mentioned before the number of elements of these four groups of organizations is almost the same among our respondents.

Figures 7-14 bellow demonstrate one by one how significant our respondents from these groups have considered the intergenerational assumptions enumerated by our questionnaire.

When we evaluate the results according to the size of the organizations we must not forget about the fact that the number of employees determines a lot the work culture as well. In a small, not seldom family owned company personal contacts are quite different from those in bigger organizations.

Figure 7.

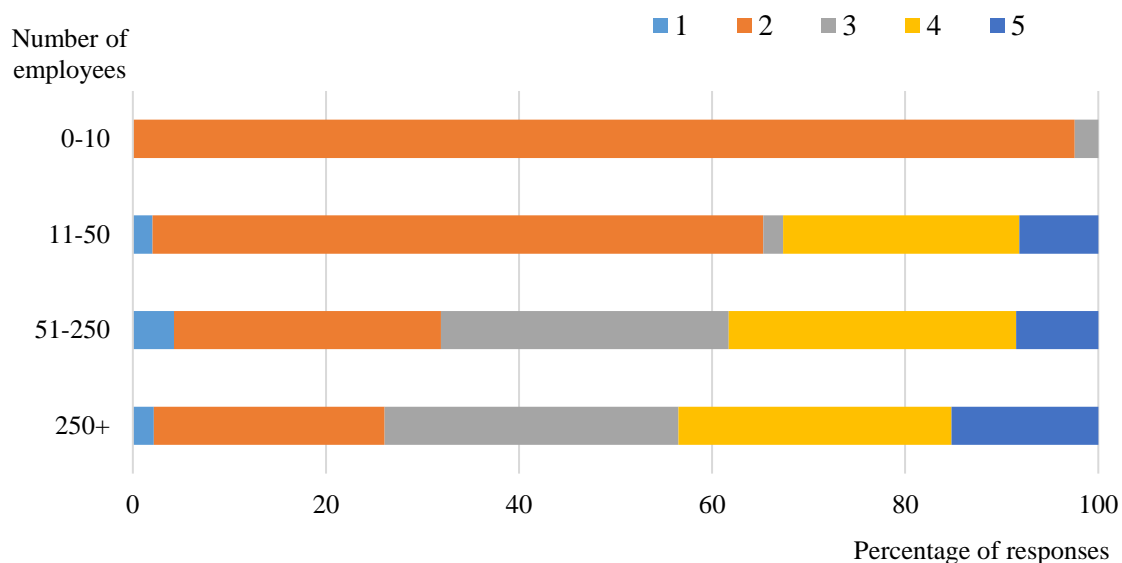
The loyalty and motivation of the younger generation are not satisfactory



Assessment on not satisfactory loyalty and motivation of the younger generation is the less (marks 1 and 2) and in the meantime the most (marks 4 and 5) important in the case of the micro companies. The uncertainty (mark 3) had the smallest share in their choice. While almost every second respondents representing the medium and the small companies felt that they had this problem, but they could manage it.

Figure 8.

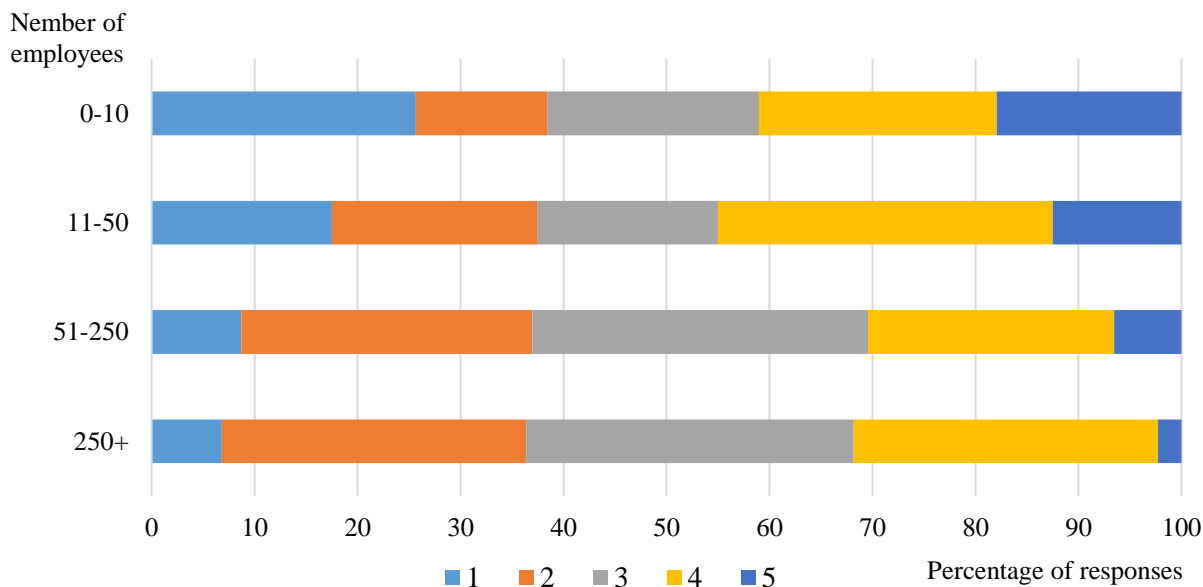
Fluctuation among young employees is very strong



There were the representatives of the big companies who have considered the fluctuation of young employees as a very important factor (5). With the exception of the small companies one third of each group has indicated fluctuation as an important problem (marks 4 and 5).

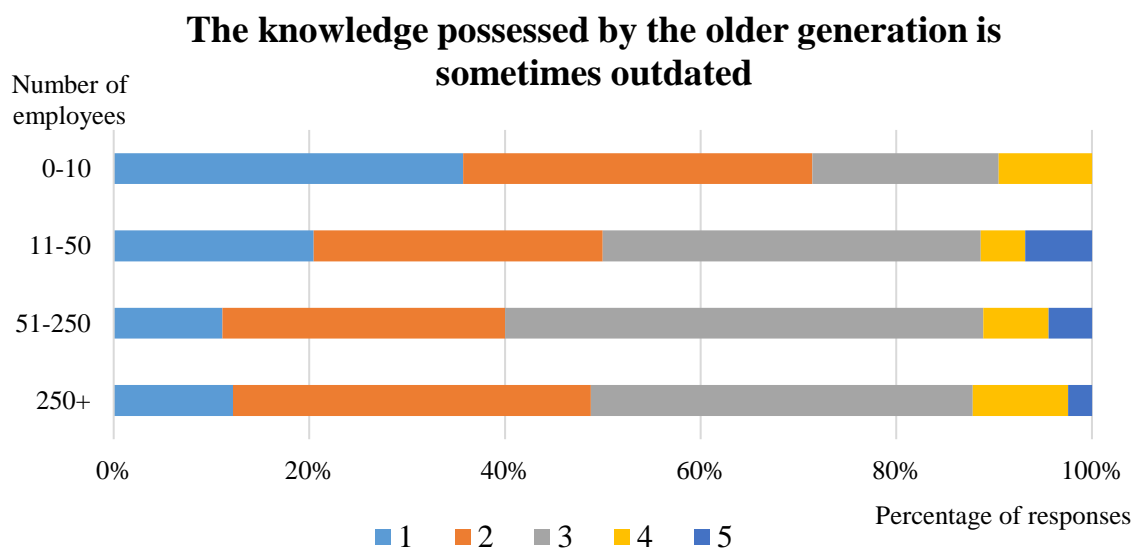
Figure 9.

Employment opportunities abroad are more attractive for the young generation than career-building in their homeland



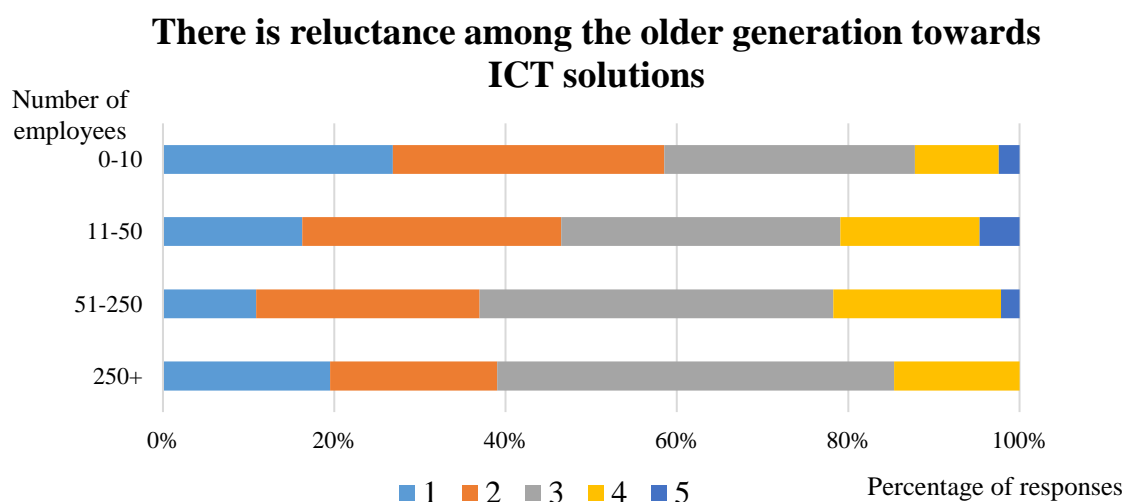
The smallest the company is, the severe problems deriving from the more attractive employment opportunities abroad are considered the greatest (marks 5). On the other end of the scale the most marks 1 have been given by the micro, and the less by the big companies. It is in the group of small companies where the immigration of young employees was judged to be an important obstacle (marks 4 and 5) by the greatest number of respondents.

Figure 10.



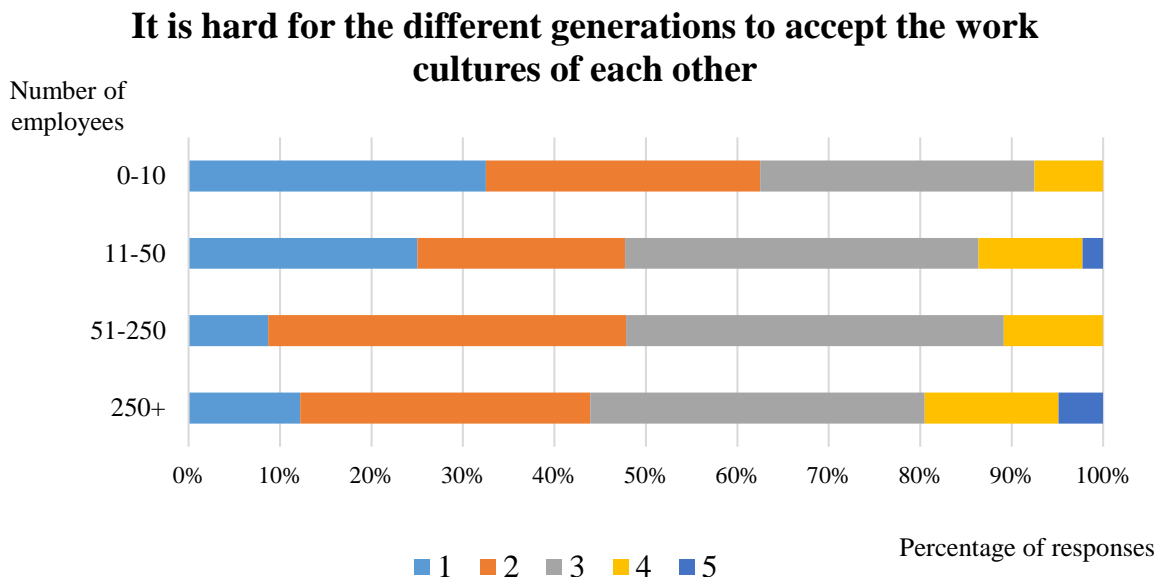
A very few of our respondents have problems with the knowledge possessed by the older generation. The micro organizations are satisfied the best, 70% of them have indicated having absolutely no or only some small problems (marks 1 and 2) with the outdated knowledge of the older generation. The high share of mark 3 among the answers of the other three groups might indicate that solving the problem in house is a typical solution.

Figure 11.



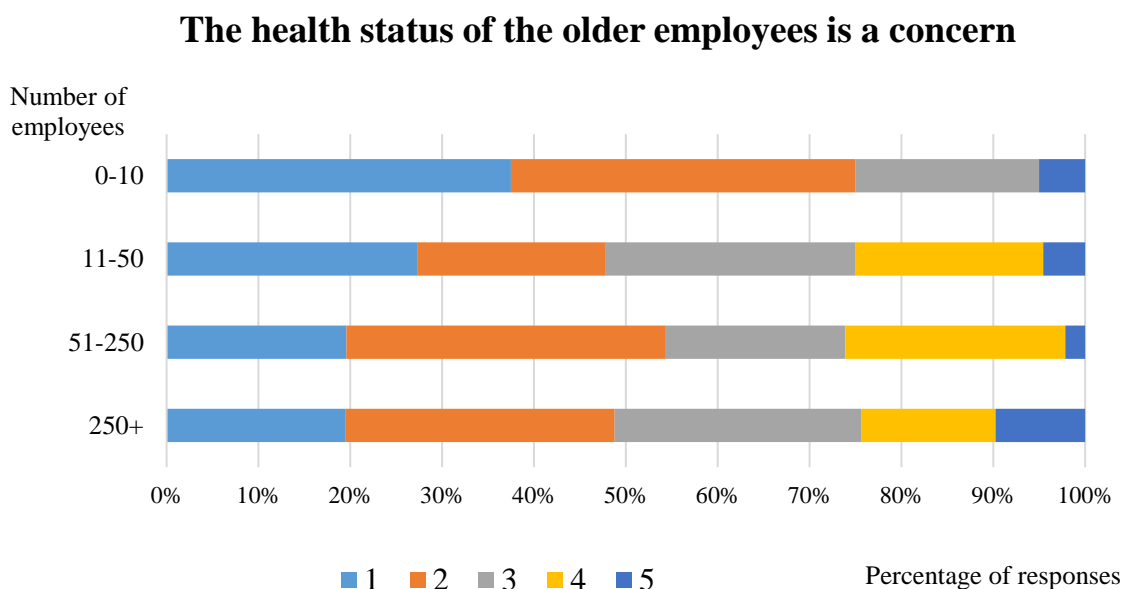
The stereotype judgement concerning the older generation, namely they are reluctant towards ICT solutions is hardly true in Hungary, according to our survey. Only a small fraction of our respondents has considered it as serious a problem. Surprisingly from among the big companies there were no mark 5.

Figure 12.



Alike the judgment of the older generation’s ICT ability, the mutual acceptance of work culture of different generations was not regarded by our respondents as serious problem. The share of marks 1 and 2 was extremely high in the case of the micro enterprises.

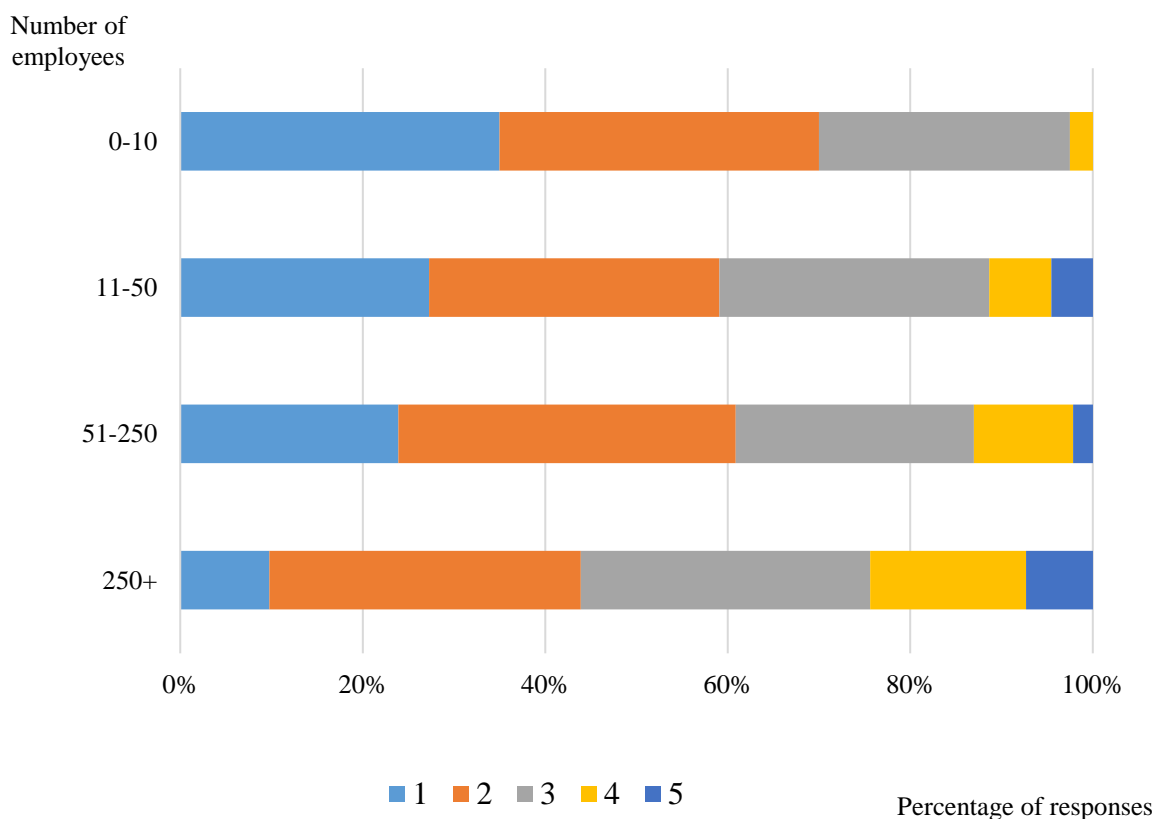
Figure 13.



With the exception of the micro enterprises about a quarter of our respondents has indicated the health status of the older employees as a concern (marks 4 and 5). The share of marks 5 was the highest in the category of the companies employing more than 250 people.

Figure 14.

The management does not focus on tapping the potential benefits of an ageing work force and co-operation among the different generations in the workplace



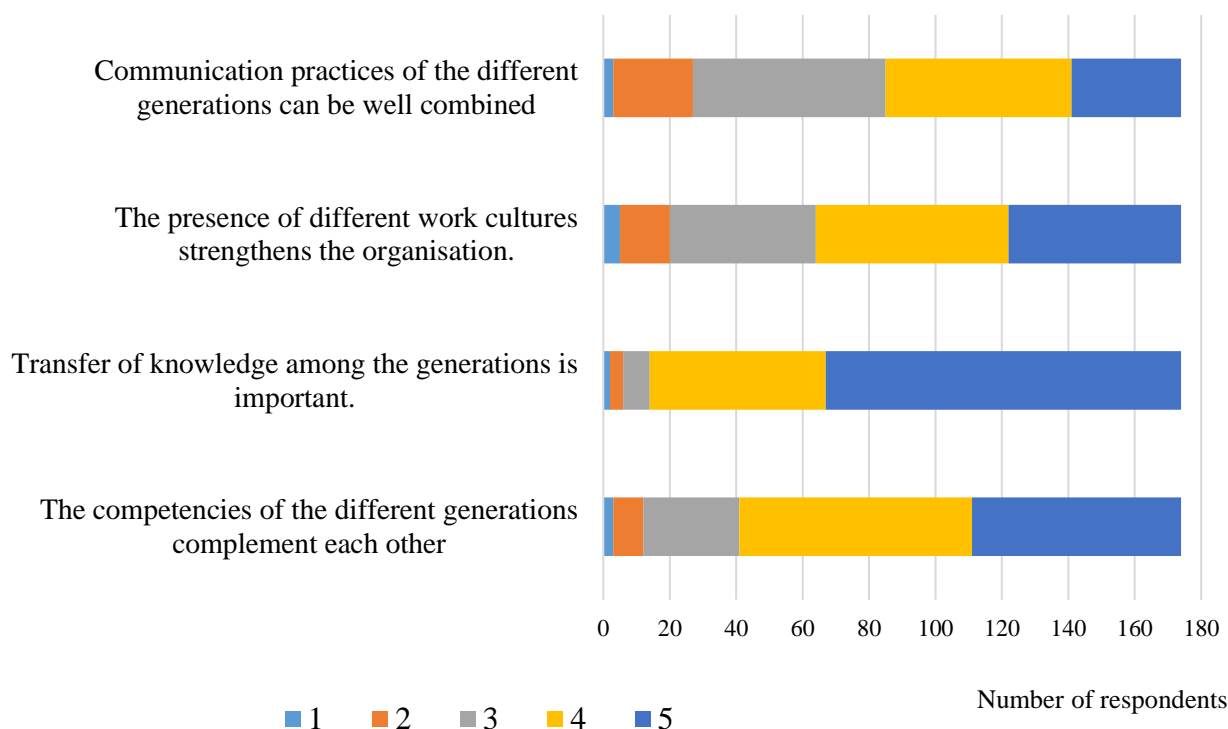
Emerging the problem of lack of endeavor of management for focusing on tapping the potential benefits of an ageing work force and co-operation among the different generations proved to be inversely proportional to the size of the companies. While about a quarter of the respondents from big companies has given marks 5 or 4, the importance of this problem was marginal in the case of micro ones.

2. Rating the potential importance of intergenerational co-operation

We have requested our respondents to rate the importance of different elements of intergenerational co-operation by using school marks, i.e. 1 means not important... and 5 means extremely important. The results are illustrated by the next figure.

15.Figure

Rating the importance of intergenerational co-operation



First of all, we have to state that each element was considered important by the majority of the respondents. It might mean that they are aware of the nature of intergenerational co-operation.

The score of the statement “Transfer of knowledge among the generations is important” was the best as more than 60% of the respondents have declared it extremely important (mark 5) and a further 30% important (mark 4).

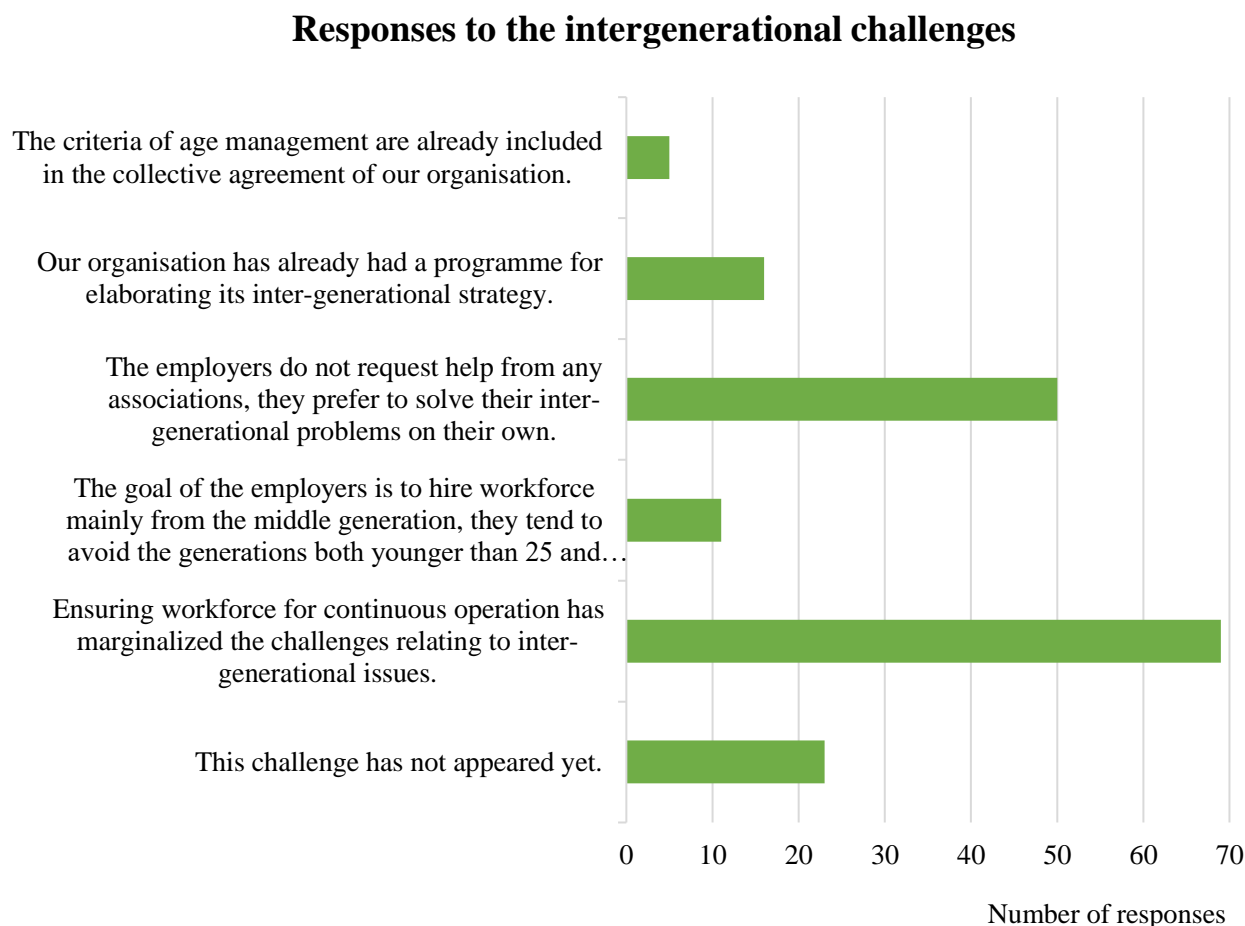
“The competences of the different generations complement each other” statement had the second best results. There were only 40 respondents who have not considered it important or extremely important.

In this strong competition the statement regarding communication practices has reached the weakest, but not bad result.

3. Responses to the intergenerational challenges

Our respondents were requested to answer the question how their organisation have already responded to the intergenerational challenges. They had to tick only one answer from a pre-prepared list. Figure 16. demonstrates the results.

Figure 16.



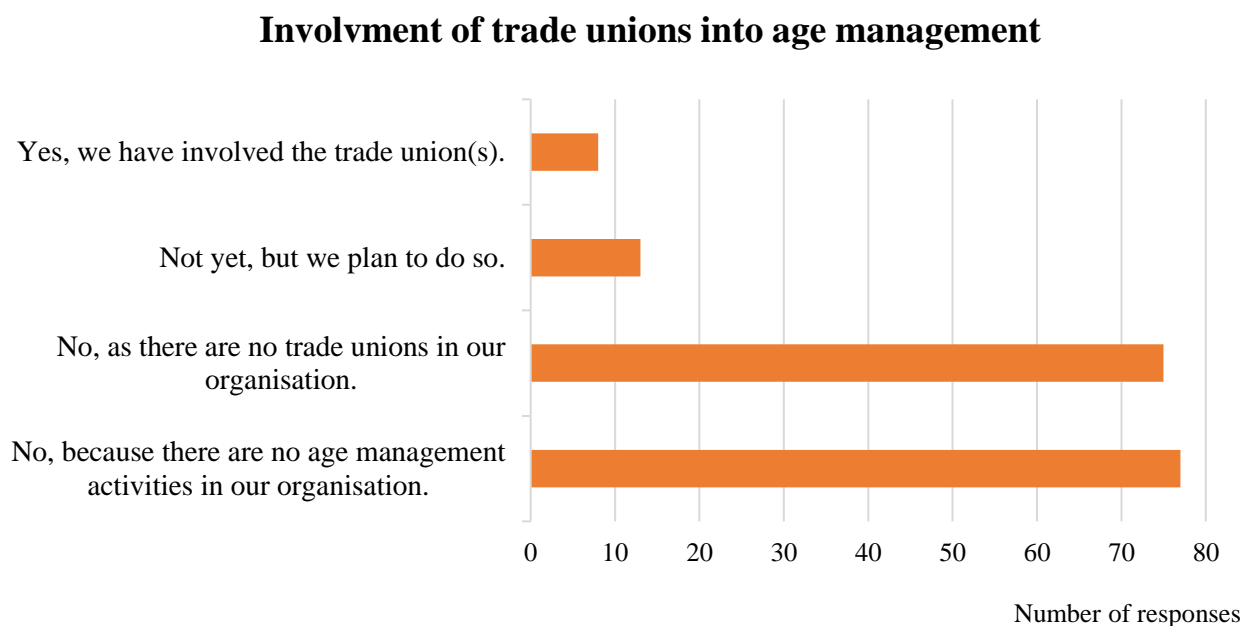
There were only 5 among our respondents whose organizations have already included the criteria of age management in their collective agreement, and 16 who have indicated that their organization had already had a program for elaborating their intergenerational strategy.

The largest segment, i.e. 69 persons declared that ensuring workforce for continuous operation had marginalized the challenges relating to inter-generational issues in their organization. 50 respondents, the second largest segment, indicated that the employers did not request help from any associations, they prefer to solve their inter-generational problems on their own. In 23 organizations representing 13% of the sample this challenge has not appeared yet, according to the answers of our respondents.

4. Involvement of trade unions

The answers given to the question whether the organisation of the respondent has already involved or plan to engage trade unions and/or other representative bodies of employees in supporting its age-management activities have illustrated the lamentable conditions of employees' representation in Hungary.

Figure 17.



“No” answers were in overwhelming majority, partly because the lack of trade unions, partly because lack of age management activities in the organizations.

There were only 8 respondents indicating the involvement of trade unions, and 13 whose organization was planned to rely on them in their age management activities.

From the 8 “Yes” answers 5 were given by trade unions or other representative bodies of employees. In their case involvement might mean co-operation with their members and/or sister organizations. We have received further “Yes” answers from an affiliate of a multinational company employing 51-250 people, being active in industry; a Hungarian industrial company employing also 51-250 people; and a Hungarian micro enterprise from the tourism.

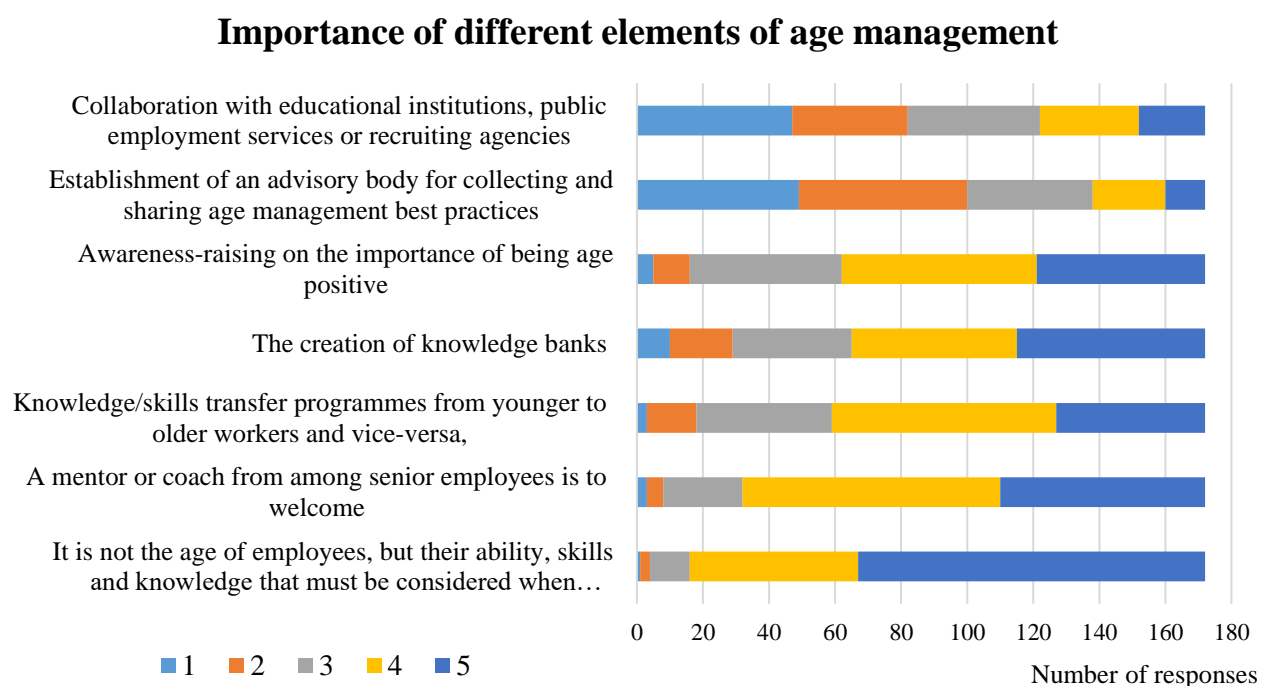
The majority of the organizations planning to involve trade unions into their age management are foreign owned big and medium companies, operating in the field of industry, construction and transport.

5. Importance of some elements of age management

Respondents were requested to classify the importance of 7 different elements of age management by using school marks, from 1 to 5 (1 = not important, ... 5 = extremely important). The elements were as follows:

- It is not the age of employees, but their ability, skills and knowledge that must be considered when allocating tasks;
- A mentor or coach from among senior employees is to welcome and introduce younger colleagues to their working environment, including showing them ways in which they can fulfil their potential;
- Knowledge/skills transfer programmes from younger to older workers and vice versa, including IT and digital skills, transversal skills, customer relations skills;
- The creation of knowledge banks to capture specific know-how and professional intelligence developed in-house and passing it on to newcomers;
- Awareness-raising on the importance of being age positive, and promotion of age diversity including considering different possibilities regarding a balance of ages within teams;
- Establishment of an advisory body for collecting and sharing age management best practices;
- Collaboration with educational institutions, public employment services or recruiting agencies in order to encourage them to accept an age management approach

Figure 17.



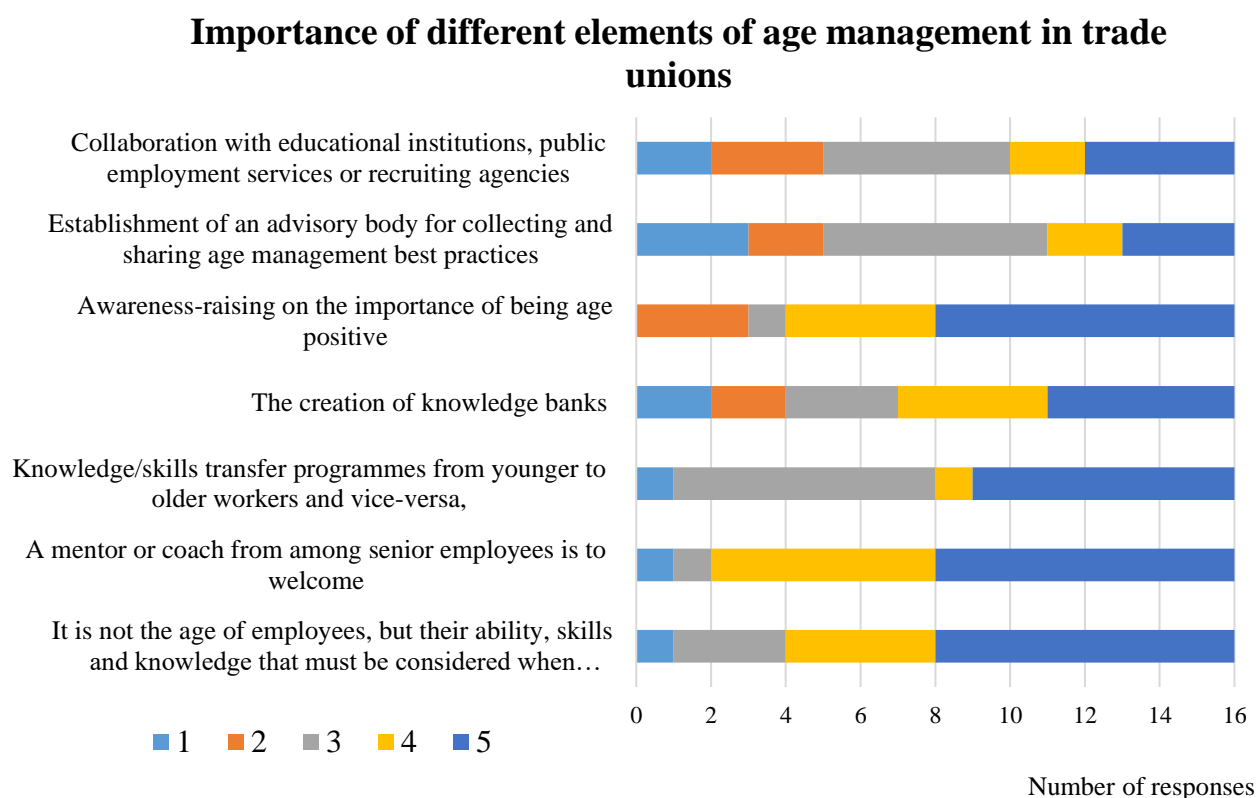
Vast majority of the respondents has shared the view that it is not the age of employees, but their ability, skills and knowledge that must be considered when allocating tasks. 61% of them gave mark 5, and a further 30% mark 4 to this element of age management.

The second more popular element was the importance of mentorship. 81% of the respondents gave mark 5 or 4 to it. Knowledge/skills transfer programs, knowledge banks as well as awareness raising on positive effects of age diversity were also considered as very important elements of age management.

On the other end of the scale we can find two elements involving some help from outside. Both establishment of an advisory body and co-operation with educational institutions public employment services or recruiting agencies have received extremely lot of marks 1 or 2. Nevertheless there were a number of respondents who have considered these elements also as important ones.

With the help of the next chart we would like to illustrate how the representatives of the employees have regarded the elements of age management.

Figure 18.

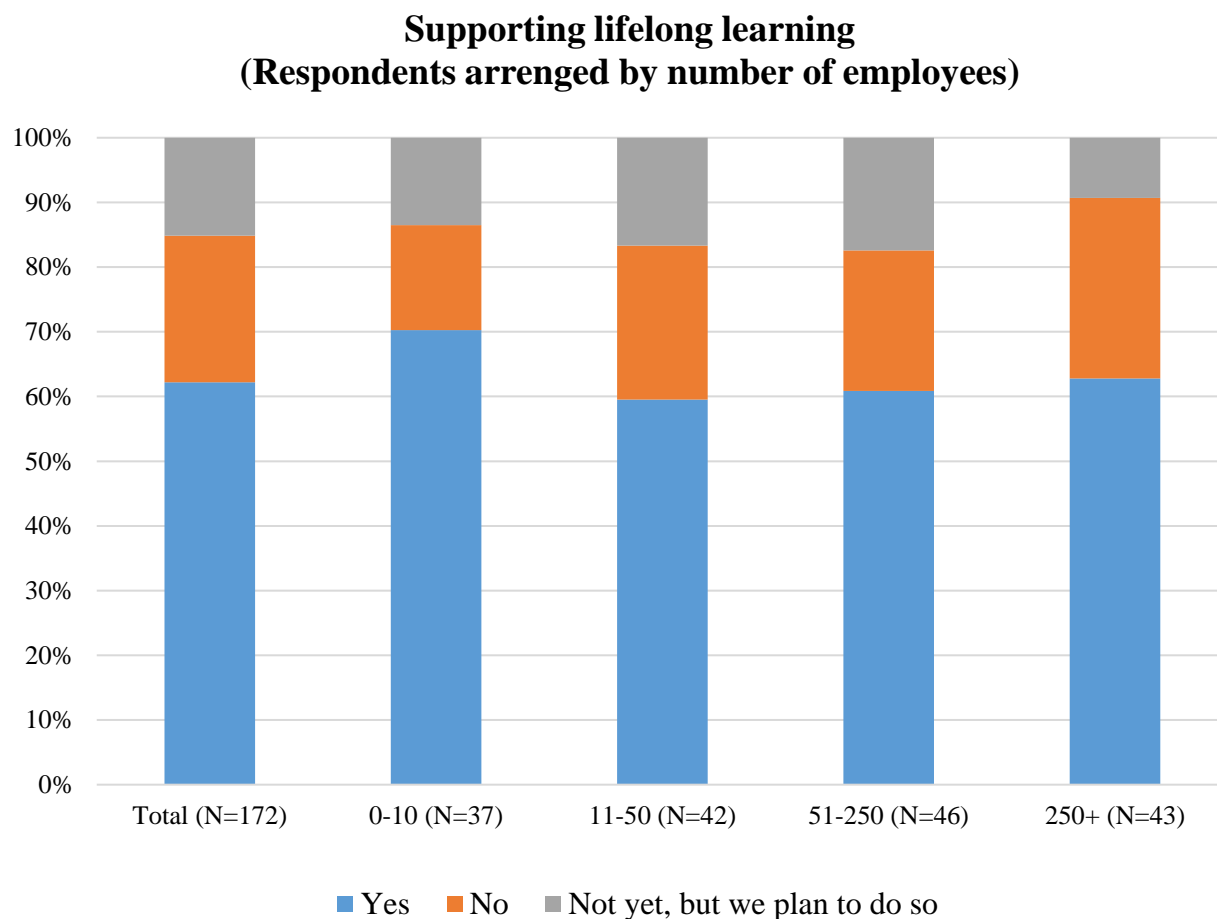


In the case of the trade unions awareness raising is much more important than in that of our whole sample. Half of them evaluated this element with mark 5, and a quarter of them has given mark 4 to it. 50-50% of them has also given mark 5 to the mentorship and the merit of the ability, skills and knowledge of the senior employees.

6. Lifelong learning

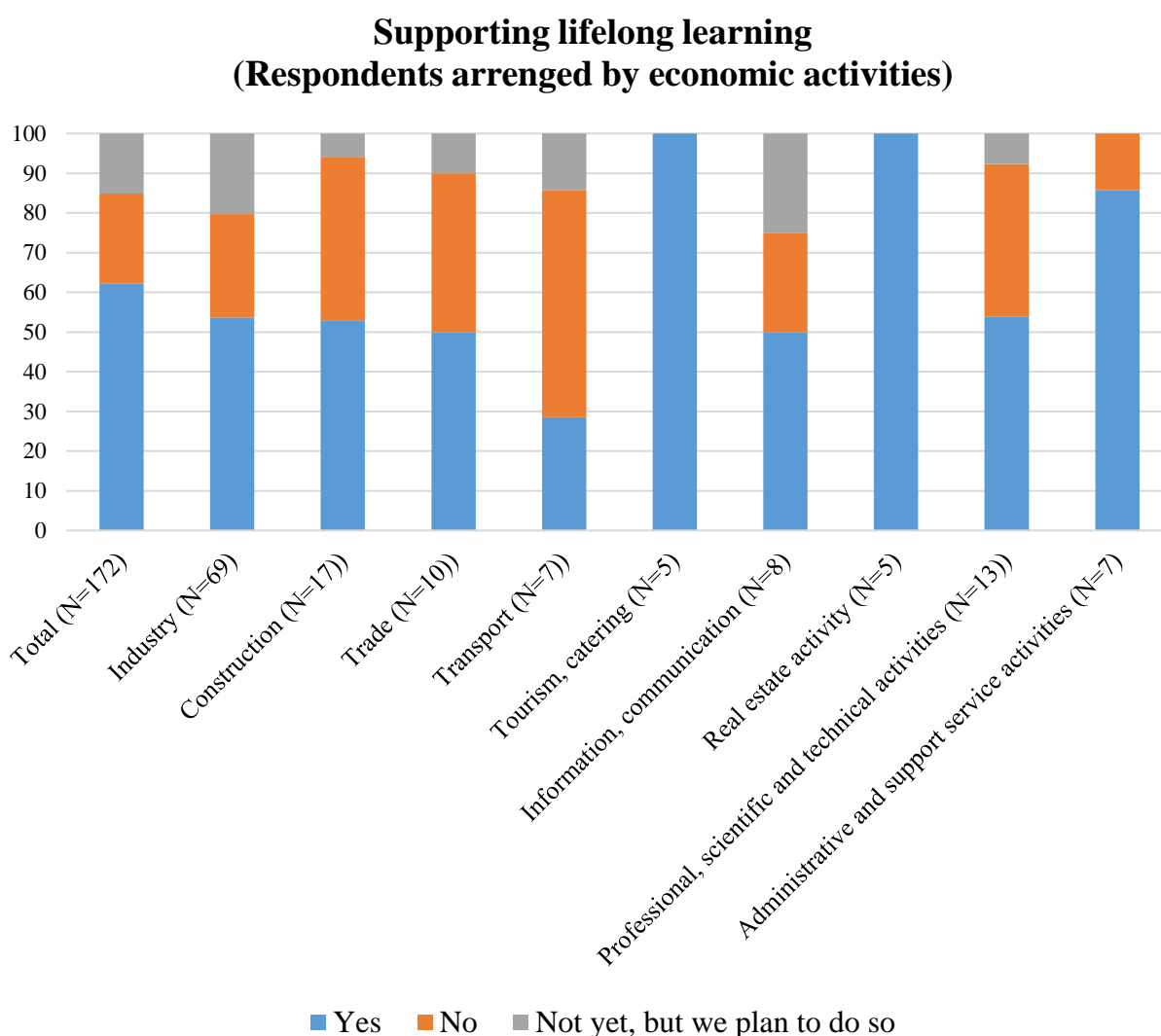
We have asked the organizations whether they do enough for supporting the lifelong learning of their employees. The following charts show the results.

Figure 19.



62% of the respondents have ticked “Yes”, 23% “No” and 15% “Not yet, but we plan to do so”. If we arranged the respondents by the number of their employees we can observe almost the same ratios, except the higher share of “Yes” answers in the case of the micro enterprises, and a greater proportion of “No” answers from the representatives of the big companies.

Figure 20.



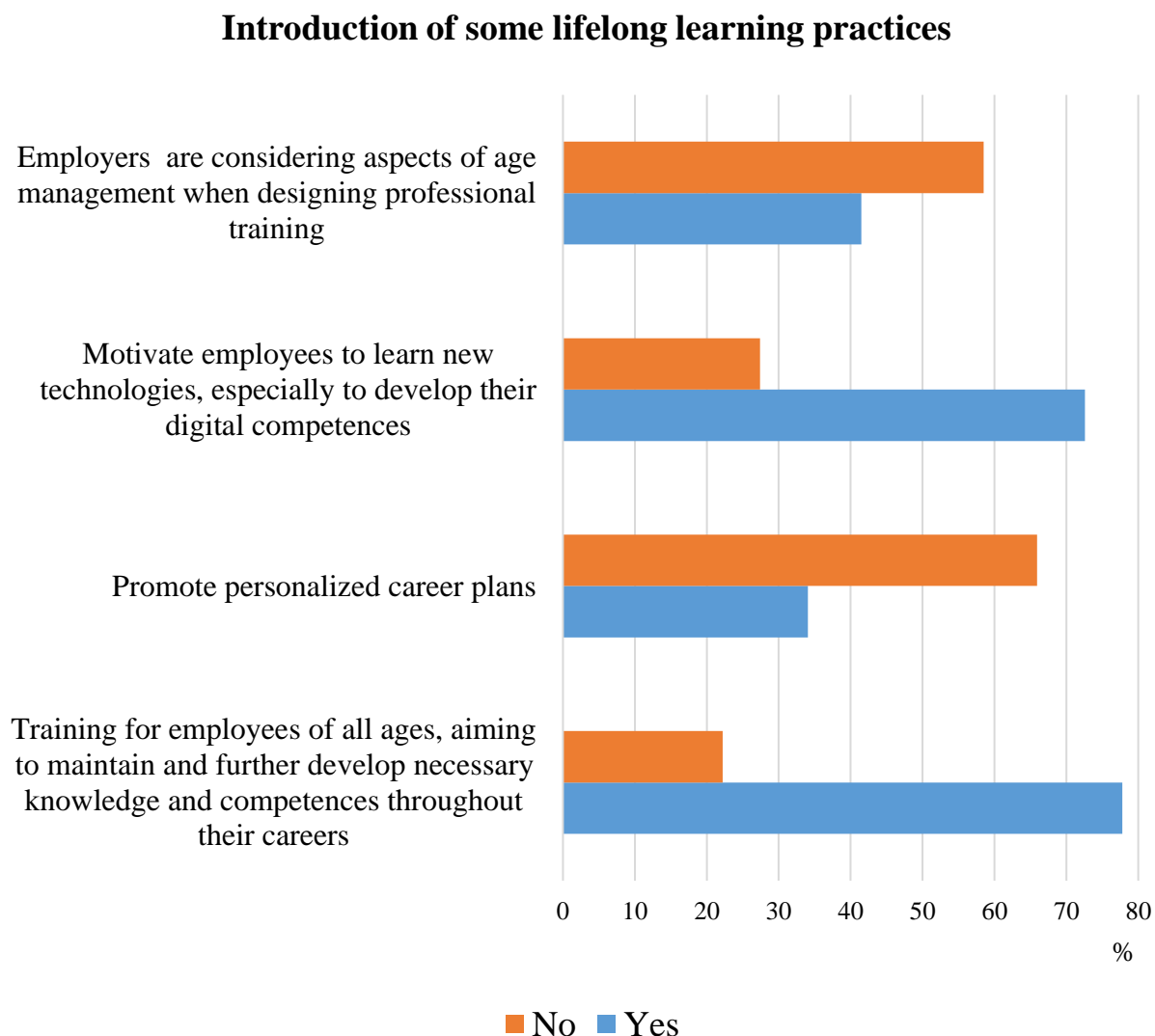
The differences are more pregnant if we arranged the respondents by their economic activities. The share of “No” answers was extremely high in the case transport companies, and twice as high as the average in the construction and trade on the one hand, on the other hand, there were two branches, namely tourism and real estate activity with exclusively “Yes” answers.

We have also asked our respondent whether they had already introduced the following elements of lifelong learning.

- Training for employees of all ages, aiming to maintain and further develop necessary knowledge and competences throughout their careers;
- Promote personalized career plans;
- Motivate employees to learn new technologies, especially to develop their digital competences;
- Employers are considering aspects of age management when designing professional training.

Their responses are summarized by the following chart:

Figure 21.



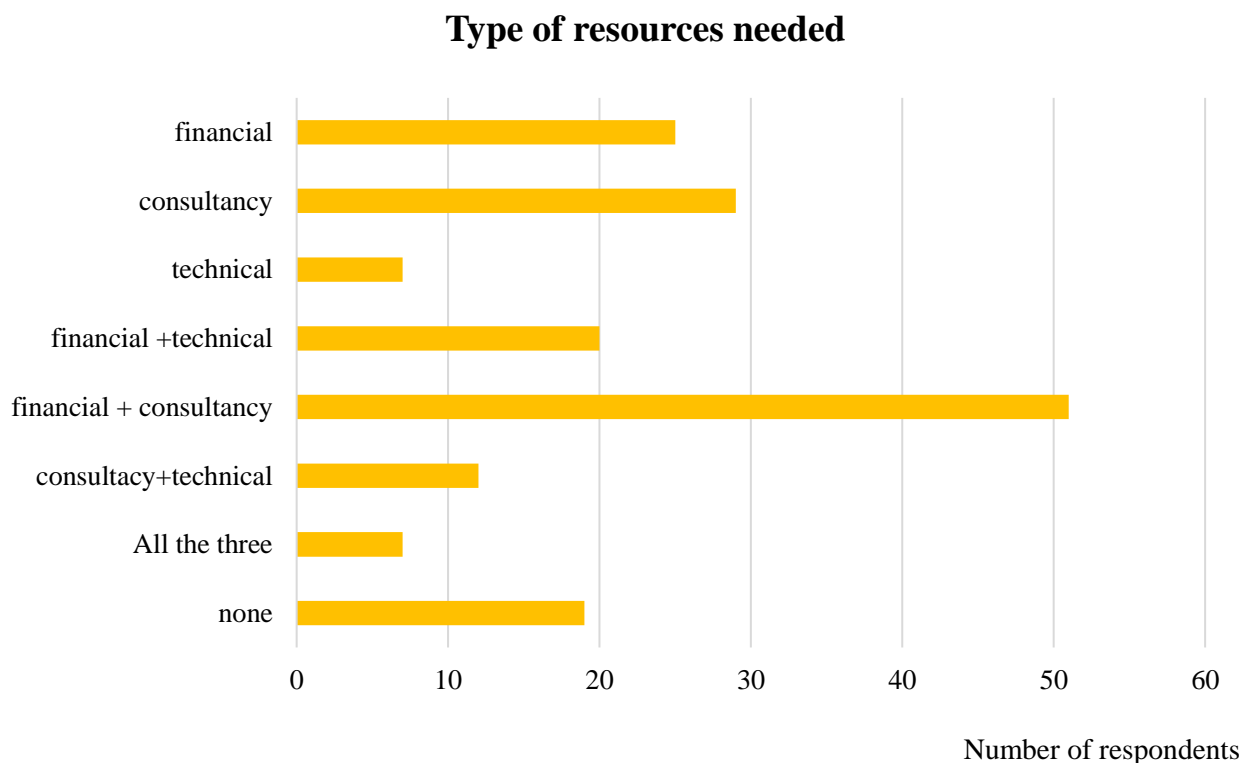
There are two elements of lifelong learning what the majority of the organizations of our respondents has already introduced. 78% of them have already launched training for their employees of all ages, aiming to maintain and further develop necessary knowledge and competences throughout their careers, and 73% of them have motivated their employees to learn new technologies, especially to develop their digital competences.

However, personalized carrier plans are not promoted by 66%, and age management aspects are not considered when designing professional training in the case of 55% of our respondents.

7. Resources needed

Respondents were investigated on the type of resources (EU or national) they would need in order to cope with intergenerational challenges. They were allowed to tick even several options. The results are illustrated by the following chart:

Figure 21.



There were only 19 respondents declaring that they did not need any resources from outside. Consultancy has proved to be the most needed form of help. There were 29 respondents mentioning exclusively this option, and 51 who have ticked it together with financial assistance. Technical assistance has proved to be the less popular among our respondents.

8. Age management initiatives

The last question was whether the respondents' organizations had age management policy, culture or methodology to be shared as best practice. It was a Yes or No question, and unfortunately the number of "Yes" answers was extremely small.

Only 10 respondents indicated having anything to share as best practice, among them who gave us their co-ordinates all were consulting firms. Obviously their endeavour was not to share their practices with us, but to find some business in the field of age management.

9. Conclusions

Like in any other EU member countries, demographic trends, socio-economic factors as well as the development of information and communication technologies have profoundly changed the world of work in Hungary, as well.

Hungary's population has been decreasing at a rate between 0.23% and 0.30% in the past five years. From 2019 to 2020, the population decreased by 0.25% or about 24,000 people. Hungary's fertility rate is the primary cause of the population shrinking at only 1.49 births per woman. This has caused not only the population to shrink, but also the median age to increase to 43.3 years.¹

Despite the government's efforts, the population decline shows no signs of slowing down. In addition to families having fewer babies, a great numbers of Hungarians are leaving the country, including a large percentage of Hungarian women of childbearing age.

At the start of the transition period in 1990, the official retirement age was 60 years for men and 55 years for women. With the collapse of the labour market and the radical growth of unemployment at the beginning of the transition period in the 1990s the relatively low retirement age meant a basic social safety net for the older generations.

In response to unsustainable financing of the beneficiaries of pensions and pension-type benefits, pension age has been gradually risen. In 2010 the government decided to fix old age pension at 65 years for both men and women. Also in 2010, a special pension regulation was passed for women, namely those women who can certify 40 years of employment are entitled to pension regardless of their age.

Age management activity of the employers has mainly been determined by the fact that there is a labour shortage in Hungary. Young people tend to spend more and more years in the education, and/or they prefer to work abroad on the one hand and on the other the female workforce intend to use the opportunity of early retirement.

Our respondents were aware of the problems of age gap, they have already felt and tried to overcome them. Involvement of trade unions to meeting the intergenerational challenges in workplaces is extremely low. Because of the weak penetration of trade union movement in Hungary, neither the employees nor the employers envisage to rely on them.

The size of the enterprises is an important aspect of age management in Hungary. Unlike the big companies, small and medium sized ones (SMEs) have to face with intergenerational problems without enough trained staff engaged in this field.

In the case of micro companies, age management can be considered as a spontaneous activity. It can be managed face-2-face. A great number of this companies was established during the 1990s as family businesses. Nowadays the ageing founders have to face with a special age

¹ <https://worldpopulationreview.com/countries/hungary-population/>

management task, namely to find somebody to run further the business. Lifelong learning is therefore very important for them, their family members and employees, as well.

The majority of the Hungarian companies would like to solve the intergenerational problems alone. They do not prefer compulsory involving of any advisory bodies or institutions to this process. Nevertheless, they would like to enjoy financial as well as consultancy support either from the national government or from the EU.

10. Interviews with representatives of employers' and employees' organizations about bridging the AGE-GAP

1. Employers organisation

Interview with Ferenc Rolek, vice President of MGYOSZ (Confederation of Hungarian Employers and Industrialists)

Date: 3rd July 2020.

Place: via Skype

The author of the interview: Palócz, Éva

In the view of the Vice President, most firms do not really address the issue of generational problem of the workforce. Even those who claim or think they are dealing with this issue are only touching this issue on the periphery.

This is because most companies do not have a human resource strategy that seeks to reap the benefits of employing a workforce with different abilities, skills, competencies, and ages.

An important issue for the efficiency of the company is the design of the composition of the organizational units. A typical mistake is when a manager is looking for staff members who have similar capabilities to him.

An organization in which coworkers with different skills work together, whose skills complement each other and form a harmonious unity, will be more efficient.

It is the same with the *generation* problem. When people of different ages work together in an organizational unit, different approaches, mindsets, experiences and skills complement each other beneficially. These companies are usually able to operate more efficiently.

However, this is usually not included in human strategy. It is also a fact that the management of units of diverse age composition requires more attention as it is necessary to be able to maintain a culture of respect and understanding for the other generation.

The generation problem is a particularly serious issue for value-oriented firms. What values should the company keep in mind? It is difficult for such a company to change generations because the company was invented for the mindset of a certain generation. The values articulated by the previous generation may not be attractive to the next generation. Thus, generational composition also influences the choice of values.

A similar question is what kind of performance appraisal system the company uses. In this, employee expectations are very different. Young people expect a lot of feedback, they expect their performance to receive positive feedback regularly. Older people need it less frequently. Therefore, for units with different generations, a flexible performance appraisal framework needs to be developed that adapts to the performance appraisal needs of each generation.

Communication inside and outside the company: young people use different communication channels than older people. Companies, on the other hand, have a certain communication strategy that needs to be transformed during the generational change.

Due to the crisis, the market position of workers has deteriorated. The labor shortage has resolved or has disappeared. If the employer can choose between the workforce, it takes various aspects into account.

On the one hand, the fact that the employer does not have to pay social security contributions for retirees is favorable to their employment. On the other hand, the employer also decides on the basis of other criteria. An employer that has long-term employment considerations in mind really prefers middle-aged labor. This generation already has work experience, is still in good health and will be working for a long time. This is not discrimination, but a rational decision.

Younger people are indeed much more mobile and change jobs more often.

Training:

The role of training is increasing due to rapid technology changes. Although the epidemic has set it back, it will intensify again in the future. Digitization makes it necessary. The lower segment of SMEs does not really hold trainings or only holds very specialized trainings. Large companies have strong training activities, but there is no known targeted training that is specifically generational.

There are positive examples, too. For example, at the time of the digitalisation of banks, older people were able to adapt to new challenges just as younger people.

The role of trade unions:

As the generation issue is not at the forefront of corporate interest, the role of unions is even smaller. The unions themselves are not focusing on this issue either.

One thing a union can add is to understand the situation of workers and mediate. An important aspect is that the presence of older people is higher in trade unions.

2. Trade Union

Interview with Balázs Bábel, vice President of Hungarian Metal Workers Federation (Vasas Szakszervezeti Szövetség)

Date: 28th July 2020.

Place: via Skype

The author of the interview: Palócz, Éva

There are obviously significant differences between workers of different generations. Younger employees are much more mobile. They often change jobs. There are firms where the change of workers is 15-20%, especially among manual workers.

Young people are much less tolerant of monotony. Employers try to alleviate the monotony of conveyor belt work by constantly changing the tasks of workers so that they don't have to make the same move for long periods of time.

The elderly, on the other hand, are physically less resilient to unilateral loading (e.g., joint damage).

Work accommodation: measures to reduce physical workload and make work more comfortable. These are particularly important in case of elderly and for people with disabilities.

The interviewee participated in a European study examining work accommodation to enable the employment of older or disabled populations in several countries:

Center for European Studies (2017) Industrial relations and work adaptation in Estonia, Hungary, Poland: *Supporting industrial relations in the field of work adaptation to enable the employment of older or disabled populations. One of the main conclusions of the study was that* "Social partners shall be boldly proactive in making the labour market inclusive and matching demand and supply of suitable work for disabled and older people. As the world of work is changing, social partners need to keep up with the challenging trends".

Another project of the Hungarian Metal Workers Federation, launched in 2016, aimed to learn about the labor market situation of young people in dual secondary education and to facilitate a tripartite dialogue between schools (students, teachers), employers and decision-makers. The conclusion of the research was that children go to vocational school by force; their wage demands are higher than reality; the work is disappointing for them. According of the study, in primary and secondary education, there is a lack of teaching about the work. Therefore, new graduates have too high salary expectations. Sometimes a new young worker doesn't even wait 8 hours after entering a new job. Most students stated that they plan to work abroad.

Vasas unions go out to vocational schools to educate students on labor law and introduce them the world of work.

He does not really know corporate policy to systematically support intergenerational collaboration. Age management is not at the heart of companies' thinking. Companies build on loyalty. They try to keep the loyal workforce at the company and strive to train the new workforce themselves. At the same time, however, companies do not put too much effort into

this. For a beginner, during the 3-month official trial period, the average performance should be brought after the first 4-5 days.

Nor are there corporate strategies for what jobs should be filled by what age workforce. Do it for as long as you can, and if you cannot, the company looks for other labour.

Abroad, they are more advanced in applying work accommodation, leading to better resource management. In recent years, in the conditions of labor shortage, Hungarian companies have concentrated all their energy on acquiring labor. They hadn't the energy to deal with the generational problem.

Companies undoubtedly appreciate the experience of workers and also value it financially. However, it is not usually addressed how an experienced workforce can pass on its knowledge to a younger workforce.

Employing the elderly is more complicated because it is more difficult to lay them off. There are not many examples of training for older workers at workplaces. In general, it is very lacking for the employer to consciously train its employees. There is no ascending training. This has already been objected to by MASSZ. Reducing general knowledge subjects in VET is detrimental to long-term learning. This limits the employment of older workers. Those who can barely read or write are difficult to train later.

There is an age-gap difference between manual and mental workers. Clerical workers e.g. engineers, train themselves much more consciously.

Dealing with the generation problem does not require financial or technical conditions but is mainly a matter of corporate culture. There are companies that bring this attitude from the parent company; however, it is very rare.

As long as wages and healthy work environment are not in order, it is very difficult to deal with other problems. But every union has a youth and retirement section. There is no working group for older, still active workforce. However, these working groups are organized on national level and not locally, at companies. The statutes of the Vasas trade union also state that the youth section deals with the special problems of the young workforce (e.g. starting a family).

At the MASZSZ, there is a connection between the youth and the retirement working group, a joint event has been planned, which has now been postponed due to the virus.

Generation structure of the Vasas Trade Union: the proportion of trade union members under 40, between 40-50 and over 50 is roughly the same, approx. one third. 7-8 thousand members are under 40 years. This is an industry characteristic since there are a lot of young people in the big factories and plants. Attitudes towards trade unions do not differ according to generations.

