

# The reservoir of alternative workers

*How to meet the increasing demand for women and older staff*

Previously unwelcome, women and older workers are increasingly popular on the labour market. They are sorely needed in the light of expected labour shortages. How do employers and employees organize this increased participation in the labour market? The key concepts are flexicurity and taking responsibility for oneself.

*By Ellie Smolenaars*

It is difficult to make any statements about labour market trends in the middle of a financial crisis, but academics fortunately tend to focus more on the longer term. "The credit crisis is a shift in financial trends with a 'before' and an 'after' phase", argues Jaap Paauwe, expert in organizational science: "As soon as this crisis has passed, major labour shortages will develop in the longer term." At the Tilburg Research Institute for Flexicurity, Labour Market Dynamics and Social Cohesion (ReflecT) academics are working on the latest developments. In the near future, we will see the powerful influence of two major trends, according to its researchers: flexicurity and taking responsibility for oneself.

"Flexicurity offers the labour market the best of both worlds: flexibility and security", says Jan van Ours. Van Ours is Professor of Labour

## **'The American approach dominates the HRM rather too much'**

Economics. He is also a member of the advisory committee to the Danish National Institute of Social Research. The European Union has decided on the flexicurity strategy and Denmark is a pioneering country. It is reasonably easy to dismiss employees there, benefits are relatively high and the aim is to ensure that people find a new job as soon as

possible. Van Ours closely followed the Danish policy experiment in which the unemployed were sent a letter just a week and a half after losing their jobs providing full details of the programme to assist them in finding new work. He concluded along with several Danish colleagues that, surprisingly, it was not the content of the programme that reduced the length of unemployment but the threat of having to take part in the programme. Its compulsory nature had a motivating effect.

Flexicurity can therefore provide a lesson in moving people rapidly in and out of paid work. As a result of demographics, there will be a shortage of labour on the employment market, according to forecasts.





(e) Koen Verheijen, Hollandse Hoogte

...van haast met  
man was 78 jaar





Working from home

Women and older people in particular will be targeted by employers. They still represent a reservoir of unused working hours. But when will women work longer hours and older people retire later?

Part-time workers remain something of an enigma for labour market

economist Van Ours. "Our research into part-time workers came about after a discussion with my Australian colleague Alison Booth. She felt that women's part-time jobs need to be converted into full-time jobs in order to offer women equal opportunities. But I suspected that if you force women to work full-time,

they may actually withdraw from the labour market."

The economists therefore decided to conduct research into the impact of part-time work on whether people felt happy or not. Their research in Australia and the United Kingdom showed that women are relatively sat-



ified with part-time work. The same research is currently underway in the Netherlands and, anticipating the results, Van Ours expects that women in the Netherlands will also prove not to be queuing up to work longer hours. "Regardless of the number of hours that they work, women continue to do most of the work in the household. It will take a long time to change that", believes Van Ours. As an economist, he refrains from making any normative statements about the sharing of roles in the household. But he has identified major changes. "Public opinion on women in the workplace has changed enormously", says the labour economist. "In 1965, 85% of the Dutch population rejected the idea of mothers with children at school taking on a job, but 40 years later this has dropped to only 10%."

The imbalance in the roles between men and women within the household can, according to organizational expert Jaap Paauwe, be partly attributed to the adoption of the American corporate culture. "This is a more macho culture where it is not customary for men to be able to work four days and take on caring duties at home", explains Paauwe. In any case, the Professor of Organization and Human Resources feels that the American approach dominates the world of Human Resource Management (HRM) rather too much. In response to this, he wrote the book published in 2004: HRM and Performance: Unique approaches for achieving long term viability. It

outlines an approach which focuses on the longer term where other interests and values also play a role alongside those of shareholders. His ideas are now slowly permeating the work of young academics. Paauwe also analysed the Rijnland model of Human Resource Management. How does it differ from that in the Anglo-Saxon world? "Compared to America, where issues such as economic value and shareholder value take precedence, here in the Netherlands everyone, within and outside companies, thinks more in terms of stakeholders. In the Netherlands, economic policy must be seen to be fair and to have an added and ethical value."

### **'The key question is: how can we help people to become more flexible?'**

Another major upcoming trend in every employment career is taking responsibility for oneself and one's choices. Paauwe: "The key question is: how can we help people to become more flexible?" This can already be seen in practice among HRM professionals: "The extra days holiday people are allocated in exchange for working longer hours are now converted into a single unit, money. This enables people to make their own choices. The role of HRM is to make this easy to understand." He also sees flexicurity as an up-and-coming issue in many companies. "The idea of a lifelong career at

Philips lasting 38 years and culminating in a golden watch is no longer. At Philips, people are awarded 1000 E-miles - the E stands for employability - which employees can spend on career support and coaching. At KPN (Dutch telecommunications company, ed.), everyone is given a training budget of a thousand euros. This is a good thing. We need to bring an end to the attitude of 'I'm 53 now and have another seven years to work.'"

Companies should provide training especially to older workers to raise their awareness of their physical health. Paauwe: "At steel manufacturer Corus, they have launched a campaign on obesity. It emerged that obesity caused numerous problems and led to absenteeism. The campaign, which included health checks, advice on fitness and sports facilities, cost just one sixth of what they would have spent on sick leave and incapacity for work. Even the director had to go to the gym." Labour economist Van Ours also sees potential capacity especially among older workers. In his research into the productivity of older workers, he was surprised to see that it is not possible to demonstrate a clear reduction in productivity. "If you look at the speed at which secretaries type, the younger ones are much faster but they are also much slower readers."

*As a moderator for the Sociale Kring and the Club van 11, Dutch forums in which the major companies engage*

in informal debate on the future of the economy, best practices is a key concept for Paauwe. He believes that there is too little awareness of the major efforts made by HRM managers in large companies. Examples include Philips which every year employs 100 to 200 people who have

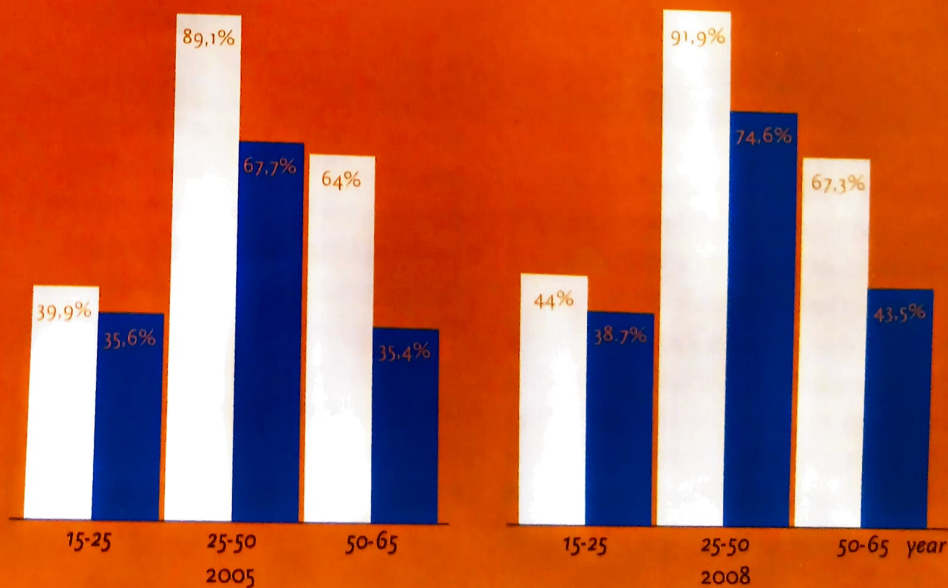
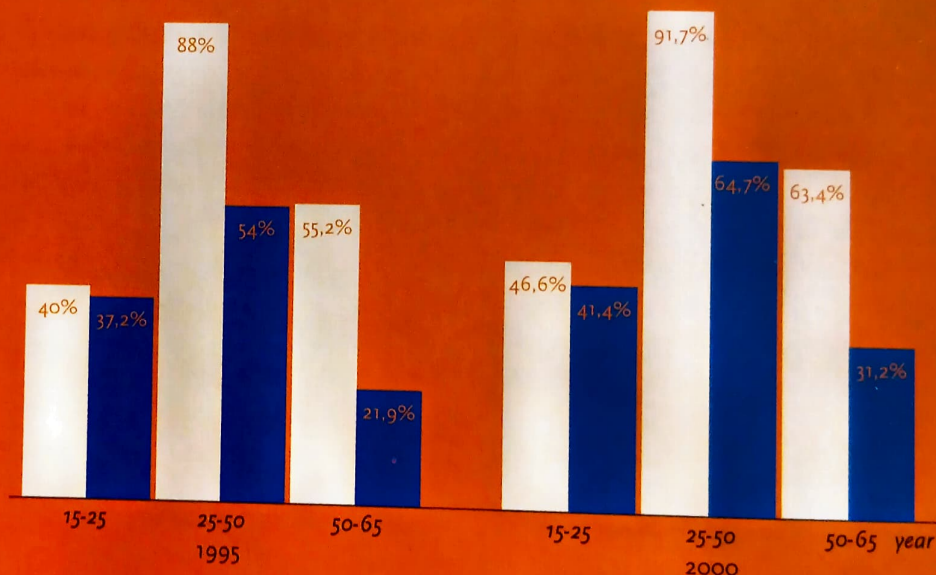
become alienated from the employment market. The professor in Organization and Human Resources: "Fairness is important in the Dutch business world." But Paauwe also warns against presenting too rosy a picture of the situation for vulnerable groups. "Again and again you see

that when there are shortages on the employment market, it all works perfectly well, but when the employment market becomes saturated, these vulnerable groups are quickly sidelined."

## Labour participation in the Netherlands, 1995-2008

Working population as a percentage of potential work force

Source: CBS Statline, The Hague/Heerlen



Male  
Female