

Profitable 50-year-olds

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Translation: Eli Schiøtz, November 2004

Storebrand ASA is a Norwegian holding company with 3 independent business units:

- Insurance
- Capital management
- Banking business

These services are offered to private persons, companies and public activities in Norway. Being a responsible member of society, Storebrand supports diversity and equality of status which also includes the senior workers. That implies an employee policy where age has no discriminatory influence on qualifications.

Storebrand dates its activity back to 1767. Much has changed, and fusions and reconstructions have been going on for centuries. In 1999 there were 4000 employees. Since then many of them were transferred to If Insurance Company. Increased competition, more demanding customers and new products require a flexible organization capable of quickly adapting in order to compete and profit. The main issue for the personnel policy in Storebrand is therefore to ensure that the company always attracts, keeps and develops qualified, motivated employees willing to and able to cope with change.

During the periods of reduction, many persons older than 58 years had to leave the company. By 2003 Storebrand ASA had 1330 employees. When reducing the staff that year, age was no longer of importance. Policies favourable to workers were initiated, so that they could stay longer, enjoy their jobs and take pride in their company.

Attractive Seniors

– A 62 year old person asked to quit, but I refused. We needed his qualifications, Human Resource manager Erik R. Herlofsen says and continues; – the average age for leaving the company in 2002 was 36 years. Nearly 60% of them had been here for less than 4 years. Some years ago many applicants over 50 years were not even called up for an interview – just because of their age. This would not happen today. If we employ persons older than 50, they will probably stay until retirement age. To employ seniors is good business. Six of my current closest colleagues are about 60 years old now. When I began as personnel manager 4 years ago I appointed one of them – and not because she was a senior! She got the job because she was the best qualified person. Our personnel policy states that age is of no vital importance in appointments or during the course of their employment, Herlofsen emphasizes. Today there are more profitable reasons for hiring seniors. The amount of pension earning is equal for all ages, which now makes it cheaper to employ older workers than before.

– Since the rules for pension earnings changed, we have even experienced that some seniors are being head hunted! This means that Storebrand needs to make an effort to keep its most qualified seniors for as long as possible. We need to offer them more competitive conditions and higher pay. As part of a comprehensive senior policy, Storebrand has granted older workers some added benefits, and that is good senior policy, adds Herlofsen.

Not a Matter of Fashion

Storebrand ASA was in 2003 one of the first companies to sign the Tripartite Agreement on a more inclusive workplace. This gave another impetus to the senior policy.

– We are still in the beginning of the process, but we do take this seriously. Senior policy is not a matter of fashion; it is good business practice and an important issue in society.

Storebrand aims for being a leading company in taking public responsibility. This means that we do not invest in some profiting making activities, e.g. child labour or weapon production. It also means that we take a definite stand on senior policy and discrimination, explains Herlofsen; – often the media, potential investors, as well as the best qualified applicants ask about our senior policy – to find out how good our personnel policy in fact is!

Developing Competence is most important

During spring 2003 the management handed out a questionnaire to all employees over 50 to find out which initiatives could be worth investing. The questions dealt with topics like well-being, respect, how long people would stay at work and what their priorities were. The result showed that 86% of all the seniors were very satisfied with their working situation, 78% felt that younger workers had esteem for their efforts and paid them respect. Only 12% wanted to continue working after 65 years of age, while 43% were negative. In 2003 Storebrand had an average retirement age of 65, and the company does not have a special pension scheme. The questions were therefore highly relevant.

– Older seniors are more positive than the younger ones. 23% of all employees between 61 and 65 would stay longer than the age of 65. The closer people are to the “magic” age the more positive they are towards staying longer, says Erik R. Herlofsen. Currently every employee may work longer than 65 years of age, but has to apply for this. The questionnaire also showed that maintaining and developing competence is of great importance, while fewer focused on reduced working hours. As a result of this, and as part of the senior policy, Storebrand grants older workers some benefits.

Various Initiatives

The research also uncovered a need for better internal information and communication. The company was better at informing the outside world than the seniors themselves. A special intranet page was then designed to show options and special arrangements available to seniors in the company. A link to the Norwegian Centre for Senior Policy in Oslo (CSP) was established, where seniors may find more information on the topic.

– We have experienced that employees over 55 years very seldom attend courses. Maybe they are more modest than their younger colleagues, is Herlofsen’s theory.

Some arrangements are being planned, while others are about to be realized. This is what he presents:

Some senior policy initiatives in Storebrand ASA

- Age is of no importance, neither by appointments nor downsizing
 - An intranet page for presenting senior policy information
 - Personal interviews dealing with senior policy topics
 - Workers over 60 get three extra days off
 - Employees over 64 may have shorter working days than others
 - Workers past 60 get one hour physical training during the week
 - A special fund for studies has been established
 - A senior committee makes plans for other job arrangements and retirement
 - Establish home office is an option
- Two of my nearest colleagues work at home one day a week. They need one day without telephones and interruptions, and this is a very good arrangement. We offer our

seniors competitive options to keep them in the company. This is profitable to Storebrand ASA, concludes HR manager Erik R. Herlofsen.