

The issue of an ageing workforce and innovation in Italy

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I am presenting a work in progress. This research draws on a project carried out at IRES Piemonte and as a PhD study at LEID – University of London.

It mainly focuses on industrial activities.

The theoretical framework of this research refers to the Cultural Historical Activity Theory.

The aim of the presentation

To highlight the importance of the context and to focus on the interplay between the context and older workers' issues relevant to VET. Here are the context aspects covered in our presentation:

- a) type of socio-economic organization
- b) current transformation of the economy
- c) historical perspective of work organization (management styles)
- d) local labour market
- e) pension schemes

- a) i.e.: industrial society; post-industrial society; knowledge-based society; network society;
- b) i.e.: towards a post-industrial society; tertiarization of the economy; etc.
- c) From Fordism to lean production and total quality
- d) Rich/poor opportunities
- e) Pension schemes can be different from many points of view: incentives to stay on the job, flexibility in the transition from work to retirement, possibility of combining retirement and work, etc.

The specificity of ageing in Italy

- Low proportion of the young population: risk of shortage of workers
- Yet investment in ageing workers is still low
- Older workers cost more in Italy than elsewhere
- The culture of “young in/old out” is still widespread
- Poor social responsibility by the social actors about the ageing of the workforce
- Absence of a pedagogy recognizing the specificities of older workers (see later)

In this paper older workers are defined as those between 55 and 64 years of age.

On the basis of recent data released by ISFOL (r.angotti@isfol.it) it seems not exact to say that in Italy there is low investment on VET for older workers, or at least this statement needs qualification. It appears that access to VET by older workers in the private sector is higher than that of workers aged 45-54 years, and not so much lower than that in the age group 35-44 years. In fact, in Italy low investments on ageing workers is interwoven with low investments on low educated workers. Therefore the higher access to VET by workers aged 55-64 years could be explained by the concentration in this age group of highly qualified and educated workers, “survived” to the process of “young in/old out” and less interested in retirement.

Yet in this age group there is a still significant number of older workers with a low education and with very low access to VET. Indeed, in the age group 55-64 differential access to VET on the basis of the level of education is the highest observed across all age groups (Angotti, 2006).

Older workers highly selected by early retirement

- Early retirement has selected older workers: in Italy only 31,4% work (55-64 years old)
- Selected male older workers: high education and high salary. This should be different in the future.
- Retirement is still a divide between working life and non-working life
- The older workers need to make sense of VET with reference to the approaching retirement

With this slide we want to offer some insights about the specificity of the labour market in Italy, which is unfavourable to older workers and more favourable to young people. One of the main disadvantages for older workers is their high salary, which is not necessarily linked to high productivity. The average high salary of older workers is linked to the history of the industrial relations in Italy. Employers are still tempted by “young in/old out”. At the same time older workers don’t have incentives to stay at work, because the pension scheme. However this latter is under reform.

With this slide we also want to point out the rigidity of the current pension scheme which doesn’t allow a gradual shift from work to retirement. At the same time let us draw attention to the fact that this passage is in the horizon of the older workers who evaluate their personal interests in investing in vocational learning. We stress the importance of putting VET in the horizon of active ageing. It means to offer VET designed to be meaningful to people who are planning their lives after work.

Regional economic development and older workers' issues

Italy: deep differences among Italian regions in terms of economic sectors, dimensions of enterprises, rate of innovations.

West (Piedmont)	East-Centre
<ul style="list-style-type: none">• transition from traditional to modern manufacturing industries• knowledge-based production,• large enterprises,• powerful trade unions.	<ul style="list-style-type: none">• small family based enterprises,• industrial districts at high concentration of tacit knowledge,• challenges about generational change and globalisation.

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West: In Piedmont the core industrial production is knowledge-based: there is high investment in Research&Development, high injection of information and knowledge in the production, and continuous innovations of products. In traditional manufacturing sectors work organization is based on taylorist tenets: workers are asked to perform orders according to a rigid hierarchy, and tacit knowledge is not acknowledged. The new trend is towards lean production and total quality where tacit knowledge is acknowledged and participation encouraged. Are older workers – used to the old management style – ready to adapt to the new organization of work? Is there a need for VET to support them in this process involving personal change?

East-Centre: This type of socio-economic organization was identified in the 70s as the “Terza Italia”. Here the issues about older workers could be different. Formal learning is likely to be less frequent, while learning at work essential and fundamental. The local labour market tends to offer richer work opportunities, and workers are more used to transit from one job to another, bringing and transferring knowledge with them. Entrepreneurship is widespread. Yet in the last years industrial districts have been suffering from the entrance of China and other competitive countries in the global market. Which kind of VET would be more appropriate in this context?

Innovation/stability in workplace contexts

- Where do older workers work: innovative enterprises or stable ones? What style of management are they used to?
- Different “invitation qualities” for vocational learning and VET

	Stable context	Innovative context
Invitational Qualities	<ul style="list-style-type: none"> • High degree of routine • Low complexity • High homogeneity • Low reciprocity of values • Same artefacts/tools 	<ul style="list-style-type: none"> • Low degree of routine • High complexity • Low homogeneity • High reciprocity of values • New artefacts/tools
Work Organization	Fordism-Taylorism	Total Quality, Lean Production

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Why is it important to have an idea of the characteristics of the socio-economic context? It is important because ageing and older workers work there. Moreover the socio-economic organization is changing, moving on under the pressure of a number of factors. Therefore I distinguish two work contexts: the “stable” work context and the “innovative” work context. In every economy there are both of them. But it is clear that in a region as Piedmont the innovative work context are important and strategic for the development of the area. I relate stable context to a certain type of work organization, the one based on Fordism: fragmented tasks, high degree of routine, high division of labour, and workers are asked to perform order and have standard work practices. Here tacit knowledge is not valued. In innovative work context is more likely to find an organization of work which is based on the tenets of total quality management, where the participation of workers is welcomed and encouraged to improve continuously the product and introducing innovation is essential.

Referring to the contribution of Billett (2001), we can see that these different work contexts have different invitational qualities that influence how people come to learn and what they learn. What I want to stress is that the opportunities to learn is not asymmetrically distributed inside of the same workplace, as argued by Billett, but also among different workplaces. And it is also possible that different regions can offer different opportunities to learn.

Implications for VET

- Innovative workplaces ———> are they more likely to promote learning and training?
- Stable workplaces ———> are they more likely to promote standard work practices?
- In UE documents ageing and older workers are seen as a homogeneous group, while they are differentiated by workplace contexts in different regional economy
- Different needs of VET: not only transfer of knowledge but also personal transformation to work with new management styles, in the prospect of active ageing towards (flexible) retirement

Having pointed out the differences between the Italian regions and discussed two types of work contexts, I conclude with the implications for VET policy.

Older workers are not an homogeneous group: they are differentiated by workplaces contexts in different regional economies. Therefore they can have different needs of VET. We can hypothesize that in stable context the need is for a shift from tacit to more explicit work practices. In the innovative work context there is the need to update knowledge to either change or improve or innovate the product. But for older workers there is also a need to support them when they transit from a “stable” workplace to an “innovative one”. Or when innovation is introduced in their workplace: it could be either innovation of product and change in the work organization (management style). My hypothesis is that changes in work organization can be challenging for older workers, especially when it implies to learn to share knowledge and to participate in improving the quality of the production. VET can support personal development and not only transfer of knowledge.

Taking into account the socio-economic aspects of the regional context and the transformation occurring in it means to be able to design VET in order to support people experiencing those changes. In this way VET also supports the regional development.