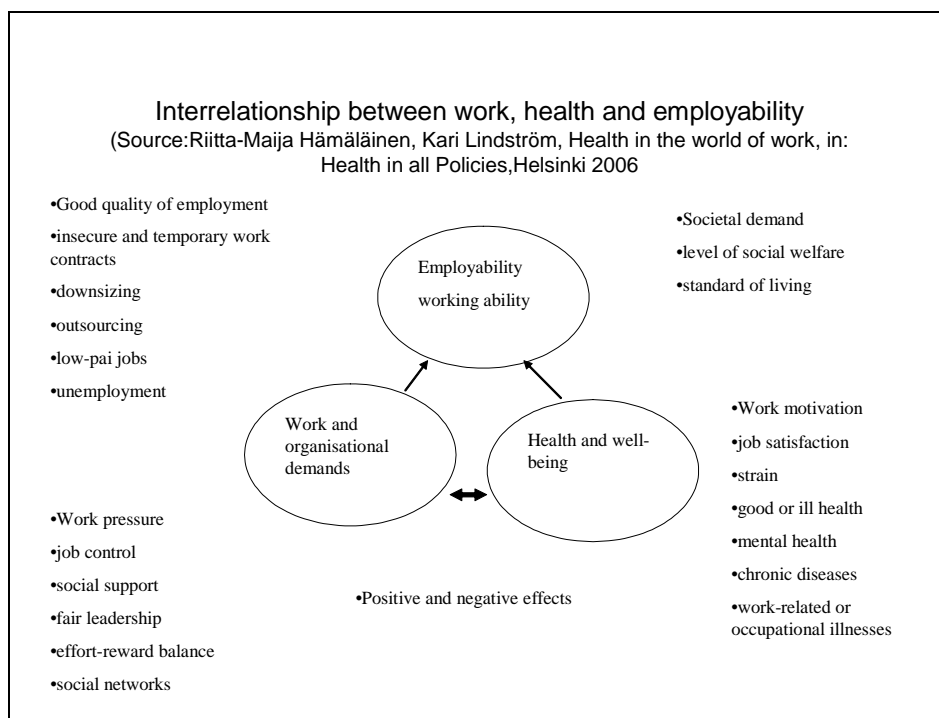


## Employability (Karl Kuhn)

**Employability** is about having the capability to gain initial employment, maintain employment and obtain new employment if required. In simple terms, employability is about being capable of getting and keeping fulfilling work. More comprehensively, employability is the capability to move self-sufficiently within the labour market to realise potential through sustainable employment. For the individual, employability depends on:

- their assets in terms of the knowledge, skills and attitudes they possess
- the way they use and deploy those assets
- the way they present them to employers
- crucially, the context (e.g. personal circumstances (health status) and labour market environment) within which they seek work.

The balance of importance between and within each element will vary for groups of individuals, depending on their relationship to the labour market. The interrelationship between work, health and employability is very well shown by the following model.



While there is no singular definition of employability, a review of the literature suggests that employability is about work and the ability to be employed; i.e.

- the ability to gain initial employment; hence the interest in ensuring that 'key skills', careers advice and an understanding about the world of work are embedded in the education system
- the ability to maintain employment and make 'transitions' between jobs and roles within the same organisation to meet new job requirements, and
- the ability to obtain new employment if required, i.e. to be independent in the labour market by being willing and able to manage their own employment transitions between and within organisations.

It is also, ideally, about:

- the quality of such work or employment. People may be able to obtain work but it may be below their level of skill, or in low paid, undesirable or unsustainable jobs.

### ***Employment Rates***

Employment rates show how many persons in employment or vice versa unemployed. Some highlights (Statistics in Focus, Population and Social Conditions, 13/2006) from the 2005 annual results of the European Union Labour Force Survey (LFS); among the 380.3 million people aged 15 and more living in private households in the EU-25:

- 197.5 million people resident in the European Union held a job or had a business activity during the reference week of the survey, of which 44.1% were women.
- The employment rate, which measures the share of employed people in the population aged 15 to 64 years, stood at 63.8% in 2005 in the EU-25, 3.2 percentage points below the 2001 Stockholm European Council target for 2010.
- The female employment rate reached 56.3% in the EU-25 (0.7 points below the Stockholm mid-term target). This is the result of a continuous increase in female participation in employment since 1997. In Denmark, Estonia, the Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom, more than 60% of the women aged 15 to 64 were employed. In Greece, Italy, Malta and Poland, this proportion was below 50% in 2005.

Total employment rates						Part-time employment rates			(%)
Age 15-64			Age 55-64			Age 15-64			
Total	Men	Women	Total	Men	Women	Total	Men	Women	
63.8	71.3	56.3	42.5	51.8	33.7	11.4	4.7	17.9	<b>EU-25</b>
65.2	72.9	57.4	44.1	53.1	35.4	12.8	5.1	20.5	<b>EU-15</b>
63.5	71.8	55.2	40.4	49.7	31.5	11.8	4.6	19.0	<b>Euro area</b>
61.1	68.3	53.8	31.8	41.7	22.1	13.2	4.9	21.7	BE
64.8	73.3	56.3	44.5	59.3	30.9	2.8	1.2	4.5	CZ
75.9	79.8	71.9	59.5	65.6	53.5	16.3	9.4	23.3	DK
65.4	71.2	59.6	45.4	53.5	37.5	15.3	4.9	25.8	DE
64.4	67.0	62.1	56.1	59.3	53.7	4.3	2.8	5.6	EE
60.1	74.2	46.1	41.6	58.8	25.8	2.9	1.6	4.2	EL
63.3	75.2	51.2	43.1	59.7	27.4	7.7	3.2	12.3	ES
63.1	68.8	57.6	37.9	40.7	35.2	10.8	3.7	17.6	FR
67.6	76.9	58.3	51.6	65.7	37.3	9.0	3.9	14.3	IE
57.6	69.9	45.3	31.4	42.7	20.8	7.3	3.0	11.6	IT
68.5	79.2	58.4	50.6	70.8	31.5	5.2	2.5	7.7	CY
63.3	67.6	59.3	49.5	55.2	45.3	4.8	3.8	5.8	LV
62.6	66.1	59.4	49.2	59.1	41.7	4.3	3.3	5.2	LT
63.6	73.3	53.7	31.7	38.3	24.9	11.1	1.8	20.5	LU
56.9	63.1	51.0	33.0	40.6	26.7	2.2	1.5	2.9	HU
53.9	73.8	33.7	30.8	50.8	(12.4)	5.0	3.1	7.0	MT
73.2	79.9	66.4	46.1	56.9	35.2	33.5	17.4	49.8	NL
68.6	75.4	62.0	31.8	41.3	22.9	14.3	4.2	24.2	AT
52.8	58.9	46.8	27.2	35.9	19.7	5.2	4.1	6.2	PL
67.5	73.4	61.7	50.5	58.1	43.7	5.5	2.8	8.2	PT
66.0	70.4	61.3	30.7	43.1	18.5	5.2	4.3	6.0	SI
57.7	64.6	50.9	30.3	47.8	15.6	1.4	0.8	2.0	SK
68.4	70.3	66.5	52.7	52.8	52.7	9.1	6.0	12.1	FI
72.5	74.4	70.4	69.4	72.0	66.7	16.9	7.5	26.6	SE
71.7	77.6	65.9	56.9	66.0	48.1	17.5	7.1	27.6	UK
55.8	60.0	51.7	34.7	45.5	25.5	1.0	0.9	1.1	BG
54.8	60.9	49.0	31.5	41.1	23.4	4.2	3.3	5.1	HR
57.6	63.7	51.5	39.4	46.7	33.1	5.3	5.8	4.8	RO
83.8	86.9	80.5	84.3	88.9	79.6	18.2	7.1	29.7	IS
74.8	77.8	71.7	65.5	70.8	60.1	20.7	10.2	31.5	NO
63.9	71.4	56.5	42.8	52.0	34.0	11.4	4.8	18.1	<b>EEA</b>
77.2	83.9	70.4	65.0	74.8	55.4	24.9	8.7	41.1	CH

Source: Eurostat, EU-LFS

- The employment rate of older people (55 to 64 years old) was 42.5% in 2005, up by 5.9 percentage points since 2004.
- 11.4% of the persons aged 15-64 were part-timers. 17.9% of the women of the same age group worked part-time, with large disparities by country, from 2.0% in Slovakia to 49.8% in the Netherlands.
- 164.8 million workers were employees. Their average usual working hours were 40.4 hours a week for those working full-time and 20.0 hours for those working part-time. 14.5% of them hold a contract with limited duration (19.5% in Portugal, 25.7% in Poland, 33.3% in Spain).

- 19.5 million people were unemployed (of which 48.9% were women and 8.0% were persons aged 55-64).
- 8.7 million were in long term unemployment (one year and more).
- 8.4% of the young people aged 15-24 years were unemployed (more than 10% in Poland, Slovakia, Finland and Sweden).
- 163.3 million people aged 15 years or more were economically inactive.

**Table 5 - Employed persons aged 15 and more by occupation in the main job, 2005**

Total				Men				Women				(%)
Highly skilled non manual	Low skilled non manual	Skilled manual	Elementary occupations	Highly skilled non manual	Low skilled non manual	Skilled manual	Elementary occupations	Highly skilled non manual	Low skilled non manual	Skilled manual	Elementary occupations	
38.6	24.9	26.8	9.7	37.3	13.7	40.5	8.4	40.2	38.9	9.7	11.2	EU-25
39.3	25.8	24.8	10.0	38.8	14.1	38.3	8.7	40.0	40.6	7.8	11.5	EU-15
38.7	24.7	26.6	10.0	37.6	14.2	40.2	8.1	40.2	38.3	9.1	12.4	Euro area
44.6	26.9	20.1	8.5	44.4	17.2	31.1	7.3	44.9	39.2	6.0	10.0	BE
39.0	19.7	35.8	5.6	35.3	10.7	50.0	4.0	43.7	31.4	17.2	7.6	CZ
44.1	25.0	19.8	11.0	43.1	12.1	32.9	11.8	45.2	39.7	5.0	10.1	DK
42.3	24.9	24.8	8.0	40.7	13.2	39.5	6.6	44.2	38.9	7.2	9.7	DE
40.3	17.1	31.7	10.9	33.3	8.9	49.4	8.4	47.1	25.0	14.5	13.3	EE
32.6	25.6	35.2	6.5	31.2	18.7	45.4	4.7	34.9	36.5	19.2	9.4	EL
30.9	24.7	29.5	15.0	28.7	15.3	44.0	12.0	34.2	38.7	7.8	19.3	ES
38.9	25.0	26.3	9.8	39.8	11.8	41.8	6.6	37.8	40.1	8.7	13.4	FR
38.3	29.7	22.9	9.1	37.8	15.3	36.5	10.4	39.0	49.0	4.5	7.5	IE
38.8	22.7	28.7	9.9	36.6	15.2	39.6	8.6	42.2	34.0	11.9	11.9	IT
28.6	30.2	24.7	16.6	29.5	19.2	40.2	11.2	27.5	44.4	4.7	23.5	CY
34.3	20.4	33.1	12.2	27.6	9.9	50.0	12.5	41.4	31.6	15.1	11.9	LV
34.1	15.7	39.4	10.8	25.8	8.5	55.3	10.4	42.7	23.1	22.9	11.2	LT
45.5	25.1	19.0	10.4	44.5	18.8	30.9	5.8	46.7	33.8	2.6	16.8	LU
34.3	23.7	33.7	8.3	28.6	14.5	50.1	6.8	41.0	34.3	14.6	10.1	HU
34.7	27.1	25.8	12.3	33.8	19.9	32.7	13.5	36.7	43.1	10.7	9.5	MT
47.4	26.7	16.8	9.1	48.2	15.1	27.8	8.9	46.4	40.9	3.3	9.4	NL
38.2	25.7	25.6	10.5	38.7	13.9	38.9	8.5	37.5	39.9	9.6	12.9	AT
32.1	18.5	41.8	7.6	25.9	11.5	56.1	6.5	39.7	27.1	24.2	9.0	PL
26.4	23.6	37.8	12.2	27.2	15.0	49.7	8.0	25.5	33.6	23.9	17.0	PT
37.8	20.0	35.8	6.4	33.6	13.5	47.9	5.0	42.7	27.7	21.5	8.1	SI
36.0	20.8	34.4	8.8	30.3	11.6	49.9	8.3	43.2	32.3	15.0	9.5	SK
43.9	22.9	25.1	8.1	43.4	9.1	40.8	6.7	44.4	37.6	8.4	9.5	FI
44.2	27.8	22.0	6.0	43.2	14.0	37.2	5.6	45.3	42.9	5.3	6.5	SE
41.0	30.9	17.4	10.6	43.8	14.0	30.0	12.2	37.9	50.4	3.1	8.7	UK
30.0	21.6	36.2	12.2	25.8	13.4	47.1	13.7	34.8	30.8	23.9	10.5	BG
28.4	25.7	38.2	7.7	28.9	16.4	48.1	6.6	27.8	36.7	26.4	9.1	HR
20.9	13.8	54.8	10.6	18.0	8.0	62.8	11.2	24.3	20.6	45.3	9.8	RO
40.8	27.4	24.3	7.5	38.3	15.0	39.6	7.0	43.6	41.5	6.9	8.0	IS
42.9	31.0	21.2	4.9	43.0	17.8	36.0	3.2	42.8	45.5	4.9	6.7	NO
38.6	25.0	26.8	9.6	37.4	13.8	40.4	8.4	40.2	39.0	9.7	11.2	EEA
44.7	26.6	23.2	5.4	46.7	14.8	34.9	3.7	42.4	40.9	9.2	7.5	CH

Source: Eurostat, EU-LFS

Note: The breakdown of employed persons by occupation is based on the classification ISCO 88-COM (groups 1 to 3 for highly skilled non manual, 4 to 5 for low skilled non manual, 6 to 8 for skilled manual and 9 for elementary occupations).

The EU has two key objectives on the employment of older workers. The Stockholm Objective (2001) is that “at least half of the EU population in the 55 – 64 age group should be in employment by 2010” (European Commission, 2003, Employment in Europe 2003, p.157). The Barcelona Objective (2002) is to achieve a “five year delay in the average age at which people withdraw from the labour force by 2010” (ibid) – an increase in the average exit age from 60 to 65. Obviously the Stockholm target is complimentary with the Barcelona target. However achieving the latter will assist in achieving the former only if increased labour force participation is synonymous with employment rather than unemployment. In other words, keep people in the labour force for longer and try to ensure that they can get jobs.

Among the EU 15, only Denmark, Portugal, Sweden and the UK met the Stockholm target in 2001. In Belgium, France, Italy, Luxembourg and Austria the employment rate was less than one third. According to a recent study, across the EU 15 the average exit age from the labour force was 59.9 in 2001, with men leaving about 18 months later than women. There were big differences between countries, but none of the EU 15 met the Barcelona target. The exit age is above that of the EU 15 in some of the accession countries, but below it in others.

These objectives were set against the background of major changes over the previous 30 or 40 years. Across the EU as a whole female labour force activity rates are much higher than 30 or 40 years ago, but this increase in participation was not particularly marked for the over 55s, and indeed participation fell in Austria and France. However, the younger cohorts of women are more likely to remain in the labour force beyond 55 than are the older cohorts. By contrast, over the same period, there was fall in the labour force participation of prime age men across the OECD, with the major exception of Germany. For older men the fall, mainly in the 1970s and 1980s, has been substantial, particularly in France, Belgium and Germany.

The years since the early 1990s did not witness much further decline. Activity rates in the accession countries are generally lower than in the EU 15. In a context of rising unemployment in most European countries from the early to mid 1970s, male (especially older male) employment rates also fell.

## ***Employability and disabilities***

A basic principle that is shared by all definitions on disability is that disability has a medical cause and results in limitations in daily activities. There is, however, no agreement on the exact definition of the concept of disability. The variation in sources and definitions has led to several estimates of the proportion of EU citizens who are disabled, which range from 17 to 24 million persons in Europe in the age category 16 to 64.

The European Union is strongly committed to improving the position of people with disabilities who, as a group, presently face numerous barriers throughout the Member States, for example in gaining access to employment and to full social inclusion. On average, the participation rate of severely disabled people in the EU workforce is under 35%, compared to 70% for workers without disabilities. After the Lisbon Economic Council, a target was agreed to raise the employment rate for people with disabilities to that of those without disabilities by 2010. In order to achieve this ambition, three key dimensions must be considered.

The first is the fundamental right to fair and equal treatment of everyone within the Union, including people with disabilities. The second is continued economic development, while the third pertains to the partnership approach, which states that all parts of society should be involved in mitigating barriers.

A new publication of the OECD ascertain:

“Too many workers leave the labour market permanently due to health problems, and yet too many people with a disabling condition are denied the opportunity to work. This is a social and economic tragedy common to virtually all OECD countries, and an apparent paradox that needs explaining. Why is it that health is improving, yet more and more people of working age end up out of the workforce relying on long-term sickness and disability benefits?

This first report in a new OECD series on sickness, disability and work explores the possible factors behind this paradox. It looks specifically at the cases of Norway, Poland and Switzerland, and highlights the role of institutions and policies. A range of reform recommendations is put forward. Government spending on sickness and disability accounted for 2.4% of GDP across OECD countries in 2004, nearly double the spending on unemployment benefits, which accounted for 1.3% of GDP in the same year. Spending on sickness and disability in Norway, Poland and Switzerland

exceeds the OECD average, representing between 3% and 5% of GDP, while unemployment benefit spending is below the OECD average in all three countries.

In all three countries, too little is done to avoid the flow from work to benefits and to move benefit recipients back to employment. At the same time, financial incentives to work and obligations for disabled people on benefits as well as employers are too weak. Many people with health problems can work, and want to work, so having a policy based around an assumption that they cannot work is fundamentally flawed. Helping those people to work is potentially a true 'win-win' policy: it helps people avoid exclusion and have higher incomes, at the same time as raising the prospect of higher economic output in the long term."

(Source: *Sickness, Disability and Work: Breaking the Barriers* (Vol. 1) Norway, Poland and Switzerland (2006) OECD Publishing)

### ***Inactive people***

When analysing the economically inactive population it is at once apparent that inactivity is extremely age and gender specific. The main reason for inactivity of young people is participation in education, while retirement is the main reason for inactivity of older persons. Women are much more likely than men to be inactive and having family responsibility as the main reason identified.

Since 1999 the share of the inactive population in the total population of 15 to 64 years old has dropped from 31.8% to 30.4% in the EU-25. Almost all of the decrease is due to an increase in the labour force participation of women. The share of inactive women has gone down in this period from 40.5% to 38.1%, while the share of men outside the labour force has remained almost stable, 23.0% to 22.6%. In the same period the share of inactive women has fallen even more in the old EU-15, from 40.6% to 37.6%.

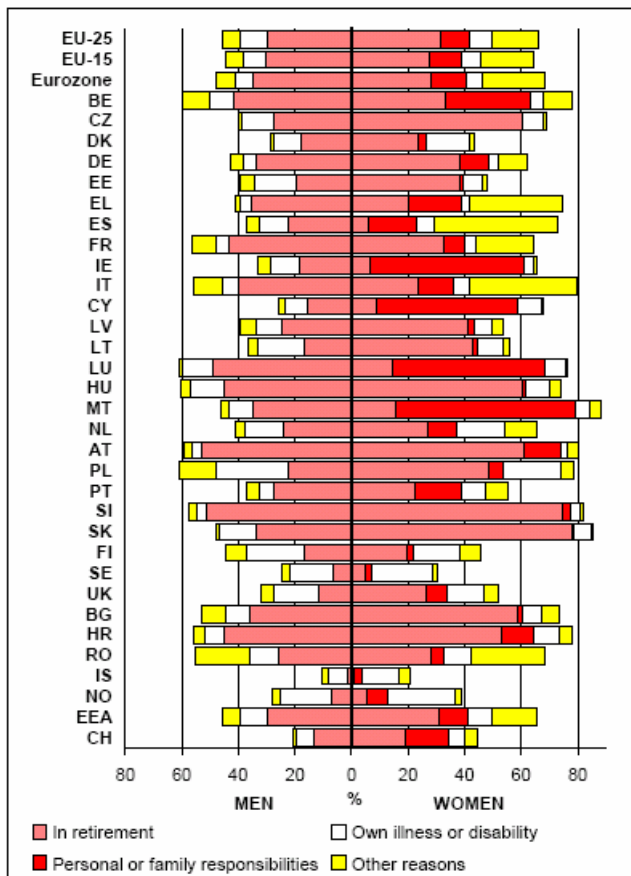


Figure 7. Inactivity rates of older persons (55-64) by sex and main reason for not being economically active in the EU-25, 2004. Source: Eurostat – LFS.

### **Increasing employability by OSH measures**

A report from the European Agency for Safety and Health at Work (Occupational safety and health and employability, Luxembourg 2001) highlights how safety and health measures more specifically can contribute to increasing the employability of European workers. The report brings together 26 case studies from 13 Member States that emphasise a pro-active approach through "prevention", "rehabilitation", "reintegration" and "health promotion":

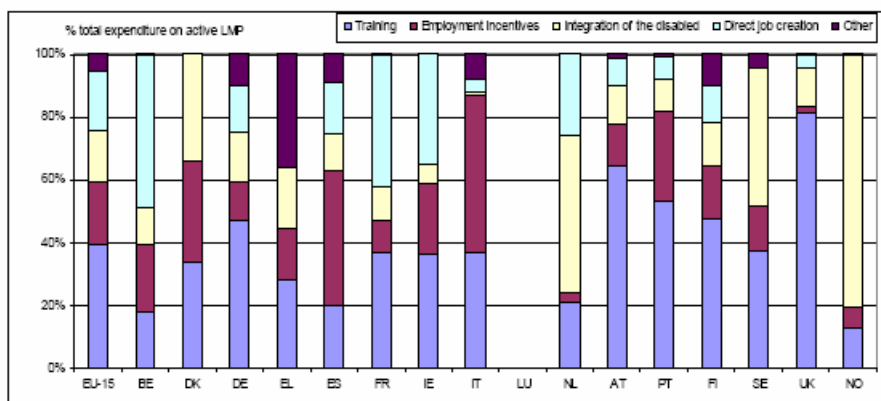
- preventing occupation-related injury and illness through major programmes that deal with health and safety hazards, such as the Finnish national programme to maintain the work ability of older workers which has actually lead to an increase in the labour market participation of elderly workers;
- rehabilitation of ill workers by providing services or adapting workplaces to help the ill or injured worker to recover from their complaints and reintegrate



into the workplace. This has been the case with the Danish Novo Nordisk example which has shown a rehabilitation rate of 55% for workers suffering from long-term illness;

- reintegration initiatives for longer term disabled people as is the case with the Spanish National Organisation for the Blind (ONCE) which employs over 45,000 workers with visual impairments and other disabilities, of which over 15,000 have been assisted in securing employment in the open market by its business Corporation;
- workplace Health Promotion initiatives which use the workplace as a setting to undertake activities aimed at improving the general health of the workforce. This is the case with a workplace promotion initiative in the German bakeries sector.

Graph 1 – Share of expenditure on active LMP measures by type of action, 2003



Source: Eurostat, Labour Market Policy database, September 2005

## ***Access to training (WCS 2005, European Foundation Dublin)***

Training is an important dimension of employability.

- There are substantial differences between the countries surveyed in terms of the level of training that employers provide: it ranges from 6%–10% in the acceding and candidate countries to around 40% in northern Europe.
- There are differences according to age and sex: older workers receive less training and women receive more training than men: 25% of men aged between 30 and 49 years received training from their employer, compared to 20% of men aged over 50 years.
- Workers with a higher educational level receive more training: only 10% of those with a primary level of education received training over the previous 12 month period compared to 40% of those with third-level education.
- Public sector workers are twice as likely to receive training as those in the private sector (41% and 21% respectively).
- Most training is given to workers on permanent contracts (32%), followed by fixed-term contracts (29%). People working under a temporary agency contract (18%) or with no contract (11%) receive least training of all.

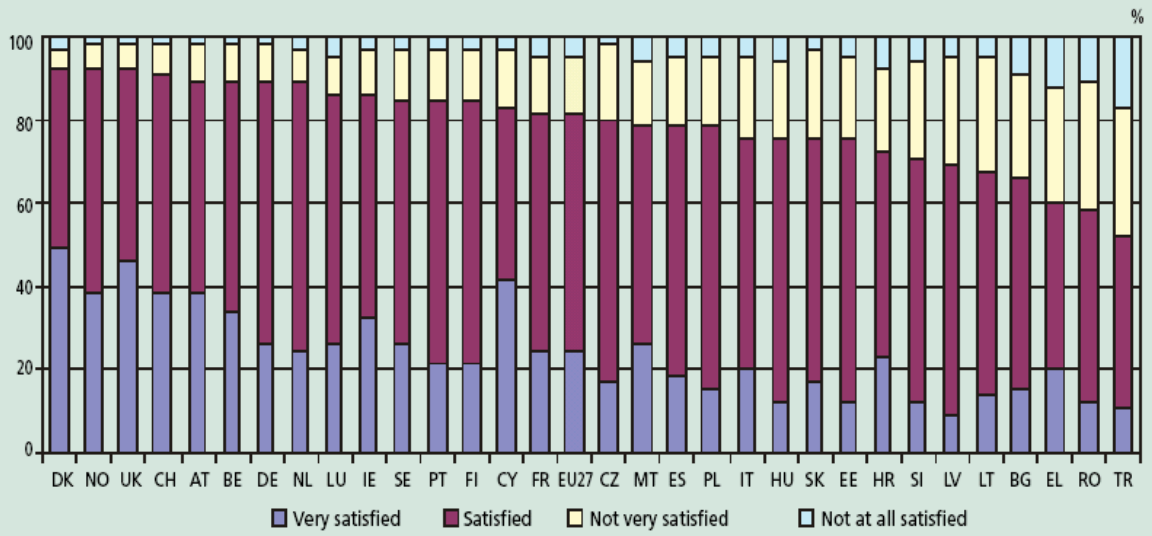
## ***Employability and survey data***

Survey data offer a really good picture about employees assessment of the quality of their working conditions. A good indicator is the satisfaction with the actual employment/work (see down). *This data are reported under completely other points and not cited here again.*

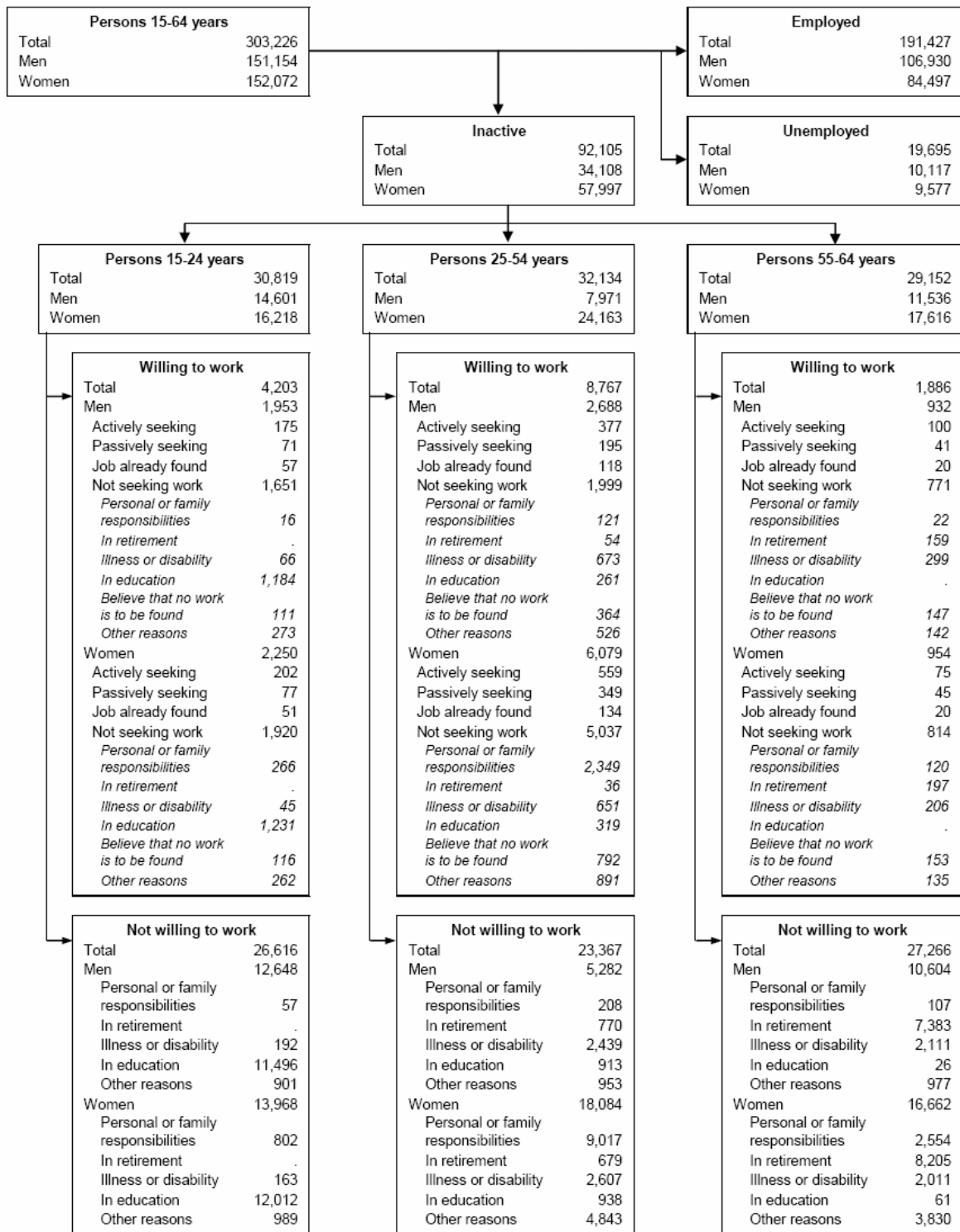
A just published Report of the BAuA about “What is a good job?” – a representative survey about employees attitudes to job, perceived stress and strain and working conditions – analyse the quality of work. One question refers tot the ability to work up to retirement age under the actual working conditions. Only 59% of the questioned workers are sure to work up the retirement age, 17% are unsure and 24% think that they will unable to work up to retirement age in their actual job. 55% of the last group report of heavy work load during their employment career. The effect on employment can be characterised by “health less”, “job less”, “chance less”.

The WCS has always shown the impact of work on health and sickness leave.

Figure 15 Job satisfaction, by country



**Figure 8 - Work status of persons 15-64 years in the EU-25, 2004 (× 1,000)**



Source: Eurostat – LFS.

“.” dots are used for extremely unreliable data.