



Models of Good Practice

Voestalpine AG



Branch:	Processing industry
No. of employees:	23.700
Products/services:	Steel, Automotive, Railway Systems and Profiform
Locations	Around 80 production facilities and sales locations in over 30 countries worldwide, headquarters in Linz, Austria

The global company, Voestalpine AG, is Austria's largest industrial group with approx. 20,000 employees. Its core business is the production, further processing and sale of high-quality steel products.

The company is set on a course of growth: The development of new markets and increases in sales are objectives for the coming years just as a major increase in the workforce. In view of the "war of talents" forecast to obtain young skilled workers and the explicit political objective of increasing the employment rate of older workers in accordance with the directives of the European Union, a "three-generation company" is to be created. This is to be attractive both for young, middle-aged and older workers so that the former decide in favour of Voestalpine at the start of their careers and the latter remain longer at the company.

With the LIFE programme, Voestalpine is a pioneer in Austria as a company which is sensitised to demography. "LIFE" is a programme and not a project – a programme for a future-oriented HR policy with which the company is aggressively tackling the changes in age structure in the world of work.

What is the LIFE programme? It all began after a six-month analysis period and a Board resolution in May 2002. Eight/Seven groups of experts were formed throughout the concern. They tackle the fields of action which are viewed as being particularly important from demographic aspects: corporate culture and staff development, staff controlling and HR marketing/recruiting, processes/ergonomics, health/fitness, working time/pay and integration management.

At the same time, the managing directors of the individual companies of Voestalpine are requested, in line with target agreements, to work out a specific HR strategy for their respective site. The expert groups are ideas workshops. Under the focal themes, concepts and procedures are developed on how



“joie de vivre, inventiveness, fitness and success” can also be experienced and supported with increasing age in the company. These four terms stand for LIFE (in German).

Each team comprises representatives of the HR management, the works council and key corporate functions as well as the experts responsible for the subject (e.g. occupational physicians, labour lawyers, recruiters) from different works. Each group is headed by a mentor high up in the hierarchy. These mentors together form the “LIFE core group” in the sense of a steering committee. Here the draft concepts are discussed, supplemented, detailed and corrected. After “going through this shake-up process”, the “power promoters” involved decide whether and to what extent the proposed changes are implemented.

The approach selected with LIFE is holistic and geared to the long term. As a result, concrete and harmonised action is developed and implemented, for example:

“Formula 33”, a concept according to which all employees can in future use at least 2% of their working time every year to undergo further training. This does not simply involve seminars but, for example, job rotation or “trial weeks” in other departments. Therefore, the “Formula 33” campaign also stands for the “3 pillars of development”, i.e. “on, near und off the job”, for all 3 generations.

A pilot project at the Linz factory where a plan is worked out in conjunction with 100 shift workers on what activities can be moved from night-time to daytime in order to reduce the night shift work for older employees;

The maximum rise in the age limits for applicants both in in-house career planning and for external job advertisements.

In addition to the development and implementation of concrete projects, a broad-based discussion is organised with LIFE in the company about necessary age-appropriate changes to suit all generations involving the management as well as the works council, the executives and the workers. The company has created its own internal website and designed a series of posters for the in-house communication of the core objectives of LIFE and as support for the opinion-forming process; articles were published in staff magazines and newsletters, workshops and seminars were held for different target groups and even a cabaret show was staged on this subject.

Key starting points to shape the world of work attractively for older workers are as follows, according to other statements of the programme promoters:

- the attitude of the executives and their approach towards the employees;
- innovative, creative tools and programmes, for example flexible working time systems, staff appraisal talks, job rotation and
- the corporate culture as the “ground in which everything thrives“.

The LIFE programme is supported and advanced jointly by the company management and the works council – under the patronage of the CEO (Chief Executive Officer). The initiative originated in the sector “strategic HR management”; the Institute for Workplace Health Promotion (IBG – health@work) conducted analyses beforehand, helped to develop the programme and supported the activities with advice. The active participation of the employees is an integral part of the programme. Agreement was



reached at top management level that, in addition to financial control factors focusing on short-term success, comprehensive measures for the long-term maintenance of the human resources represented important investments in the future and were therefore a key corporate objective even though they “are difficult to express in figures”. The fact that Voestalpine is traditionally characterised by a pronounced social responsibility to its employees also plays a role.