

**Press release**

**KBC and older staff opt for unique end-of-career approach with Minerva Plan**

*SD Worx and KBC explore end-of-career issues in white paper*

* Older KBC staff members can now choose from five career tracks
* Minerva Plan makes it possible to work outside KBC while retaining a KBC contract
* Legal barriers urgently need to be dismantled
* Ageing population requires national end-of-career taskforce

**Brussels, 20 February 2014.** *Thirty KBC employees reach the age of 62 each year. In five years, that figure will be 300. And in ten years as many as 500. KBC has developed the Minerva Plan to keep this large group of older employees motivated and at work. This end-of-career plan means older employees will be able in future to choose from* ***five career tracks****, each based on a combination of working hours and job levels. The chosen tracks are set out in the* ***i-Deal****, a* ***personalised agreement*** *between the employee and KBC.* ***Four parameters*** *shape the i-Deal: interests, job level, working hours and career length. Staff members themselves, in consultation with their manager, choose the career track that best meets their expectations. The choice of track is personal and free.* ***Track 5*** *is the most* ***radical****: employees who choose this option will be able to work at an* ***organisation other than KBC*** *while retaining their* ***KBC employment contract****.*

*SD Worx and KBC’s white paper,* **‘De weg naar langer werken’** *(the road to working longer) places the end-of-career issue at the top of the agenda. Both organisations emphasise the fact that working for longer is the responsibility of all stakeholders, i.e. employers, the government, unions and employees. The Minerva Plan – the first initiative of its kind in Belgium – also highlights the need for certain* ***legal barriers*** *to be dismantled in areas such as* ***employer groups****. The latter are an important element of Track 5, the rules for which are currently being amended by Employment Minister Monica De Coninck. Lastly, there is also a significant need for a* ***national taskforce****. Belgian employers ought to be engaging more actively with the end-of-career issue. A taskforce will encourage them to get together, think about the issues and work out concrete solutions.*

**KBC’s Minerva Plan marks a break with traditional employment patterns**

The age pyramid of many companies speaks volumes. Baby-boomers are heading toward the end of their careers en masse. More Belgians are going to have to work for longer if the social security system is to remain affordable. Research by SD Worx shows that 83% of Belgian businesses would like to keep their staff in post until the age of 65. However, for four out of ten employers, this is conditional on the staff members in question being in good health, being able to keep up with the pace work, and above all remaining motivated.

KBC is meeting this challenge with its Minerva Plan – a solution for older employees that is unique in Belgium. The Plan is based on KBC’s recognition of older employees’ talents, rather than simply focusing on solutions like bridging pensions, which are a short-cut and cost society a huge amount of money. The Minerva Plan, by contrast, gives staff members the chance to plan the final stage of their career based on the principle of the voluntary ‘i-Deal’. Not only will this meet employees’ expectations more effectively, it will also enable the organisation to benefit fully from their talents and hence to keep them motivated. Employees can base their ‘i-Deal’ on five equally valuable employment tracks, not only at KBC itself but – for the first time – elsewhere too. In this way, KBC is moving away from the traditional pattern of employment. Staff will now be able to take up a professional challenge elsewhere, while still retaining their KBC employment status, giving a fresh boost to the closing stages of their career.

**Challenge: keeping the growing number of older staff motivated**

Today, almost 26% of KBC’s workforce consists of over-50s, with 20% in the 45–50 age bracket. 30 or so KBC employees currently reach the age of 62 each year. In five years’ time, however, that rate will rise toward 300 a year and in ten years to as many as 500. Working for longer has become a necessity to keep the funding of pension, health care and unemployment costs under control. The demographic changes facing KBC are not, however, an isolated factor. Many enterprises and institutions will have to deal with them in the future.

‘*Corporate HR policy is having to deal with a new and specific challenge. There is a pressing need, therefore, for a new, innovative and structural approach that goes beyond drawing up ambitious employment targets*’, says **Jan Laurijssen, HR Innovation Manager at SD Worx.** ‘*The focus should increasingly be on a motivating end-of-career policy, alongside the traditional recruitment and replacement policy.*’

It is against that backdrop that KBC is launching a unique end-of-career approach, the Minerva Plan. **Erik Luts, Senior General Manager for Direct Channels, Support & HR at KBC**: ‘*KBC’s Minerva Plan aims to open up the debate about the end-of-career issue. It offers the employer and staff a framework in which to focus together on the kind of role the employee wants to play at the company in the years ahead. What makes this approach unique is that employees can plan the final stages of their career themselves, taking account of several factors, specifically their personal interests and talents, their job level, the desired employment percentage, and the length of their remaining career. With the Minerva Plan, we are therefore inviting our employees to pause and think carefully about the final years of their career.*’ At the same time, KBC is addressing a taboo in professional life. Career-building tends to be the norm nowadays, but scaling down your career can be just as relevant. In many cases, it is a meaningful way to give fresh impetus to the closing stages of a working career, while also creating time and space for other interests.

**‘i-Deal’ offers choice between five equally valuable employment tracks**

Self-determination for older employees is central to KBC’s Minerva Plan. It will, after all, be far more motivating for them if they are able to make their own choices for the next ten or so years until they retire, rather than having them imposed by others through standardised procedures applying to all employees.

The individual choices are set out in an **‘i-Deal’** – a voluntary, personalised agreement that will deliver a better match between the employee’s expectations and those of the organisation. Since not every employee has a clear-cut idea about their future, it is important for managers to be involved very actively throughout this process as well. ‘*This way, KBC will be able to make better use of its older employees’ expertise while simultaneously motivating them and offering them realistic prospects for the future*’, **Erik Luts** continues.

KBC is offering five equally valuable tracks:

* *Track 1: Continue to work in the same way and/or build career further*

The employee indicates that he or she wants to continue in the same way and at the same level until retirement, or even to progress further. In other words, he or she is completely committed to continuing his or her career at KBC, with all the associated development opportunities (these also remain accessible, incidentally, in the other tracks).

* *Track 2: Reduced hours*

The employee wants to continue working at the same level, but would like to reduce his or her hours, with a view to a better work-life balance. This can be ‘horizontal’ (half days or a lighter schedule, for instance) or, assuming this is organisationally feasible, ‘vertical’ (e.g., working in blocks of days, or working full-time in certain months while not working at all in others).

* *Track 3: Lighter duties*

In this case, the employee’s working hours do not change, but he or she wants to work at a level with fewer responsibilities and/or less complexity. An example would be moving from a management to a support function, in which expertise is the principal requirement.

* *Track 4: Reduced hours and lighter duties*

A combination of Tracks 2 and 3.

* *Track 5: Working elsewhere*

The employee would like to put his or her expertise to work outside KBC, while retaining KBC job security.

‘*By clearly positioning these tracks alongside one another, employees get a better insight into their realistic choices*. *Above all, the fact that KBC is presenting these options as equally valuable will encourage people to look at the alternatives, rather than letting things get on top of them. So the Minerva project offers clear added value*,’ says **Dirk Debackere, Secretary of the KBC Works Council**.

Some 200 employees had already joined the forerunner of the ‘i-Deal’ (that forerunner being an end-of-career agreement in which they could reduce their hours and workload). The social partners were actively involved in working out the details of the Minerva Plan.

**Unique: working elsewhere without losing KBC job security**

By giving employees the opportunity to put their experience and know-how to work outside the organisation, while still retaining their employment status, **KBC is breaking away from the traditional pattern of employment for the first time**. Employees who opt for this track can work in both the commercial and the non-profit sector, so that their experience and know-how can be shared by the participating employers. This can occur on a temporary basis, but also through to the employee’s retirement. Employees are given the chance to reorientate in the field that suits them best, while retaining the security of a possible return to KBC, to which they can then contribute their newly gained experience. In return, employers wishing to engage in this track with KBC gain specific financial and technical expertise in-house on a short-term basis. They can make full use of this to develop the project in which the KBC employee is involved.

This fifth track of the Minerva Plan could offer a creative solution for many employees to find a new professional challenge. It nevertheless presents KBC with a number of practical and **legal obstacles**[[1]](#footnote-1), which could be avoided through amended and more flexible employment legislation. To this end, a group of businesses including KBC and SD Worx have initiated a **dialogue** with the office of Monica De Coninck, the Employment Minister, who has announced the relaxation of the legal rules on employer groups. **Leen Van Damme, Legal Business Manager at SD Worx**, is calling, however, for the legal amendments to be widened as much as possible, so that SMEs and medium-sized enterprises can also make use of them: ‘*Minister De Coninck seemingly intends to limit changes to the external mobility of talent in the event of restructuring. There are, however, more situations than that in which talent-pooling would be a good solution. I can definitely see attractive opportunities for SMEs and medium-sized enterprises, which can share both talent and pay costs in that way. For the time being, this opportunity only exists for public-sector organisations, and is not possible between the public and private sectors.*’

**White paper as inspiration**

KBC is by no means the only business facing these developments. KBC and SD Worx are both convinced, therefore, that employers in Belgium need to start focusing on these issues and on potential solutions. They will certainly find some good ideas in the white paper KBC and SD Worx have drawn up together: [‘*De weg naar langer werken. Het Minervaplan van KBC, een nieuwe aanpak’* (the road to working longer. KBC’s new ‘Minerva Plan’ approach).](http://www.sdworxblog.be/wp-content/uploads/2014/02/KBC_WhitePaper_Langer_Werken_2014.pdf)

**For more information, please contact:**

Viviane Huybrecht, General Manager, Corporate Communication/Spokesperson, KBC Group

Tel + 32 2 429 85 45 – E-mail: pressofficekbc@kbc.be

Dirk van Bastelaere, Press Officer, SD Worx

Tel. + 32 3 201 72 05 – Mobile: + 32 498 94 69 52 – E-mail: dirk.vanbastelaere@sdworx.com

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| **KBC Group NV****2 Havenlaan – 1080 Brussels****Viviane Huybrecht****General Manager,****Corporate Communication/****Spokesperson****Tel. + 32 2 429 85 45** | **Press Office****Tel. + 32 2 429 65 01 Stef Leunens****Tel. + 32 2 429 29 15 Ilse De Muyer****Fax + 32 2 429 81 60****E-mail:** **pressofficekbc@kbc.be** | **KBC press releases are available at** [**www.kbc.com**](http://www.kbc.com/) **or can be obtained by sending an e-mail to** **pressofficekbc@kbc.be****Follow us on** [**www.twitter.com/kbc\_group**](http://www.twitter.com/kbc_group) |

**About KBC**

KBC is an integrated multi-channel bank-insurance group, catering mainly for retail, SME and local mid-cap clients. It concentrates on its core markets in Belgium and certain Central and Eastern European countries (Czech Republic, Slovakia, Bulgaria and Hungary). Elsewhere around the globe, the group has established a presence in selected countries and regions.

KBC offers banking, insurance and asset management products and services through its integrated distribution channel, made up of bank branches, insurance agents, brokers and online. KBC’s head office is in Brussels. The group employs more than 36 000 FTEs and is listed on NYSE Euronext Brussels (ticker symbol ‘KBC’).

**About SD Worx**

SD Worx is a European HR consultancy headquartered in Belgium. The group offers a full service offering for the employment of staff including payroll calculation and administration, training, HR research, social, legal, tax and HR advice, and specialised software for HR services and in-house support.

SD Worx has 26 offices in Belgium. It offers international employment solutions in more than 20 countries, from its own offices and via high-grade partners. Its almost 2 000-strong workforce serves over 40 500 clients in the private and public sectors, both SMEs and large organisations. SD Worx is Europe’s third largest HR provider, performing over 1 179 000 pay calculations every month. The group’s consultancy department employs 550 specialists and enjoys a leadership position in the different HR disciplines.

1. For example, when setting up co-sourcing via a group of employers – i.e. exchanging employees within a group of employers, based on matching of demand and supply of the available labour. One major hindrance to applying this model is the law which currently limits a framework agreement of this kind to ‘long-term unemployed job-seekers, social security claimants and financial social assistance recipients’ (for seasonal work), and does not focus on educated, professional employees. [↑](#footnote-ref-1)