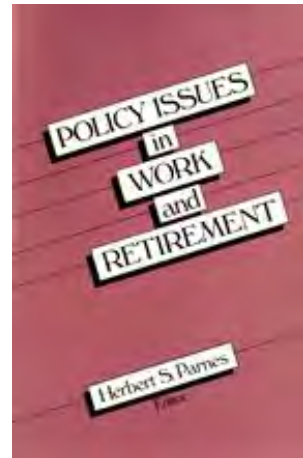




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Chapter 5

Keeping Older Workers on the Job: Methods and Inducements

Daniel E. Knowles

I'm very pleased to have the opportunity to speak on the subject of the middle-aged and older worker. When I became 39 years of age I developed an interest in this subject because I finally became a member of one of the quasi-protected groups—a group that, God willing, we all get to belong to. Since then I've spent considerable time going around the country giving talks on the subject to anyone who would listen to me. On many occasions I've run down to a House or Senate committee to testify before committees looking into the Age Discrimination in Employment Act (ADEA) or similar legislation. Probably the reason I've had so many invitations to speak, testify, do magazine and newspaper interviews, and write papers is not because I'm so good at it, but rather because there are so few people in industry or the business sector who are at all interested in the middle-aged and older worker—the largest and most neglected segment in the workforce today. Not only has industry in general ignored the middle-aged and older worker, but government, specifically the Congress and Department of Labor, has likewise viewed and treated this backbone of our society with benign neglect.

My very first thought when considering the title of the paper I was being asked to write was that the problem is not keeping older workers on the job (that's almost a mechanical

question) but rather how one creates an environment in the workplace that is conducive to the middle-aged and older worker's either being able to or wanting to stay on the job. My second thought was to examine my own feeling on keeping the middle-aged and older worker on the job, and I had to recognize that although I want to see them staying on the job collectively, I don't want to see a single older worker staying on the job if he or she doesn't want to. I think it's time we viewed the subject from a more behavioral perspective. Retirement is moving in two directions at the same time. There is, on the one hand, a trend toward earlier retirement and, on the other, a strong manifestation of a desire to be free to work as long as one wishes. What this really signifies is that people want more to say about their own destiny; they want society and industry to offer more freedom for individual choice rather than to attempt to manipulate older workers in order to achieve other objectives. From this point of view, it is equally objectionable to try to get rid of older workers to make room for younger people as to try to keep them on the job in order to salvage the Social Security system.

With that statement of values out of the way, let me now address the topic that has been assigned me. Starting in the 1960s, considerable federal legislation has been enacted that has required affirmative action to combat discrimination against minorities, women, the handicapped and veterans. Legislation and executive orders, such as Executive Order 11246, the Civil Rights Act of 1964, the Equal Pay Law of 1967, the Rehabilitation Act of 1973, and the Vietnam Era Veteran Readjustment Assistance Act of 1974, have provided the full weight of the federal government to ensure that these protected groups got a fair shake. Is it any wonder that annual audits by the Office of Federal Contract Compliance of the Department of Labor have caused the quality of life in general to improve for these groups covered by affirmative action programs? Affirmative action programs are big

business within big business today. Millions of dollars, if not billions, are spent each year by government and business to ensure compliance with the law.

No one with a sensitive conscience can deny the importance and righteousness of affirmative action for these groups. My quarrel is not with government and its concern with these groups, but rather with the benign neglect the government has demonstrated towards the middle-aged and older workers, the forgotten Americans who represent the largest of the so-called protected groups.

In 1967, Congress passed the Age Discrimination in Employment Act. While its motivation is obscure, it nevertheless focused attention on the question of discrimination. The message to industry and business 15 years following the enactment of the Act is still obscure. The message, in short, has been "Do not *overtly* discriminate against the middle-aged and older worker, especially by policies that affect *groups* of such employees." The ADEA's impact on industry has been minimal. As compared with the action-oriented positive thrust of affirmative action programs for other groups, the ADEA has constituted little more than an occasional irritant. While the impact on industry has been minimal, the impact on the middle-aged and older worker has been significant. The discrimination against the elderly is the most insidious type of labor market discrimination taking place today. For one thing, a good part of the discrimination is subconscious and subtle (people discriminating against the older worker are often not aware they are discriminating). For another, age discrimination is insidious because it is being perpetrated not by younger workers but by other older workers who are in the management positions to do the discriminating. Finally, since the middle-aged and older workers are the largest of the so-called protected groups, there is greater potential for discrimination against them.

I find it ironic that the legislation itself, ADEA, is discriminatory because of its exclusion of executives from the prohibition of mandatory retirement below age 70. If an employee is key and is guaranteed a certain pension, he or she can be involuntarily retired as early as age 65. If the pension is below the specified amount, on the other hand, the company cannot involuntarily retire the person until age 70.

If Congress accepts the fact that ADEA has not kept pace with other legislation in the area of discrimination, it should enact further revisions of the Act to require, as a minimum, that:

1. The Department of Labor promote education programs in industry pertaining to the middle-aged and older worker.
2. The Department of Labor support research relating to middle-aged and older workers and disseminate its findings to industry.
3. Industry be provided with detailed demographic information by skills and age so that companies can better understand how the composition of their workforces compares with the availability of older workers.

It should be the goal of Congress, through such legislation, to require the Department of Labor to institute a meaningful program of voluntary action that will accord a "fair shake" to this group. Industry cannot and will not meet the needs of these people unless Congress directs the Department of Labor to provide industry with the tools to do so. If business, given the necessary tools by the Department of Labor, fails to comply voluntarily with the principles of fairness and fails to enact a voluntary affirmative action approach to the older worker, it will have no one to blame but itself if Congress enacts further legislation requiring an an-

nual formal affirmative action plan similar to that required for the other protected groups.

The Department of Labor should institute an ad hoc committee to prepare a "How To Do It" booklet that would include an awareness section depicting the plight of the middle-aged and older worker; a section devoted to exploding such myths about older workers, as "you can't teach an old dog new tricks"; information on the demographic composition of the workforce; and a demonstration of how a company should undertake a self-analysis of its workforce by age. Failure by the Department of Labor to take such positive steps will only convince American industry of the government's indifference toward this important segment of our workforce.

Industry is similar to Congress and the Department of Labor in at least one respect: all three are pragmatists. Each group, at its leisure, can pay lip service to the dignity of all mankind, of all Americans, and even of all of the heterogeneous groups that make up the national workforce. Yet industry, in general, is quick to respond to the pressures of running a business. These pressures can take the form of production, quality, costs, schedules, sales and, yes, even affirmative action programs. Failure to comply means sanctions; consequently, affirmative action programs have been industry priorities or "must jobs," while concern for the middle-aged and older worker has been at best a "should" or "like to do" job and, at worst, has been completely unknown to a major segment of industry. If the average company were asked if it discriminates against the older worker, I am sure it would reply indignantly that it does not. But I submit that probably not one company in ten thousand has ever examined its own organization's age structure in comparison with the limited workforce availability statistics provided by the Department of Labor. We are all caught up

in the youth cult and are its victims. When in need of additional personnel, what manager of a department isn't looking for a 26 year old college graduate with ten years of experience? The entire society seems to be living according to the advertising messages in all the media: "If you're not part of the Pepsi generation you should be put out to pasture."

Older workers, in most cases, are being discriminated against by companies that are unaware that they are discriminating and, what is worse, employees are unaware that they are being discriminated against because of the subtleties.

Although there is an increasing awareness of age discrimination on the part of individuals and companies, the awareness is momentary; that is, when an allegation of discrimination is made by an individual, the company gives it the same attention as a leak in a factory window. Fix the leak and back to business as usual. Little thought is given to reviewing the causes of the alleged discrimination. Most employers are more likely to attribute allegations of age discrimination to paranoia.

An industry mentality that young is good and older is bad results in a self-fulfilling prophecy. As older workers perceive an expectation by management that their value and ability will diminish, they sometimes behave in ways that contribute to the myths.

Basically pragmatic by nature, industry will respond to the needs of the older worker if it can be convinced that it is good business to do so. Let me summarize a minimum agenda for industry before we turn our attention to specific programs. With a commitment from top management, a company should:

1. Promulgate a positive policy of ensuring a "fair shake" for employees between the ages of 40 and 70.

2. Make the policy statement known to all employees and require the subject to be included in all supervisory development programs in the company.
3. Review company personnel policies, practices and benefits to determine if there are built-in prejudices not consistent with fair treatment. At a minimum, the review should include hiring, promotion, career counseling, performance appraisal, training, compensation, termination, retirement, pension, long-term disability, life insurance and other benefit programs and recreational and social programs.
4. Perform an analysis of workforce composition based on minimal available demographic data provided by the Department of Labor. For example, according to the Bureau of Labor Statistics' Employment and Earnings of June 1981, 41 percent of the national workforce is over age 40 and 31 percent is over age 45. The age composition of the company's total workforce should be measured against these standards. Comparable analyses should be made by broad categories of employees—e.g., officials and managers, professional, clerical, and blue-collar workers—as well as by specific skills.
5. Set up a mechanism within the company to ensure that an employee who alleges age discrimination can have his or her case reviewed objectively and that a fair solution is provided.

In the final analysis, if a company is clearly perceived to have a positive philosophy and set of attitudes toward the middle-aged and older worker, there is relatively little need for special programs; unfortunately, the converse may also be true, i.e., that special programs for "keeping the older worker on the job" may be present in organizations that are either discriminating against or underutilizing middle-aged

and older workers. I submit that there are not significant differences between older and younger workers and that the belief that there is, is the biggest myth of all about the older worker. For example, younger people have just as much absenteeism as older workers; they take time off for different reasons. In one study of a large manufacturing company that laid people off on the basis of performance rather than seniority, a layoff of 13,000 persons resulted in a rise in the average age of the remaining workforce from 37 to 45. In that case there appeared to be a positive correlation between age and performance.

The key to the need for special programs is through an analysis of your company's activities. If your training, promotion, recreational activities, etc., fairly represent the middle-aged and older worker in proportion to the company workforce as well as the national workforce, nothing special should be necessary. It is only if there is an imbalance that corrective action through special programs should be instituted. In general, the solutions to specific problems are obvious. If older employees are underrepresented in the company's recreational and social programs, an analysis may indicate that there is too much emphasis on sports and not enough on clubs; if older workers are not proportionately represented in company-sponsored training programs, the selection procedure can be reviewed and the imbalance corrected. If older workers are overrepresented in layoffs or terminations for other reasons, the reasons and solutions may not be as obvious but should be thoroughly investigated so that whatever corrective action is warranted may be taken. "Keeping older workers on the job" should only be considered in response to a demonstrable problem. In other words, "if it isn't broke, don't fix it." Older workers should be free to leave an organization to start a second career or to go into retirement or to stay on the job without having government, industry, or gerontologists manipulating them

through programs. At best I'd consider a phased retirement program to assist the older worker who can't decide between full employment and retirement. But it is important that such a program be mutually agreeable to both parties and that it not be used as a tool to get rid of older workers. Another program that I think has great value to both industry and retirees is a part-time, temporary, or on-call workforce made up of retirees who are interested in participating. Maintaining a skills bank of retirees can be a significant program of mutual benefit to a company and its retirees. Companies can also advertise the availability of the skills of their retired employees to other companies in the community as another method of maximizing post-retirement labor market opportunities. The best technique of ensuring the welfare of retirees is for companies to sponsor and support an active Retirees' Club to act as an adjunct to the company in supporting the needs of its retirees.

In summary, if the climate is right within an organization, there is little need for programs to induce older workers to remain on the job; older workers really are just like other workers, some good, some bad, some leaders, some followers. Such programs are needed only to the extent that there have been demonstrable injustices to older workers in the past, and can be successful only if the sources of such injustices are eliminated.

Such programs are at the end of the journey at best. The work is just beginning to form a partnership between the Congress, the Department of Labor, and industry to develop an environment that replaces benign neglect with concerned respect for middle-aged and older workers and accords them the recognition they deserve as the largest segment of the national workforce. Hopefully, within our lifetime the follow-

ing poem will no longer be applicable in summing up society's attitude towards the older worker:

“In savage tribes where skulls are thick,
And primal passions rage,
They have a system sure and quick
To cure the blight of age.
For when a native's youth has fled,
And years have sapped his vim,
They simply knock him in the head
And put an end to him.
But we, in this enlightened age,
Are built of noble stuff.
And so we look with righteous rage
On deeds so harsh and rough.
For when a man grows old and grey,
And weak and short of breath,
We simply take his job away
And let him starve to death.”