

# **OLDER WORKERS, NEW DIRECTIONS** **employment and development** **in an ageing labor market**

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*Older workers, New Directions.*  
*Employment and Development in an Ageing Labor Market.*  
Miami (FL.USA):  
Center for Labor Research and Studies,  
Florida International University.

ISBN 0-9778128-0-4  
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## PREFACE

Western countries are struggling with a major demographic shift: ageing workers. The labor market has to cope with a graying workforce. After a period of encouraging if not mandating, early retirement, on a large scale in many countries, the retention of older workers in employment has recently become a core issue, but policies and strategic conditions differ across countries. Some countries, especially from the West-European continent, with The Netherlands as a typical example, have a tradition of collective early retirement, with very attractive financial conditions, facilitated by the government and the employers. And up to now the bargaining of unions often focused on collective financial conditions for early retirement rather than provisions for remaining at work or retraining for different positions. The situation on the North-American continent, with the USA as an important example, is completely different. Although employment of older workers is protected by law, employers find ways to dismiss older employees regardless of the employees' desire to remain. Collective bargaining of the unions does not focus on collective financial conditions for early retirement. And few people or organizations see the individual's right to leave early as a problem for their graying country.

This E-book offers a wide array of academic, organizational, and political insights about employment and development in an ageing society. Research on older workers will help to find solutions for ageing related problems in the labor market, but studies which are carried out come from researchers from different disciplines: economics, education, psychology, public policy, sociology, etc. Research on older workers is a fragmented domain. So we invited scholars from different backgrounds to contribute to this project based on recent and varied perspectives.

The Academy of Human Resource Development (AHRD) offered an opportunity, preceding their yearly conference in February, 2006 (Columbus, Ohio, USA), to organize a pre-conference on special issues related to ageing at work. Contributions of this preconference, arranged at the macro level (national and international issues), via meso level (organizational and managerial issues) to the micro level (individual issues of older workers), form the chapters of this book.

*February, 2006,  
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# 1. New perspectives on Older Workers: General Introduction

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## **Abstract**

The purpose of this contribution is to provide a rough overview of older worker issues at the macro (national, international), meso (organizational, managerial), and micro (individual) level from both European and USA perspectives. Studies into the differences and similarities of policy initiatives in various European countries and the USA are important so that we can learn from one another. In the US and European countries early retirements were commonplace and thought of as a replacement strategy opening positions for younger workers. Demographic changes have meant more older workers than younger workers which raises various societal, organizational, and personal issues. Societal issues include financial support for retirement, a smaller tax base because of fewer workers, which in turn will impact provision of services and public facilities. Organizational issues include loss of organizational memory, understanding the causes of the skilled labor shortage, developing line managers who can facilitate policies designed to keep older workers, confronting ageism, and a lack of skilled replacement workers. Personal issues include deciding to remain or to retire, and resisting the ageist image of themselves as incompetent with decreasing abilities and skills.

## **1. Introduction**

The German statesman Otto von Bismarck is seen as the first person introducing – as early as 1889 – a form of state pension for older workers. He cannot be blamed for being wasteful of government funds or being an extreme humanitarian politician. He took this initiative just for political reasons: he wanted to take the wind out of the sails of the socialists within parliament whom he hated. The funding of early retirement at the age of 65 did not, of course, present a problem in an era during which the average life expectancy was approximately 45 years. Initially Von Bismarck considered a lower retirement age but after conducting an economic analysis he thought it unrealistic in view of the ratio between workers and non-workers in the labour market (Börsch-Supan & Miegel, 2001; Kunisch, 1992).

Von Bismarck's case, which opted for 65 as the standard retirement age, served as the common model. In the meantime, however, a lot has changed in respect to life expectancy, the changing proportions of people alive in different generations, advances in medicine that allow longer and more productive lives (Albrecht & Bury, 2001), the tradition of working until or retiring at the age of 65 and organizations use of early retirement incentives for restructuring purposes (Feldman, 2003). These changes and traditions, and others, encourage reflections on new directions for older workers.

The purpose of this paper is to provide an overview of issues at the macro, meso, and micro level from both European and USA perspectives. In the following section we will offer a rough description of some important new directions: developments at macro level (national and international) in part 2, at meso level (organizational and managerial) in part 3, and at micro level (older workers from individual perspective) in part 4. Finally, part 5, we will summarize major conclusions.

## **2. Workforce participation in Western countries: heading for a change**

In many Western countries a massive number of older workers retired early during the past decades of the last century. The turbulent restructuring of many sectors can be considered the prime cause of this phenomenon. In the US cohorts of men increasingly retired, due in part to early retirement incentives, from the 1960s to the 1980s when early or on time retirements of men levelled off (Anderson, Gustman, Berry, & Steinmeier, 1994). In Europe we could see a similar development, especially during the seventies and eighties (Kohli et al, 1991). The fact that in many organisations the average age of workforces was consequently reduced has been considered a welcome form of staff “replacement”. This so-called replacement policy implied early retirement of many older workers and the recruitment of a much smaller number of younger employees. In many organisations this restructuring had the characteristics of an efficiency operation and consequently of down sizing. Without ignoring relative retirement differences between Western countries and regions, between Europe and North America for instance, scientific and managerial publications endorse one major conclusion: a dramatic reduction in workforce participation by older workers (Kaufman, 1995; Kohli et al, 1991; Munk, 1999).

The result of the ever increasing ageing and rejuvenation of the population is that Western governments are considering the possibilities and limitations of early retirement a hot issue, regardless of whether or not these governments have to a greater (e.g. Belgium and The Netherlands) or lesser extent (e.g. The USA) been funding early retirement. At the national and international levels people are thinking of new ways and means, of possibilities which may directly or indirectly promote working longer (Ilmarinen, 2002; OECD, 2001; Poulos & Smith Nightingale, 1997).

The perspective of older workers is changing: to “active ageing” (Walker, 1999), to bridge employment (Shultz, 2003), shadow careers (Geer, 1997), second careers (AARP, 1992) and to become entrepreneurs (Minerd, 1999). For active aging and the other concepts the explicit reference is to choices older workers make to remain within and not outside of working life. Decisions made by the employee and employer impact the decisions to remain, retrain, or redesign work (Rocco, Stein, & Lee, 2003). But the early retirement tradition was often considered attractive from an individual and organizational perspective and many people showed “anticipating behavior” (no career plans, no additional training etc.), and this does not make it easy to encourage an active aging policy. Organizations are more likely to facilitate active aging by creating policies for retired workers to return or remain in redesigned positions according to the rank, education, and degree of expertise of the worker and the worker is more likely to remain because of the enjoyment found in working (Stein, Rocco, & Goldenetz, 2000).

Although one cannot expect an immediate round of approving applause from older workers in respect to suggestions to work longer, at the level of their managers and their organisations the picture appears to be changing. Most companies realise that in the long run employment and staffing opportunities are decreasing as a result of ageing. Even as they embrace the concept of working longer early retirement will sometimes be considered as an attractive short term solution.

According to a study Taylor (2002) staged in seven countries placing ageing on their political agenda: Australia, Japan, USA and four EU-countries (Finland, Germany, The Netherlands and the UK) the level of concrete form given to public policies on age and employment varies considerably both in respect to the type of measures used and their results. The workforce participation (percentage of the population with a job) of those over the age of 55 in these

seven countries (assessed in 2000) differs considerably. Workforce participation applies to men but even more so to women, i.e. from 25.8% in The Netherlands to 50.5 % in the USA (Taylor, 2002, p.6). Measures to encourage working longer differ a lot. In the USA, there is no question of a strong federal influence and differences between the states are not very significant. In The Netherlands we see during the last years some strong efforts to influence working longer which is to be expected in view of its limited size and administrative tradition. Recent EU studies regarding such subjects tend to combine The Netherlands and Germany (Van der Heijden, 2005) or Belgium, i.e. the Flemish part of Belgium (Raemdonck & Thijssen, 2005). Studies also group and describe other EU-countries as clusters implying that comparative international studies cannot always be easily interpreted and that certain rough conclusions are unavoidable. However, the doubts in Western countries about the early retirement tradition are undeniable: is this economically feasible and socially desirable?

Doubts as to **economic feasibility** are caused, by the demographic developments in Western countries. These developments have an adverse influence on the proportion of working and non-working people. It is traditional to depict a population's structure from young to old in the shape of a pyramid. However, the base of the pyramid is getting narrower (dejuvenation, i.e. fewer younger people) and the top is getting wider (ageing, i.e. more older people). The population's structure takes the shape of an urn rather than a pyramid. Although various countries with high unemployment figures do actually motivate early retirement of older workers by claiming that they are "creating room for youngsters wanting to work", the future is more likely to show a shortage rather than a surplus in workforces: conjunctural differentiations and fluctuations will only have a minor influence on that picture. Doubts about economic feasibility are governed by whether or not those that take early retirement have sufficient financial resources to sustain them and whether there are sufficient workers in the workforce. These doubts are certainly also related to macro-economic problems of the labour market. A society mainly consisting of non-working older people will be confronted with huge problems, even if these older people were all relatively rich. The shortage of working youngsters would have a severe impact on such a society: fewer workers means a smaller tax base which in turn will impact provision of services and public facilities. Governments often use these arguments in an attempt to slow down early retirement.

Doubts as to the **social necessity** of early retirement are related to changing insights. The reduced capabilities (abilities, knowledge, skills) of older workers have been and are regularly used as a motive for early retirement. Consequently, the question as to what extent ageing is accompanied by reduced capabilities plays an important part in the discussion about workforce participation of older workers. This point is more than any other question co-influenced by scientific developments. More than half a century ago Harvey Lehman published the well known book "Age and Achievement" (Lehman, 1953) in which he tries to explain that there is a link between age, performance differences and performance related capabilities. It actually provided scientific support for the long existing *deficiency hypothesis*, the belief that the human line of development can be depicted as a curve showing an increase in mental and physical capabilities during youth and adolescence followed by a gradual decrease from about the age of 35. The notion that a downward spiral, as opposed to the upward spiral in younger years, becomes noticeable as one gets older has traditionally been believed for centuries. The biological-psychological parallel regarding the development of all sorts of human capabilities, as described by Lehman, offered an evidential refinement of these pre-scientific assumptions. Following a long and intense scientific debate (Lehr, 1987) it was found that Lehman's deficiency-hypothese could no longer be upheld: unfortunately this did not mean that the related stereotypes were adjusted, too (See part 3). Following the rejection



of the deficiency-hypothesis, research into development and age continued. Recent studies reveal that the scope for development of older workers is considerably wider than initially expected, an aspect that will be discussed later (See part 4). The results of underlying research reports (see part 3 and 4) are often used by governments to support the feasibility of the wishful U-turn from early retirement to working longer.

### 3. Developments within organisations: company policies and managerial issues

#### 3.1. Changing policies

To some extent these doubts encouraged companies to adopt a more differentiated approach: beginning in the nineties companies (in Europe rather than in the US ) became more circumspect in their use of the so-called replacement strategy, albeit when the need for downsizing arose, they quickly and unilaterally emphasized early retirement of older workers who were considered as expensive (disbalance between productivity and wage) and with limited employability (low ability for other jobs, or even for their current job). Policy choices aimed at finding solutions for the perceived employability problems, i.e. the perception of reduced employment opportunities, with older people vary considerably. In other words: companies placed emphasis on various policy measures for their older employees. From the early nineties, differences among organisations with regard to their perception of the financial feasibility and social necessity of a massive early retirement, led to some differentiation in respect to policy on the elderly. Four different policies taken by organizations are roughly outlined in Table 1 (Thijssen, 1997). This table allows for the conclusion that companies differ in respect of the time scale within which they would like to see solutions for the limited employability of older employees. As a rule, *long-term solutions* depend on certain *guiding measures*, whilst *short-term solutions* depend on *financial measures*. Moreover, company policy principles are rather varied: sometimes they are based on the *acceptance* of limited employability, sometimes on improving employability, i.e. making limited employability more *flexible*. Consequently, four stereotype variations on the policy for the elderly need to be distinguished.

Table 1. Older worker policies: employability solutions for older workers (Thijssen, 1997).

Approach principle	Accept limited employability	Remedy limited employability
Type of solution chosen		
Financial measures Short term realisation	Replacement policy (replace older workers partly by younger employees)	Blocking policy (activate employability by limited use of early retirement funds)
Guiding measures Long term realisation	Support policy (stagnation requires measures aimed at suitable employment)	Development policy (older workers and their managers must learn to improve employability)

The replacement and blocking strategies require short term measures. The emphasis would be on funding early retirement to a widespread or limited extent. A *replacement policy* stimulates collective early retirement by means of favourable financial conditions, albeit in most cases not up to 100%. A *blocking strategy* implies a restriction of collective early retirement facilities and limits early retirement conditions particularly by selective application (worsening early retirement conditions, private contributions for early retirement, etc.) assuming that it would increase the employability of older workers. Therefore, the blocking

policy is focused on restricting (collective) conditions. However, contrary to what the term “blocking” may suggest, this type of policy rarely if ever implies a complete blockage of possible funding variations for early retirement routes for everyone.

Other measures try to make it easier for older workers to continue working: they form the core of the support and development policy. Both policies are focused on maintenance measures which follow from labour related opportunities to carry on working. A *support strategy* is aimed at supporting older workers with employability restrictions, that means workers who are not able to do another job or even no longer to do their current job properly, and offering them related suitable employment. Frequently, when looking for adapting employment, the efforts of special experts play an important role but the management’s willingness to take employability restrictions into consideration is just as important. A *development policy* focuses on improving the employability of older workers which does not only require suitable (formal and/or informal) learning facilities for older workers, but also related management conditions such as appraisals, career development support, etc.

The four policy categories distinguished here refer to ideal models, which in a pure form will hardly ever be encountered in practice, but referring characteristics are found in policy studies at various levels (Taylor, 2002). On the one hand, however, we often see differences between target groups within the same company: for instance, different policies for staff with a higher and lower education, for full-time and part-time contracts etc (Stein, Rocco, & Goldenetz, 2000). On the other hand, practical policies may include mixed forms: for instance a combination of restrictive financial conditions (blocking strategy) and work adapting measures (support strategy). Then again, this does not alter the fact that the replacement policy of organisations has been dominant. Recently, however, there appears to be a shift in emphasis. Based on our impression from contradictions between the USA and the EU, we assume that organisations in the USA are more likely to favour a blocking strategy, whereas European organisations might prefer a development strategy. However, this appears to be a rushed conclusion. Comparative studies with empirical data supporting this hypothesis are not (yet) available.

### *3.2. The role of line managers*

For quite some time, the role that direct line managers of older workers play in the every day practices has been given little attention. The assumption was that line managers do exactly what the organizational older worker policy would want them to do, but recent studies do not confirm this assumption (Thijssen & Van der Heijden, 2002). Conditions at department level have a greater influence on practices referring to the retention or departure of older workers than policy conditions at the organisational level. In order to facilitate retention of older workers they need development opportunities and line managers need to be trained in retention techniques.

One of the first detailed studies explicitly discussing the role of line managers when dealing with older workers (Boerlijst, 1994; Boerlijst, Van der Heijden & Van Assen, 1993) resulted in a number of observations which have hardly lost their importance in this day and age. First, most managers believe that the ideal structure for a department along worker age characteristic should be the pyramid: many youngsters, less middle aged workers and only few older workers. Managers admitted to an occasional active pursuit of this worker breakdown by age. In the present era of dejuvenation and ageing such an ideal structure for line managers can only be but an illusion, the pursuit of which is bound to lead to a redundancy of older workers. The second striking outcome is the stereotype opinions in

respect to older workers existing among line managers. Despite the vast differences between older workers of the same age which keep cropping up during empirical research, certain stereotypes are hard to kill, in particular generalised negative preoccupations related to aspects of productivity on the one hand and flexibility on the other (Chirikos & Nestel, 1991; Thijssen, 1992). This is a phenomenon that can be found everywhere, although there are differences between countries and sectors (Chui, Chan, Snape & Redman, 2001; Finkelstein & Burke, 1998; Singer, 1986; Van Dalen & Henkens, 2002). It will be clear that line managers with a strong preference for a pyramidal age structure and a persistent negative prejudice will be obstructionists when employment maintenance orientated policy measures are suggested.

Certain management competencies also play a role in which measures will be taken or not taken by managers. Analysing career problems by means of career interviews with older workers having little faith in their own capabilities and already engaged in filtering, in anticipation of early retirement, requires skills that not every line manager possesses naturally. Additional implications for line managers' lack of certain competencies and biases are the translation of the outcome of such discussions into feasible development opportunities and/or workforce adaptation. Finally it is important that line managers are able and willing to pass differentiated judgment on older workers. This is even more important since – as established before – the differences with regard to employment opportunities among older workers vary considerably and will only increase with age (Chirikos & Nestel, 1991).

Although financial conditions for early retirement are often laid down in general guidelines, negotiated by unions, they do not always include the obligation to make actual use of them. Line managers, however, are rarely inclined to provide tailor-made solutions, to discuss the differences in employment opportunities and related employment maintenance measures. Although the above mentioned changes in policy emphasis may be considered a ray of hope with regard to a policy for the elderly focussing on employment maintenance, reality shows that a vast number of older workers retire early or consider future early retirement. Over the past decades various theoretical explanations have been introduced in this respect, which are presented in part 4

#### **4. Opportunities to explain individual early retirement requirements**

##### *4.1. Traditional views*

Various theories are based on *personally or environmentally related factors*. The *disengagement theory* assumes that human nature automatically tries to achieve a continuing disengagement process as one gets older, ultimately resulting in a withdrawal from various social roles and obligations, a process which the ageing person allegedly considers to be a positive and satisfying experience and on which the environment is said to have little influence. This theory, related to the deficiency hypothesis, has often been explained incorrectly referring to the end of life, not to the end of working life. In contrast we find the *activity theory* based on environmental factors, which assumes that the ageing person finds remaining active a positive and satisfying objective, for as long as the environment continues to provide a challenge. This theory does not deny that too hectic or unpleasant environments may lead to stressful situations that are difficult to handle, but also states that it might only be a temporary phenomenon. Nowadays, however, one can no longer maintain that the reasons for early retirement are unilaterally found with the person or the environment (Van der Velde & Van den Berg, 2003).

Another popular contradiction refers to the statement covering early retirement by means of push and pull factors. Combined with one another they may play a role as a cost/benefit consideration within rational theoretical selective approaches (Henkens, 1998; Thijssen, 1997). Theoretical models emphasising *pull factors* assume that older workers are, as it were, persuaded to retire early because the situation outside working life is attractive. One is being pulled by of the lure of additional time for hobbies, for family, or grandchildren and a secure financial situation. The pull factor, a secure financial situation, has been the subject of many a theoretical debate. Pull approach assumes that the number of attractive early retirement regulations are the main cause of early retirement and that blocking certain regulations will “automatically” lead to a situation as existed some decades ago. The often heard reasoning behind it says “People are naturally lazy and can only be hurt when you hit them in their wallets”.

Theoretical models emphasising *push factors* assume that older workers are pushed over the line by a problematic employment situation as a result of increasing work pressure, lacking employment competencies and/or by existing negative stereotypes. It is not clear, to what extent the self attribution of negative stereotypes by older workers to themselves also plays a part in pushing one out of work. Too large a discrepancy between the available and required qualifications will further resignations (Van der Heijden, 2005). This approach assumes that the last decades have shown ever increasing changes on the labour market without older workers having suitable facilities to bridge these discrepancies. “Offer older workers the opportunity to participate in training and other learning activities and they will be able to meet the qualifications required at present”, says a simplified statement based on this push approach.

In recent years research looked repeatedly into the real value of push and pull models. Particular attention was paid to the question of which factor influenced early retirement most: the observed qualification discrepancy (a push factor) or the existing early retirement regulations (a pull factor). It was found that qualification discrepancies in general offer a relatively better explanation for early retirement than early retirement regulations (Thijssen, 1997; Van Dalen & Henkens, 2002). Then again, this does not mean that the type of early retirement regulations would not have an influence. Generally, however, people in a pleasant working environment that can easily handle their jobs (also as a result of their qualifications which they kept up to date), will make relatively little use of early retirement regulations, provided it involves voluntary early retirement. As opposed to popular opinion, research shows that people who continue to work are mainly doing this for employment related and social reasons while financial reasons appear to be of comparatively little interest. However, the unilateral emphasis on push vs. pull factors is giving way to cost/benefit considerations involving both factors.

#### *4.2. Age, development and experience concentration*

Present day approaches focusing on the development of workforces during the second half of the career can broadly be split into two directions. The first approach links up with ideas originating from adult education such as research about lifelong learning. Many authors have found that significant declines in cognition often manifest themselves into the 60s or 70s contrary to the deficiency-hypothesis (Craik & Salthouse, 2000; Schaie, 1990; Staudinger & Lindenberger, 2003). Related research refers to general principles and factors that might promote the willingness and capability of (older) workers to (re)train. It often involves case studies into lifelong learning and retraining projects of people both employed and unemployed (Kaufman, 1995; Thijssen, 1992).

A second contemporary approach which is certainly not that well known focuses on the question of how one can explain the huge mutual differences in qualifications, which are important for their professional employability and flexibility, among older workers during the second half of their career. That question becomes even more interesting since such individual differences seem to be increasing with age.

The starting point is that older workers on average (compared to younger employees) are usually not up to date and rarely participate in training or are excluded but that the mutual differences are quite extreme, even more extreme than among youngsters themselves. This leads to the assumption that increasing age might indeed be connected with a reduced professional flexibility without actually causing it.

According to these modern theoretical ideas, experience is of much greater importance for one's flexible employability than age, although age and experience cannot be viewed as separate entities. In the late Eighties, whilst continuing on the concepts concerning the differences between specific and generic human capital (Mincer, 1974), the experience concentration theory was developed which focuses on explaining the relationship between age and experience (Thijssen, 1992; Thijssen & Van der Heijden, 2003).

The starting point of the experience concentration theory is a twofold basic premise concerning the connection between age and experience following adolescence. It can be formulated as follows: (1.) generally, with increasing age there will be *a considerable* increase in experience *quantity*; (2.) generally, with increasing age there will be decreasing experience *diversity*. The two tendencies (an increase in experience but without much diversity) included in this basic premise will bring about, on ageing, a phenomenon called experience concentration. Experience concentration is to be considered a structural experience pattern contrasting with experience variation. With younger age groups one will generally find a pattern involving more experience variation, with older age groups it will generally be a pattern with more experience concentration. Concentration has an effect often found with specialists: experiencing a fairly limited variety of experiences quickly results in a certain expertise and routine allowing for the realisation of high labour efficiency within a small tasking package. Variation has an effect often attributed to generalists. By experiencing a wide range of experiences you get used to adjusting to changing circumstances whilst employability opportunities involving new tasks are relatively high. Therefore, someone's experience built up over a certain period may range from relatively restricted (concentration) to relatively broad (variation). However, both the restrictiveness and broadness of these experiences can become quite extreme. We refer to related experience patterns as *experience deprivation* and *experience fragmentation*. It is evident that neither of these two have a positive influence on employability opportunities. With age, experience concentration may become evident in three important domains, in a learning strategic domain, occupational domain, and social-cultural domain.

- a) *Learning-strategic domain (schooling experience)*. From a learning strategic point of view the experience structure at an older age often remains restricted to informal, hands on learning. In that case we speak of schooling experience. The total range of strategies to learn new things may, with age, even be reduced to what is sometimes called incidental learning. Where the use of learning activities is concerned it refers primarily to additions to well known territories. Formal activities are being used less and less. From a comparative viewpoint, a modest educational background is more likely to result in a restriction of formal learning skills and avoidance of future training opportunities.

- b) *Occupational domain (working experience)*. From an occupational point of view the experience structure at an older age often remains restricted to minor task adaptations. We are then talking about functional concentration. Formal function changes are sporadic. Often one may still adapt to simple shifts in tasks brought about gradually and informally if there exists some form of occupational concentration, but more drastic changes in the tasking package or the working environment are avoided as much as possible. Mobility is avoided.
- c) *Socio-cultural domain (networking experience)*. From a socio-cultural point of view the experience structure at an older age is often restricted to a shift in emphasis. In that case we speak of network concentration. The social environments and cultural group layers within which people move will, with age, often be restricted to a shrinking and rigid network, to a small circle. The existing network of “old relations” has, at an older age, the protective function of a convoy. Usually, network innovations at an older age are rather an exception.

The importance of an early recognition of experience concentration is obvious, the earlier this tendency is recognised, the easier it can be corrected (Thijssen & Van Der Heijden, 2003).

## 5. Conclusion

Looking back on the foregoing observation it is found that in the past decades there have been quite a few developments that are of importance to older workers. First and foremost (inter) national demographic developments give rise to reflection on initiatives that might improve workforce participation by older workers. Studies into the differences and similarities of policy initiatives in various countries are very important so that we can learn from one another, despite the fact that one has to be careful when generalizing from one context to the other.

At the level of organisations and their managers it would appear that, following decades dominated by replacement strategy, there is now room for more differentiated ideas focussing, in particular, on the promotion of working longer by means of a blocking and development strategy. The fact that the attitudes and competencies of line managers, the bosses of older workers, may play an important role in the maintenance and departure of older work forces has only recently become a subject for research.

At individual level it is of particular importance that, following the rejection of the deficiency hypothesis and its associated negative stereotypes, further research is being focused on the (re)training of older workers and the age-related growth of interpersonal differences in employment opportunities and restrictions.

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## 2. Older Workers, Equality, and Productivity

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### Abstract

The paper starts with a description of ‘classical policies’ for older workers, These policies are meant to ‘spare’ (protect) older employees. These policies are no longer valid and viable in the present, changing environment. This, among others, has lead to a reconciliation of (macro-economic and fiscal) policies for early retirement.

Another important development concerning older workers in the Netherlands is the Age Discrimination Act. In the paper an overview is given of the consequences of this act on the policies of organisations and branches.

The next subject of the paper is the relationship between age, productivity and payment structures. In the paper recent findings on costs and benefits of older workers are shown. From these points of view HR policies concerning older workers are discussed.

### 1. Introduction

During the next years most probably Europe shall be confronted with significant labour market problems. After a period of relatively high unemployment a period of scarcity can be expected. Another huge problem is (and will be much more) the relation between active and non active persons. That’s the reason why in Lisbon (2000) the prime-ministers of the EU countries have agreed upon an increase of the participation rate of older workers (between 55 and 65 years) of 50% in 2010.

In the Netherlands in 1992 14% of the active vocational population was above 55 years old. In 2004 this was already 20% (CBS, 2005). In the same period there was a significant growth of the participation, even without a specific policy of the Dutch government.

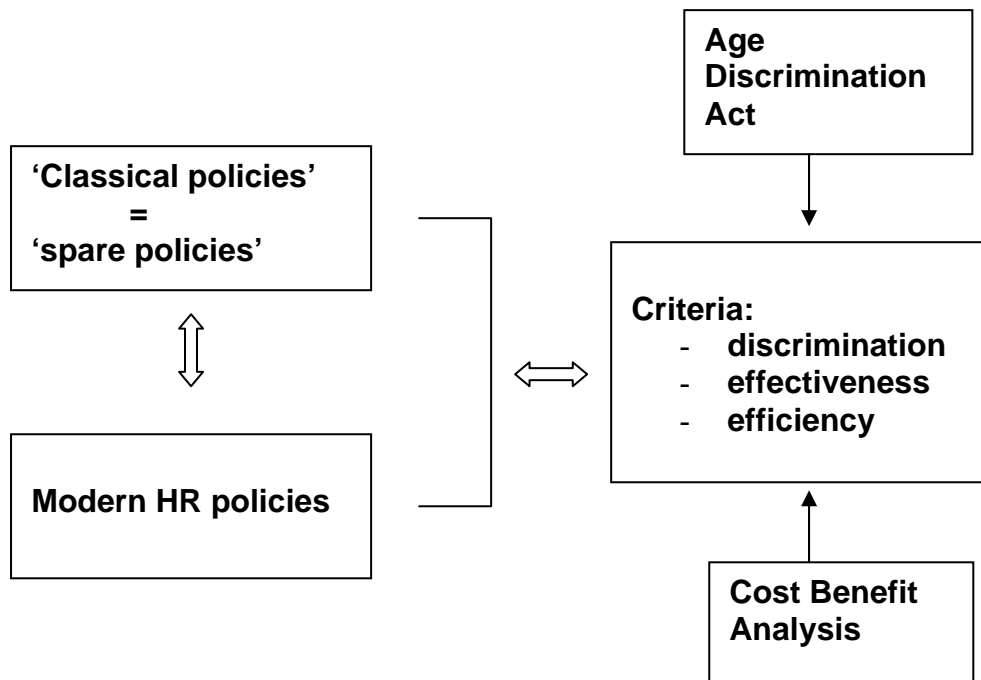
*Table 1: Participation rate of older workers 1992 – 2004 in the Netherlands*

<b>Participation-rate</b>	<b>1992</b>	<b>2004</b>
50 – 54	56	70
55 – 59	48	55
60 – 64	11	19
50 - 74	25	37

The rising participation rate is fortifying, but it won’t be enough. To realise the Lisbon objectives and to increase the active vocational population on the long term, during 2004 / 2005 the Dutch government has decided to take far reaching measures. For all employees younger than 55 years (at January 1<sup>st</sup> 2005) it has become very unattractive to stop working before the age of 62 or 63. Everybody who wants to stop before being 65 has to make use of a so called ‘life course arrangement’, including that one has to save for that in the years before. Early retirement schemes and flexible pension plans are abandoned with that. Consequently, firms are challenged to develop an ‘older workers policy’. This is defined as the policy by which older workers keep working during a longer time in good health, highly motivated and highly productive.

We distinguish two types of arrangements for older workers: ‘spare policies’ and ‘employment policies’. The paper starts with a description of the spare policies (paragraph 2). Within the framework of these policies many arrangements are made in favour of older

workers. However, the question has come up whether or not these arrangements are conflicting with the Non Discrimination Act. This is discussed in paragraph 3. In paragraph 4 we will take a closer look at the economics of older employees: wages, productivity and age will be treated in a comprehensive and integral framework. Finally, we present conclusions and a discussion. The outline of the paper hence is as follows.



## 2. Spare policies for older workers

In 2002 research was done among Dutch labour organisations with more than 10 employees (Remery et al., 2003). More than 1000 organisations (31%) filled in the questionnaire. The question was which measures employers brought into practice or were considering for their older employees. A quarter of the employers said to have an explicit age related policy. In the next table the results of the research are shown.

Table 2: Measures of organisations concerning older workers (in %, n = 1019)

Measure	in practice	is considered	not considered
demotion	7	39	54
sabbatical leave	13	35	52
education plan for older empl.	22	46	32
no overtime	35	33	32
no irregular work / shiftwork	35	23	42
task relief	42	43	15
adjusted working times	48	29	22
part time pension	52	26	22
extra holidays	63	21	16
ergonomic measures	65	22	13

Of these alternatives taking ergonomic measures was the most popular policy. In more than 60% of the organisations older employees have more holidays and about half of them made use of part time or flexible pension plans. Other (often practised) measures concerned working times and – schedules, among others with regard to overtime.

Of all these measures there is only one with the clear objective to increase the employability of employees: making education plans for older workers. All the others are typical of ‘permissive’ policies; they are set up to spare the older workers. Older workers have more rights and have to do less (Remery et al., 2003). The authors come to the conclusion that organisations don’t feel a sense of urgency to anticipate to the developments in their staffing or at the labour market.

### **3. Equal treatment**

#### *Collective Agreements*

In many Collective Agreements special arrangements are made especially for older workers. Four main types of arrangements can be distinguished:

- leave and holidays
- shiftwork and special duties
- early retirement
- other arrangements.

In a recent research of 122 Collective Agreements (Schrama et al., 2005) is examined to what extend these special arrangements are made.

#### *a. Leave and holidays*

Following almost all Collective Agreements older employees work less hours than their younger colleagues (without wage compensation). The extra days they are entitled to are called seniority days. In most branches people get already one seniority day per year at the age of 30 or 35. Employees of 40 years old have 2 days (on an average), employees of 60 and above have 6,5 days.

Very often older employees (also) have more working time reduction. The average number of hours varies between 3.0 and 6.8 hours per week. An example of this is education. Teachers and other personnel of secondary schools have a right to 10% reduction of working time from the age of 52 and even 20% from 57.

#### *b. Shiftwork and special duties*

In 75% of all Collective Agreements age is a criteria in exemption from shiftwork or other specific duties, such as on-call and consignment shifts. Most often can be seen that employees from the age of 50 or above are exempted from overtime. This is the case in 2/3 of all Collective Agreements, mostly on a voluntary base.

Exemption of shiftwork is arranged in a limited number of Collective Agreements; only 10%. However, in many branches shiftwork does not take place, so, it does not mean that in 90% older workers have shiftwork.

The average age from which employees are entitled to be exempted is 55 years.

#### *c. Early retirement*

In 2004 nearly all Collective Agreements had some arrangement concerning early retirement. This concerned primarily a flexible retirement scheme (83%) or voluntary (complete) early retirement (49%). 10% of all the Agreements showed an (obliged) early pension age below 65 years, mostly 62.

An interesting alternative is the possibility to continue working after (obliged) pensioning. This was made possible in 20% of the Collective Agreements.

*d. Other arrangements*

Three types of arrangements are worth mentioning here. The first one is that in 4% of the Collective Agreements it is signed up, that in case of reorganisations, mergers and closure ‘special attention will be paid to older workers’. Following 1% of all Collective Agreements employees from the age of 57½ have a right to a ‘non-activity-arrangement’.

The third type is the arrangement (in 7% of all Collective Agreements) that in case of dismissal the employer shall complete the unemployment benefit to 100% till the age of 65. This can already start at the age of 50! In general the objective of these arrangements is to make it possible to dismiss older workers in an easy way in case of reorganisations and the like.

In the next table an overview is given of the most important arrangements.

*Table 3: Number of Collective Agreements with special arrangements for older workers (in %)*

<b>Subject</b>	<b>Number of Collective Agreements</b>	<b>Number of employees</b>
<i>a. Leave and holidays</i>		
Extra days off	89	83
Extra working time reduction	48	45
<i>b. Shiftwork and special duties</i>		
Exemption from overtime	66	64
Exemption from shiftwork	10	6
<i>c. Early retirement</i>		
Voluntary early retirement	49	43
Flexible pensioning	83	86
Obliged pensioning below 65	10	4

*The Age Discrimination Act*

In 2004 a discussion came up about the question if these arrangements were permitted. In that year a new discrimination act became operative, the Equal Treatment in Employment Act, also called the Age Discrimination Act (WGBL). According to this act discrimination is prohibited on the grounds of age in employment, occupation and vocational training.

Discrimination is unlawful, among others, with regard to recruitment of personnel, entering into or terminating an employment relationship, conditions of employment, education and training during an employment relationship, promotion and working conditions. There are some exceptions to the prohibition on discrimination. The most important is, of course, the termination of an employment relationship because of pensioning. A second exception can be found in employment or labour market policies to promote employment in certain age categories. The third can be that the discrimination “is objectively justified by a legitimate claim and the means used to achieve that aim are appropriate and necessary”. It is this third reason that has given (and still gives) much discussion.

There are several discrimination acts. For all these acts, a special commission, the Equal Treatment Commission (CGB), is empowered to investigate whether discrimination has taken place in cases in which a judgement is asked. The CGB does not belong to the judicature, but its judgements have more or less the same status. During the first one and a half year that the act is in force, most cases of the CGB concern the Age Discrimination Act. There is much evidence that older workers are discriminated, e.g., in recruitment. One of the most important objectives of the act was to protect older workers for that. So, the act should be in favour of the older workers. However, in practice it seems to work out more as a disadvantage for them. Discrimination in recruitment can be seldom proved in individual cases, but it still is a fact (Adams et al., 2005). Consequently, the position of the older worker at the labour market is not really improved by means of the act.

Especially concerning terms of employment and working conditions the act seems to work against older employees. As shown above many Collective Agreements consist of arrangements in favour of older workers. Most of the cases concerning the Age Discrimination Act are about these arrangements. The matter is, if they are 'objectively justified'. In its judgement the CGB gives an answer to the following questions:

- is the arrangement legitimate, that means, is it important, is it really needed in the organisation and is it non-discriminating?;
- is the arrangement suitable to realise the objective?;
- is the arrangement necessary, or are there other, less discriminating, solutions to realise the objectives?

Until now, in most cases the Commission has judged, that the arrangements are not 'objectively justified'. There was always discrimination. Mostly the arrangement was 'suitable', but not necessary, as the CGB stated, because there should be other, not or less discriminating, arrangements possible. This was based, among others, on a research report of TNO Arbeid concerning the ability of older people to work (Nauta et al., 2004).

#### *Load and capacity of older workers*

In the TNO report it was concluded that it's a myth that older workers are less healthy and less employable. By far most of them are healthy and can manage their job until the age of 65 or 70. Only a small percentage shows a failing health. And it should not be age in the first place as the reason for the decline. Way of life, time of stay in a job and physical load are more determining to explain health or sickness. Moreover, the report says, the relationship between health and age is more complex than is usually thought. Physical functions can decline, but that doesn't mean that people cannot do their job any more. Many employees are able to compensate their going down. They develop coping strategies or make use of aids and appliances. So, it should be namely a negative *image* of older workers that should not correspond with reality. Consequently, in the first place it's necessary to fight this image. Next to that measures should be taken that make it possible for employees to work longer. At the level of the organisation are mentioned (among others): mobility of personnel, ergonomic adjustments, less physical weight, adjustment of working time, health management and age related personnel policy.

As said before this report was used in several cases by the CGB to conclude that some arrangement was discriminating (in an unjustified way) because other measures should be possible. However, as also was concluded in the TNO report, we hardly know something about the effectiveness of the measures. We are only at the beginning of age related personnel

policy. Couldn't it be so, that (older) employees are able to work longer *because of the 'discriminating measures'*?

In an overview of research concerning load and capacity and age we conclude (Van den Bogaard & De Lange, 2005):

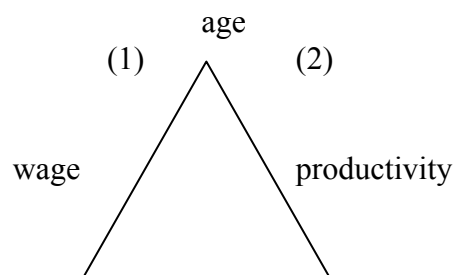
- older workers (55 years and above) look healthy, but this can partly be contributed to the 'healthy worker effect'; that means that employees that are not healthy have left their job before that time;
- the group of employees that becomes disabled is highest between 45 and 55;
- physical capacities of employees decline unmistakable above 45;
- people over the age of 50 have a greater need of recuperation;
- several health complaints are evidently related to age. Health and Safety Executive (2002), using four different statistical sources, comes to the conclusion that employees of 45 years and above have more work related health complaints than younger employees;
- especially night and shiftwork is a problem for older workers. They have more sleeping problems and are less flexible in case of disturbances.

However, there are many individual differences between people. Some can do their job until they are eighty in good health and they are highly productive. Ronald Reagan resigned as president of the USA when he was 78. To become the leader of the Communist Party in China one seem to must be at least 70.... Others, on the contrary, are 'burned out' at the age of 50 or even earlier. It is not possible to mention a general 'borderline'. Nevertheless, among others because of the greater need for recuperation, special arrangements for older workers are justified. As it's not possible to make arrangements at individual level (it should lead to much arbitrariness, nepotism, inequality; in short, much problems in the organisation) there is no alternative than a collective arrangement, e.g. from the age of 45. Next to that, an age related personnel policy is necessary.

#### 4. Economic aspects

Policies towards older employees cannot be analyzed only from a perspective of working conditions and the way older employees can deal with these. Rather we advocate that a proper analysis also takes into account the effectiveness of organizational policies and organizational goals when the problem of aging is discussed.

In that specific way, an important starting point for any firm is the productivity of any given employee, in relation to their respective wage. We call this the Bermuda Triangle: the main idea is that if there is no balance between these three dimensions, employment and economic prosperity will disappear (like planes and ships do in the real Bermuda Triangle).



This triangle shows three important relationships. First, the relation between age and wage. This is called the age earnings profile. In many countries, empirical evidence shows that earnings increase (sharply) with age. A study by the OECD (2005) reveals that this increase

(in case of men) is only higher in Austria and France, The Netherlands come third. However, these analyses can be hampered by the fact that at an older age, especially better educated employees are still working, while the less educated workers already have left the labor market. In that case, there will be a selectivity bias. The magnitude of this bias can be considerable, and some corrected age earnings profiles by Heyma (2004) show that in that case, the profile becomes lightly flatter. Older workers are more expensive than younger workers, from the average earnings point of view. Seniority wages still dominate the wage system in many countries and sectors, and are covered in most Collective Agreements.

Second, of course, wages are of relative importance. In fact, if higher wages are offset by equivalent higher productivity, then the simple law of economics applies: the costs per unit of production will be equal or even lower for older workers. So, what do we know about the productivity of older workers? We know that employers have mixed perceptions of older workers anyway. Only few employers agree that older workers have a higher productivity than younger or middle-aged workers. More in general, employers think that older workers have more experience and know-how. These perceptions can have some element of political correctness in it. After all, know-how has only a limited time perspective, especially in knowledge-intensive sectors (Adams et. al., 2005).

Research on productivity of employees at an individual level is rather scarce. First of all, this is due to the concept of productivity as such. Where it is possible to measure gross domestic product at a nation's level, and total value added at a company level, the problem is large at the level of teams and individuals within an organisation. This is why many researchers have asked employers on their impressions, rather than try to measure in a more direct way. Studies in the Netherlands, such as Gelderblom, de Koning and Kroes (2003), can only indirectly show that productivity decreases with age. As the OECD (2005) reveals, other studies such as from Aubert and Crepon (France, 2004) reveal that these conclusions also can be influenced by another factor: firm heterogeneity. When older workers are concentrated in less productive sectors, then the problem of causality can be raised. Again, this calls for careful analysis with no biases at all. Such research should ideally be done within a company (to control for heterogeneity), and within a framework that addresses suitable definitions of productivity. Here, the concept of performance management and related instruments such as ProMES (Productivity Measurement and enhancement systems) appear to be good approaches. This concept is based on broad dimensions of productivity, and its contingencies with respect to net benefits. It involves first an inventory of what productivity means in a specific task or group, and next defines what levels of productivity relate to what revealed measure of effectiveness (contingencies). Then the relative values of each dimension are added up to get a unique final productivity measure that can be monitored and feed back periodically, and can become a base for performance related pay systems. The Promes system has been developed by a.o. Bob Pritchard.

The third relationship in the triangle is the one between wage and productivity. When the age earnings curve and the age-productivity curve would be in line, then there will be a balance between wages and productivity by definition. Now, we know that there is normally an imbalance between these two elements. At younger and older ages, employees have productivities below their wage level, and in their mid-ages, they make up for this by rendering far higher productivities than their respective wages would account for. This is a classical model in labor economics and human capital theory (see a.o. Ashenfelter and Layard, 1986 and Ehrenberg and Smith, 2003). Of course, this is also due to seniority wage systems. When there is only limited external mobility, there is no big problem with this

system. Over a life-time basis, the net productivity revenues will cover up the wage-expenses. However, as external mobility decreases with age, the firm-internal basis can be disrupted, especially when the group of older employees becomes large in size.

Another view on this relation is that productivity is not solely determined by technical choices. Instead, from many research it has become clear that productivity can be highly influenced by HRM policies. There is a clear relation between productivity and extrinsic motivation (wages!). There are (less prominent) studies that show that organizational citizenship is important. Other authors, such as Peccei (2004), stress that a happy worker is not always a productive worker. Economic theory, such as agency theory and efficiency wages theory, also emphasise that productivity can be reinforced by appropriate wage systems.

Nowadays, we see considerable changes in the wage policies within firms in many countries. Coping with business cycles and world wide competition have stressed the need for more flexibility in labor costs. This can be done by flexible volumes (such as temporary work, dismissal procedures, flexible contracts, working overtime, and so on), and by flexible prices (wages). The flexibility in wages has risen in the Netherlands. Nowadays, over 53 percent of the workers have some degree of variability (Human capital Group, 2005). The size of the variable component is about 6 percent on an average, and tends to become larger as well. So, when these features will tend to be more prominent in the near future, there will be a chance that wages and productivity will be better balanced within each age group. Here, the renewed attention for performance management, performance related pay and other variable systems is prominent. We should stress the need for a proper empirical basis for appraisal in these cases. In The Netherlands, data reveal that many appraisals are not based on facts, but on impressions. This is a weak spot in this system.

Hence, what do we have here is the recognition that a sound and stable economy (nation, organisation) should consider the basic laws: there should be a correspondence between wage, age and productivity. The three corners of the triangle should be underpinned and supported by three basic lines between these corners. Only then, stability is guaranteed. So far, we have the following hypotheses that are supported by the largest part of literature in each field:

*Hypothesis A:* wages increase with age, then flatten out, and hardly go down again.

*Hypothesis B:* productivity increases with age up to the age of about 50, then decreases at about the same speed or even faster

*Hypothesis C:* wages and productivity seldom correspond with each other and are seldom real-time connectable for each age group.

More, and better testing is needed to these hypotheses, especially B and C. Let us assume, that all three hypothesis are valid. Then, for organizations there is a real stress to come with proper answers to the threats this will have on profitability and competitiveness.

Where in the past there were enough (social) funds to slightly and generously remove these older workers, the new perspectives that older workers will continue working will become a contest:

Can we come with appropriate deals that are suitable for the employers and the employees?  
Should we rethink some of the basic guidelines in our wage systems?

Can we actively improve productivity of older workers, so they will better match their higher earnings?



## **5. Policy making**

Here, policy making comes in. We can state that in general governmental policies tend to become a global framework and anchor point for more specific decision making processes at the level of branches and firms. Hence, when the government will open up the strict conditions of dismissal regulations at the one hand, and reinforce the (fiscal and social) signals to motivate workers to work longer, then social partners can develop their own policies. In this way, the responsibility of dealing with older employees becomes a policy issue not only at the societal level, but also, and increasingly, at the level of social partners (employers organisations, trade unions) and individual employers and employees. The principle of subsidiarity will prevail: elementary negotiations about work and wages will take place between employers and individual employees themselves. By means of life course arrangements and fiscal regulations, individuals will become more responsible for their own transitions between work and retirement. The bill will not longer be paid collectively, but will be based on individual savings and hence, individual priorities and preferences. This neo-liberal thinking about macro- and micro financing of (early) retirement schemes fits in the model of increased individualisation and risk sharing.

This model is further stressed by recent changes in dismissal policies. Recently, the classical model of last-in-first-out is no longer leading when collective dismissals occur. Instead, there is now a more equally distributed way of dismissing people over age groups. Within each age group, the lifo-principle will still hold, that is: for the time being. The Dutch government has proposed further revisions in dismissal policies, where quality of individual employees is the only criteria. This quality is based on employers perception, and thus is rather discretionary: the employer decides. In case of discontent, dismissed employees can go to court to complain. Such a policy change can become one of the most sound signals in the reshaping of the Bermuda triangle. It will definitely lead to a more open and transparent discussion about the quality of older workers: their productivity (including experience) and their employability (their human capital). Here again, the phenomenon of risk sharing and responsibility occurs. Employers should be able to demonstrate that they have seriously tried to improve the productivity of older workers, for instance by increased training programs or by improved working conditions. Employees, on the other hand, should be able to prove that they have seriously worked on their employability level by spending energy to training, keeping fit, and so on. If one of these parties are clearly not able, willing or invited to increase the employability of any older worker, then the responsibility will be put on that particular shoulder: the blame-factor in the dismissal grants will be high. This system also has proven its success when long-term sickness occurs. We expect that these changes will be introduced in the Dutch system within a couple of years.

## **6. Conclusion**

From an analysis of what's happening at the societal level during the past few years, we come to the conclusion that in the near future in policy making for older workers the accent will be more at the level of branches and organisations. In this paper we have first asked ourselves if it's justified that there are special arrangements for older workers, e.g., in Collective Agreements. Contrary to the judgements of the CGB we come to the conclusion that, in general, there are good arguments to permit such arrangements. In other words, discrimination on age in favour of older workers can be justified. It concerns mainly 'spare policy measures', such as with regard to working time, working conditions and work content.

However, that does not mean that employers can suffice with a spare policy. Especially looking from an economic point of view we come to the conclusion (for the present) that

there is a discrepancy between wages and productivity, especially with older workers. Consequently, there is a threat for profitability and competitiveness when the average age of the employees increases. The question than is, how to decrease wages or how to raise productivity. For the last mentioned alternative personnel management policy should be directed to education and training for all employees, from young to old. Like Thijssen (2004; Thijssen & Lankhuijzen, 2000) we plea for an ‘employability strategy’ and life long learning. So, we come to the conclusion that in personnel management for older workers a mix of spare policy and employability policy is needed.

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### **3. Ageing Workers: An Evolving Framework for Policy Development in the USA**

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#### **Abstract**

The purpose of this paper is to examine the influence of society, the organization, and the worker on the workspace and how each affects the employment decisions of aging workers to remain, return, retire, redesign, retrain, and recruit. First, we discuss national (or macro level) HRD policy issues and the social, organizational, and individual forces that shape these policies. Second, we present data collected from businesses and organizations in Columbus, Ohio which was analyzed to determine organizational policies affecting aging workers at the meso level. Social forces incorporate society's expectations of appropriate roles and functions for older adults as embodied in legislation, employment practices, and cultural norms. Some of the social forces include concerns with barriers to continued employment as well as barriers to returning to the workforce. An examination of retirement incentives should be balanced against the need to recruit and retain older adults in the workforce. Organizational forces balance productivity, competitiveness, and social responsibility. Training and development methods and techniques dominate the literature. An example of social responsibility is the examination of how training of both management and older workers might create a more age diverse workplace. Programs focusing on retirement may be more concerned with preparing for future employment rather than complete disengagement. Training programs to prepare for re-entry are not discussed as often as opportunities to remain employed which may indicate a concern for productivity. Individual forces include family, finances, and contributions to social and corporate organizations. Corporations and community agencies are asked to make investments in the training and development needs of older adults. Older adults are seen as decision makers making career development decisions which include choosing when to return to the workforce, in the same career or a new one, or to retire. Investments in developing new skills for older workers are seen as a strategy for improving productivity as well as the quality of life for older adults. Helping older adults to consider second or even third careers, adjust to new technologies, and modify workplace ecology can become policies to consider.

#### **1. Introduction**

The extent to which older workers elect to remain or return to the workplace is related to an understanding of how organizations manage social, economic, political, and technological trends regarding the employment and productivity of older workers in the

workplace. Federal and organizational policy and the aging baby boomer population affect these trends. Withnall (2000) refers to this group of aging, educated and healthy workers, as the Third Age of Employment. The Third Age is associated with choice, personal fulfillment and liberation (Soulsby, 2000). During the Third Age, older workers are situated in a dynamic pattern of periods of active employment, disengagement from the workplace, and re-entry into the same or a new career. Older workers may exhibit different work patterns at different stages with some choosing to remain, return, or retire from paid employment. In the Third Age, older workers may deliberate on the conditions of their labor. The workplace becomes a dynamic space for older workers rather than a unidirectional journey leading to retirement.

This paper examines national policy pertinent to Third Age workers and the implications of older workers remaining or returning to the workforce. The first section includes an analysis of social policies designed to encourage and protect older workers such as the Age Discrimination in Employment Act, the Age Discrimination Act, The Family Leave Act, and the Americans with Disabilities Act. The second section examines the interpretation of these policies at the organizational level through an analysis of how companies address the needs and concerns of older workers.

## **2. Policy as an indicator of social responsibility for older workers**

A report conducted by the Administration on Aging in 2004, stated that five million Americans, or 3.4 percent of the nations workforce was age 65 and over (Administration of Aging, A Profile of Older Americans: 2004). Social policies pertaining to older workers incorporate society's expectations of appropriate roles and functions as embodied in legislation, employment practices, and cultural norms. Social forces include barriers to continued employment and returning to the workforce. Social policies for older workers exist to create equitable opportunities while correcting injustices due to age instead of performance.

As the nations aging baby boomer generation remains engaged in the workforce or considers retirement, corporations must consider how to meet their needs, while continuing to provide opportunities for younger workers. The availability of traditional spaces created by retirement may decrease for the next generation due to older workers remaining in the workforce. It is important that national workforce policies be implemented at the organizational level, offering guidelines to build an equitable work environment. Age is a very visible characteristic, often the cause of discrimination and possibly the most influential variable causing older workers to retire from the workplace.

### *The Age Discrimination in Employment Act of 1967*

The Age Discrimination in Employment Act of 1967 (ADEA), was enacted as the first social policy prohibiting discrimination in employment against individuals forty years and older. When first implemented ADEA protected workers ages 40-65 and indicated a mandatory retirement age of 65. The ADEA was designed to protect older workers in the workforce, specifically their ability to retain and regain employment, as well as to receive retraining within current employment. In 1960, prior to the ADEA numerous states had already enacted laws protecting workers within certain age brackets (Stock & Beegle, 2004).

The ADEA also outlawed the establishment of “arbitrary age limits” often set by employers to displace and disadvantage older workers when seeking or retaining employment. Because of such discrimination, older workers were more likely to suffer from unemployment than their younger counterparts: ADEA was a countermeasure to these inequities (P.L. 90-202, 1967).

The ADEA acts to prohibit age discrimination in numerous facets for multiple entities, including employers, employment agencies and labor organizations. The ADEA was created to reduce the occurrences of employment discrimination due to an employee’s age (Johnson & Neumark, 1996). This legislation only applies to employers with twenty or more employees, but is inclusive of all employers including state and local governments ([www.eeoc.gov/types/age.html](http://www.eeoc.gov/types/age.html)). The ADEA protects employees and/or potential employees in apprenticeship programs, pre-employment inquiries, benefits, and job notices. Though the ADEA does not directly prohibit an employer from asking a job applicant’s age or date of birth, employers are in violation if they choose to terminate employment or refuse hiring of an individual, or attempt to remove company compensation or benefits due to an employee’s age.

Many employers denied benefits to older workers that were offered to younger workers because it often costs more to provide benefits for an older adult, hence the creation the Older Workers Protection Act of 1990 (OWBPA). Should the employer attempt to separate employees based on age in a manner that inhibits one’s ability to prosper within the organization or to reduce the wage of an employee based on age, the employer is in violation of ADEA and subject to charges of discrimination (P.L. 90-202, 1967). Additionally, the displacement of older, more expensive workers often saves organizations money because they can be replaced with younger, less expensive employees (Koeber & Wright, 2001).

Similar consequences occur for employment agencies that “fail to refer” an individual for employment based on age (P.L. 90-202 § (4), 1967). Labor unions are also subject to the ADEA legislation. They are not permitted to rid of or segregate members because of their age or to cause an employer to discriminate against an individual due to age.

It is important to note the exceptions to the ADEA, which allow employers to make decisions based on age when a “bona fide occupational qualification reasonably necessary to the normal operation of the particular business” can be demonstrated (P.L. 90-202, 1967, §623(F) (1)). Discrimination is also allowed if “good cause” is discovered for dismissal of an employee ((P.L. 90-202, 1967, §623(F)(1)), §623 (f)(3)). Although, mandatory retirement laws are outdated, some remain such as a mandatory age limit of firefighters and law enforcement officers.

Under the 1979 President’s Reorganization plan, all issues related to age discrimination were transferred to the Equal Employment Opportunity Commission (EEOC). Established via Title VII of the Civil Rights Act of 1964, the EEOC is the federal agency, which is responsible for overseeing, coordinating and enforcing all Federal Equal Employment Opportunity (EEO) Laws.

The Age Discrimination in Employment Act of 1967 has undergone multiple amendments. For instance, the 1974 amendments to ADEA extended the original legislation to state employers instead of solely private employers. Via the Fair Labor Standards Amendments of 1974 (FLSA), the word “employer” was amended to include “a State or political subdivision of a State and any agency or instrumentality of a State or

a political subdivision of a State” (FLSA, §630b). In 1974 it was also amended to protect workers ages 40 to 70 as opposed to age only 65. However, the FLSA indicated a mandatory retirement age of 70. Mandatory retirement was finally abolished in 1986. Two studies, Neumark & Stock (1999) and Adams (2000) found that the ADEA has aided in the increase of employment opportunities available to workers 60 years and older. However, Adams (2000) also found that due to the ADEA, those 65 and older were less likely to be a new hire. This has attributed to decreased retirement rates since the implementation of the ADEA.

#### *The Age Discrimination Act of 1975*

The Age Discrimination Act of 1975 extends coverage of the Age Discrimination in Employment Act by protecting all persons in the United States, “on the basis of age, [from] be[ing] excluded from participation in, be[ing] denied the benefits of, or be[ing] subjected to discrimination under, any program or activity receiving Federal financial assistance” (Age Discrimination Act, Section 6102). Under no circumstances should this act be construed in such a way that it violates the provisions of the Age Discrimination in Employment Act of 1967. The Commission on Civil Rights has an obligation to research and to provide the results and analysis of age discrimination where applicable to federal funds. By examining these laws concerning hiring, retaining, and retraining workers in the next several decades, it is important to understand how companies can encourage or discourage employment of older workers.

#### *The Family and Medical Leave Act of 1993*

The Family and Medical Leave Act of 1993 (FMLA) provides opportunities for both males and females to leave the workplace temporarily in order to care for a child or an ill parent (P. L. 103-3). Although, the FMLA tends to focus on balancing the duties of work and home in terms of birthing and raising children, this act does have implications for older workers. The FMLA allows individuals to take up to 12 weeks of unpaid leave from a job with the security that they will return to their same job or a similar job. Workers can take this time to 1) care for an immediate family member such as child, spouse or parent, 2) care for oneself, 3) care for a newborn baby, and 4) care for a recently adopted child. Workers are eligible to utilize the benefits of the FMLA if they have been employed for at least 12 months and worked a minimum of 1250 hours during that period, and their employer has more than fifty employees (FMLA, Section 101). Although, many employers with fewer than fifty employees abide by this legislation they are not required to because it is thought that the absence of one employee for 12 months could potentially damage their business.

For workers using this time to care for an older parent, parent is defined as “the biological parent of an employee or an individual who stood in loco parentis to an employee when the employee was a son or daughter” (FMLA, Section 101). The act also finds it unlawful for an employer to discriminate against an employee for the use of this benefit. For example, a worker may take time off work to care for an aging parent, or an older worker may take the time off work to care for him/herself. All protections under the ADEA and other anti-discrimination policies are applicable in this situation. Another example of how the FMLA applies to older workers occurs when an older worker survives a child and is needed at home to take care of grandchildren. Older workers may

take over the position of parent once again. The same job or equivalent job must be available for the worker upon return. Also, pertinent to the FMLA is the issue of informal care giving and its economic value. The consequences of informal long-term care giving for an older adult and/or disabled individual are minimally addressed in public policy. The FMLA only allows 12 weeks for an individual to care for such a person and without pay. Arno, Levine, and Memmott (1999) note that policy adjustments should be made to the FMLA to compensate for the economic costs of informal care.

#### *American's with Disabilities Act (1990)*

The United States first addressed the rights of non-military individuals with disabilities through the Civilian Vocational Rehabilitation Act of 1920. Then in 1973, Congress passed the Rehabilitation Act. The Rehabilitation Act was implemented to eliminate discrimination within federal work environments due to disability. It requires nondiscrimination in federal employment, accessibility in federal buildings, affirmative action in employment by federal contractors and nondiscrimination by the recipients of any federal funds (Schaffner & Van Horn, 2003).

In 1990, the Americans with Disabilities Act (ADA) was passed to prohibit discrimination of individuals with disabilities and mandate accommodations. Disabilities are both visible and invisible. Throughout time, the way disability is perceived and the types, which are most prevalent, are likely to change. For example, the baby boomer generation is comprised of nearly 76 million aging adults (Appel, 2005). Advanced age brings about new disabilities that were not previously there. For instance, many may become disabled due to hearing loss, vision impairments or other aging conditions. Issues regarding an individual's age and accessibility have the potential to change the meaning and interpretations of the ADA (Appel, 2005). This will then affect accessibility within the community and the workforce (2005).

Currently, the ADA provides for accommodations to be made for people with disabilities; covering multiple dimensions of their lives. The ADA states that if an individual can perform the essential function of the job, reasonable accommodation should be made for the person as long as it does not cause undue hardship to the employer (Americans with Disabilities Act: P.L. 336).

Since the enactment of the ADA, several Supreme Court cases have influenced the implementation of the ADA as it pertains to older workers. *Murphy vs. United Parcel Service, Inc.* (1999) involved an employee hired by the United Parcel Service (UPS) as a commercial driver. The position required a Department of Transportation (DOT) health certification which documented "no current clinical diagnosis of high blood pressure likely to interfere with his/her ability to operate a commercial vehicle safely" ([ 49 CFR § 391.41 (b)(6)] as in (Katsiyannis & Yell, 2002). Murphy was hired, and subsequently fired due to incorrect medical documentation. The 10<sup>th</sup> circuit court ruled that Murphy's hypertension was not a disability because he could function normally in everyday activities, and therefore did not qualify under the ADA. The Supreme Court upheld this judgment by stating that Mr. Murphy's condition only limited him from performing this particular job, thus having insufficient grounds for being protected under the ADA. Additionally, the Supreme Court stated that employees who can function normally when an impairment is treated do not qualify for protection under the ADA (Katsiyannis & Yell, 2002). A person must presently, not potentially or hypothetically, have a substantial

limit in their ability to work. Therefore, a person may be considered too disabled to be hired or not disabled enough to challenge an employer's judgment for hire, while reserving eligibility for those who "truly" qualify (Katsiyannis & Yell, 2002). Rulings such as these may have had an affect on the reduction in the number of people with disabilities in the labor force since the passage of the ADA (Houtenville & Daly, 2003). This case is pertinent to older workers because the Administration on Aging found that most older adults have at least one chronic condition such as hypertension and many have multiple conditions. In 2000-2001, hypertension (49.2%), arthritic symptoms (36.1%), all types of heart disease (31.1%), cancer (20.0%), sinusitis (15.1%), and diabetes (15.0%) were among the most frequent medical conditions effecting older adults (Administration of Aging, A Profile of Older Americans: 2004). Because these conditions can be treated with medication, as in the Murphy ruling, special accommodations in the workplace or in the hiring process are not required. This could have serious implications for older workers who wish to retain or re-enter the workforce.

This ruling causes reflection on the extent to which the ADA can have a positive effect on employment and accommodations for people with disabilities. Some argue that the Murphy ruling stripped the definition of a disability of its intended meaning. This judgment creates a need for the ADA to protect those truly in need of the protection. If a person is legitimately limited in his or her work ability for which medication is not an option, they qualify under the ADA (Katsiyannis & Yell, 2002).

These laws are intended to protect a growing percentage of the United States population from employment discrimination. Without the enforcement of these policies, many face unemployment. However, providing incentives for companies and organizations to retain, retrain, or rehire this population of workers, can benefit society socially and economically. Since, increasing global competition causes increasing costs for employers and little incentive to keep aging employees. Older workers often have a need for retraining, increased health care and family care, causing employers to encourage retirement.

### **3. From social policies to organizational practice**

Social policies toward older workers guide organizational practices designed to accommodate the continued employment of older workers through nondiscrimination. These policies provide notice to organizations that older workers are a valued source of knowledge and experience. Age, family responsibilities or physical ability should not be more important than continued and sustained performance. Federal polices concerning older workers may encourage new employment patterns and encourage organizations to proactively seek strategies to make the workspace more accommodating toward older workers. Social policies combined with a changing labor force can influence the manner in which organizations act and react to the shifts in employment patterns. Dychtwald (2004) predicted an overall labor shortage of 10 million workers in the U.S. by 2010. Yet workers age 55 and over are growing four times faster than the workforce as a whole (Dychtwald, 2004). By 2012, this group will account for more than 19% of the work force compared to 16% currently (Shellenbarger, 2005). These statistics on the aging workforce combined with a shrinking number of available workers predicts a need for companies to retain and employ older workers in the coming decade. Older workers may provide the resources organizations require for needed job openings.



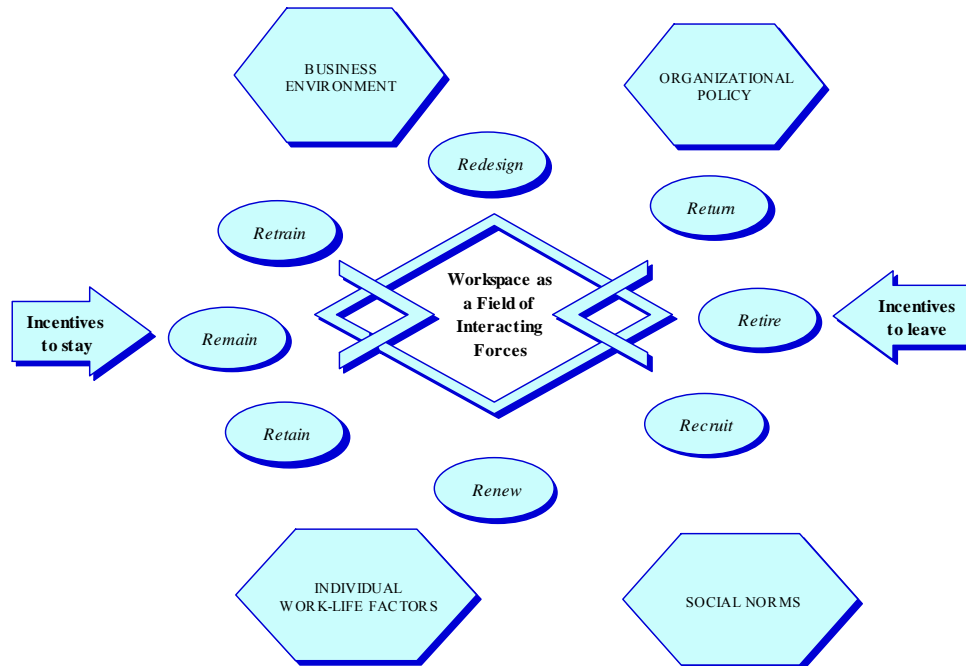
The preceding section reviewed social policies designed to assure society that older workers are treated equitably in the workplace. The next section of this paper examines the workspace as a field of interacting forces encouraging corporations to retain, retrain or recruit older workers (Rocco, Stein, & Lee, 2003). A case study of selected employers in a Midwest City are presented to examine how in practice, organizations are reacting to changing workforce patterns.

#### *Workspace as a Field of Interacting Forces*

Rocco, Stein and Lee (2003) postulated five potential work patterns: renewing the relationship, redesigning the workspace, retraining older workers for a new position, retaining older workers in current positions, and recruiting older workers to fill vacancies. These patterns might characterize the relationship between an employer and an older worker. The renewing pattern, allows older workers to capitalize on their expertise and renew their relationships with organizations as entrepreneurs or consultants. For example, an older worker leaves a workplace and returns as an independent agent selling services and expertise to the former employer. For the older worker, returning as a consultant or supplier provides flexibility, new skill development, and new challenges. In the redesign pattern, jobs are redesigned to accommodate flexible work schedules or a physical redesign of the work. For example, job redesign in health care includes using lifting equipment to reduce bending by older workers (Mullich, 2004). For the employer, the benefits of acquired wisdom and expertise are retained without the costs of full or part time employment. Retraining involves an organizations commitment to older workers seeking new positions within the same organization. It can also involve retraining to enhance technical skills. In the past, older workers had limited training opportunities because of the age related expectation of retirement and absence from the workplace. Today, organizations are realizing that losing older workers reduces productivity and organizational memory. Therefore, efforts are made to retain older workers. Recruiting older workers occurs when organizations have difficulty finding competent, available younger workers to fill positions. Recruitment is fostered though full time benefits for part time work and easy transfer processes to alternate company locations. Technology may be used to reduce the possibility of age discrimination through electronic job applications or being able to work at home (Kelly, 2004; Shellenbarger, 2005; and Dychtwald, Erickson, Morison, 2004).

In response to organizational and social forces, employers make policy decisions to retain, recruit, and retrain older workers as a strategy to maintain an experienced workforce and possibly, alleviate shortages of skilled experienced workers. The decision to remain in the workplace is dependent upon the employer's decision to provide training opportunities, modify the work environment to account for the physiological changes of age, assign tasks that build upon the older worker's experience and expertise, and recognize the place of work in the life situation of the older worker. If the employer does not revise policy to address older worker concerns, the decision to remain may not be a viable option. The force field illustrated in Figure 1: Workspace as a Field of Interacting Forces describes the context, the decisions, and the tensions in which older worker employment decisions are made by both the older worker and the employer (Rocco, Stein, & Lee, 2003).

Figure 1: Workspace as a field of interacting forces.



The model shown in figure 1 illustrates forces that interact to influence workplace decisions. The forces include the business environment, organizational policy, social policy and individual work-life factors. The older worker and the organization each make decisions from their own perspectives but each decision influences the opportunities available to the other. The tensions are between incentives to stay and incentives to leave. The tensions are influenced by contextual factors and impact individual and organizational decisions. Therefore, the workspace is seen as a field of interacting forces with varying strengths at different times depending on the context.

Decisions to remain, return, or retire are influenced by market forces, social legal and workplace norms, lifestyle concerns, and organizational incentives to leave the workplace. The model is a description of the forces influencing the employment of older workers. Therefore, how are organizations reacting to the forces, shifting employment practices? There is concern that organizations are not addressing the changing demographics of the workplace (Kelly, 2004; King, 2004). Seventy percent of human resource professionals responding to a survey felt their organizations were inadequately prepared for the repercussions of an ageing workforce (King, 2004). The next section briefly describes practices used by selected organizations in a Midwestern city to prepare for the aging of the workforce.

### *Study Procedures*

To determine the extent to which local organizations were advocating employment of older workers, an exploratory study of employment practices was conducted of businesses in a Mid-western city. Thirty seven human resource managers were identified from businesses which had either participated in programs designed by an executive

education organization or had provided faculty to the executive education organization. From this population, a convenience sample of fourteen human resource managers was selected based on prior meetings with a member of the research team. A phone interview was used as the data collection method. Trust had been established from prior contacts therefore telephone interviewing was as effective as a face to face interview (Singleton & Straits, 2005). Table one describes the types of organizations participating in the inquiry.

*Table 1 Distribution of Respondents*

<b>Corporate Sector</b>	<b>Number of Respondents</b>
Healthcare	2
Pharmaceuticals	1
Banking	2
Insurance	2
Other (retail, service, utility)	3

Ten human resource managers from seven different market segments participated in the inquiry

A semi structured interview protocol was established to engage the respondents in a conversation about recruiting, retaining, and retraining older workers. The interviews lasted thirty minutes and covered issues such as:

- Types of programs and policies to retain older workers
- Career supports or training to redirect careers
- Recruiting strategies to meet the anticipated gap in the traditional labor pool

Responses were written on a contact summary form and reviewed by two research team members. Responses were tabulated to assist with the analysis. Both researchers independently generated themes from the data using pattern coding as suggested by Miles and Huberman (1994) and Ritchie and Spencer (2002).

*Organizational practices*

Table two lists the variety of workplace practices by market segment and category. Categories pertain to the values organizations place on older workers and the practices used to recruit, retain, and retrain for career support.

The interpretation of the table will be presented in the form of practice patterns. A pattern is a configuration of material summarizing in meaningful ways activities across organizations (Miles & Huberman, 1994). Comments in the text are illustrative the pattern in action.

*Table 2 Workplace Practices*

<b>Employment Sector</b>	<b>Perceived value of older workers</b>	<b>Recruitment Practices</b>	<b>Retention Practices</b>	<b>Career Support Practices</b>
Banking	skills sets values	hire to reflect the local community. need all ages of employees	schedule flexibility	experienced professionals network
Healthcare	experience valued for admin positions	not specifically for older workers	transitional work retrain so as to not leave for other positions	career resource center for all employees
Insurance	value knowledge acquired over a lifetime	bring retirees back to work on projects on an as needed basis	awards for employment longevity	over 50 year old retirement/career seminar
Pharmaceutical		not focusing on older workers. retiree job bank for former employees.		
Other	anticipating lots of retirements but not planning any strategies		increasing the age for retirement benefits	

*Practice one: Recruit employees across the age spectrum*

Respondents were reluctant to focus on older workers as a source of employment believing that traditional age new workers would be available to meet labor-market demands. One HR manager expressed a reluctance to launch initiatives specific to older workers due to accusations of discrimination. Another HR manager expressed the idea that the hiring of older workers may be part of an overall recruitment strategy but older workers are not specifically targeted for hire stating, “We look for workers not just older workers. We’ve even bused in people from half-way houses (that didn’t work well). We need people at all levels. Each store does its own recruitment. Some may go after seniors but it’s not a corporate initiative. Stores make hiring decisions with respect to their markets.”

HR managers believed that competitive compensation packages and an appealing work culture would attract workers across all age groups. A respondent did acknowledge that to recruit older workers policy adjustments allowing more flexibility in terms of

working hours was necessary. In general it was found that the increased need for capable workers at any age drives recruiting practices. Older workers were not sought as a potential labor pool on their own.

*Practice 2: provide career seminars and recognize service to retain “experienced workers.”*

HR managers discussed older workers in terms of years of experience rather than by age. The term “older worker” is not used, but instead these workers are referred to as “more experienced.” Therefore, these organizations provided opportunities for all workers and did not identify workers over a specified age as a protected class. Most companies provided programs to assess career growth and or transition to other jobs or to retirement as available to all employees regardless of age. An HR manager spoke about helping all employees to make informed career decisions. The manager said “We encourage people to make the best (career) decisions for themselves. It’s not just earmarked for older workers. It’s for people managing careers. When people turn 50 we offer an extensive retirement/career session...this helps them determine how they want to spend the rest of their career.” Another respondent indicated the importance of informed career decisions: “These seminars cost the company money, but it is worth it. This helps them (older adults) determine how they want to spend the rest of their career. We have a sophisticated retirement model to give people an idea of when they can retire. We give people an opportunity to be informed about their retirement decision.”

A respondent from the banking industry supported the idea that all employees including older workers have a need for career development “Having the right kind of support in place is important... providing opportunities-job postings. Generally, all people want to learn new things, to make a difference. There are different challenges in terms of what they want—but they want career development opportunities.” While the respondents did not identify specific activities designed to promote the retention of older employees, there seems to be an attempt to assist in the decision to stay or to leave paid work.

Organizational respondents applied employee recognition programs as a way to reward experience, longevity, and create a culture that is inviting to older workers. “We have built a culture that embraces older workers---one of acceptance, one of letting them know we value them. We make a big deal out of years of service awards... have an annual luncheon for 25+ year’s employees.”

Changing the benefit package is used as an incentive to retain older workers. By changing the age at which retirees can collect benefits (eligible to retire at 55 but cannot collect until age 62) discourages early retirement. Helping employees to consider the consequences of leaving the workplace through seminars, changing the benefit package to encourage retention, and creating an environment which supports and rewards longevity are examples of the way organizations promote retention and recognize the value of older employees in the workplace

*Practice 3: redesign the work environment to preserve knowledge acquired by older workers.*

HR managers did acknowledge the value of the knowledge acquired by experienced employees. Job banks and flexible work patterns encourage older workers to return to the

workplace when special skills are in demand. For example, retirees in the insurance industry were temporally employed to assist with Katrina claims. Retention of needed skill sets can be retained when forming a network of experienced professionals. It also provides flexibility for former employees to enter and exit the workspace in a manner mutually agreeable to the worker and the organization. Due to changes in the workflow and the need to hire fewer employees' older workers were included in the business plan for one company in the banking industry.

*Our call centers have both ends of the spectrum---lots of young people (students) and older people who want flexibility in schedules. In the operations area we have older workers who work two weeks of the month. We created these jobs –in part due to fewer employees but also due to ebb and flow of work, aging workers are part of overall business. It's an opportunity for us to meet business goals to leverage people who want flexible work hours and to use their vast experiences.*

This practice follows a national trend toward preserving knowledge acquired by older workers. To prevent a major talent loss, organizations are developing flexible working patterns to accommodate the lifestyle needs of older adults. The organizations sampled are also following national trends by providing opportunities for retired employees to return for special assignments or to work on a project basis (Dychtwald, Erickson, Morison, 2004, Mullich, 2004).

The practices discussed demonstrate that these organizations are not proactively developing strategies to encourage the employment of older workers but are using strategies found in a variety of organizations across the country (Dychtwald, Erickson, Morison, 2004, Mullich, 2004). Instead of focusing specifically on practices for older workers, organizational policy is designed to encourage employment of all workers in this small sample. While there is an awareness of the value of older workers in the workplace, companies seem unconcerned with demographic shifts and issues confronting an aging society (Hardy, 2006). Practices indicate that the sampled organizations attempt to improve the quality of work-life for all employees, while there is little attempt to recruit, retain or retrain older workers so as to extend their careers with the organization. While the organizations in the sample did not discriminate in their practices toward older workers, they did little to enhance the quality of work-life specific to older workers.

#### **4. In summary**

Social policies such as the Age Discrimination in Employment Act, the Age Discrimination Act, the Family and Medical Leave Act, and the Americans with Disabilities Act provide guidelines for appropriate organizational behavior and practices. However, to what extent such guidelines are implemented is often at the discretion of the organization. The small sample of businesses evaluated demonstrated that organizational practices indicate the extent to which organizations interpret and implement social policies designed to protect older workers. The sample depicted a group of businesses, which did not necessarily violate public policy but also showed little effort to surpass the intent of the law. As opposed to implementing organizational policies specific to the recruitment, retraining and retaining of older workers, such policies were implemented for all workers regardless of age or tenure. Older workers are reacting to employer driven policies rather than influencing changes in the workplace that might be implied by social

policy. For organizations, this method ensured non-discrimination amongst policies benefiting their workers. Organizational practices indicated a desire to improve not just the work-life of one group within their organization, but instead all groups equally. Social policy regarding the employment of older workers is interpreted by organizations in terms of the local labor pool, nature of the work (i.e., knowledge work versus physical labor) and the value of an employee's experience. Organizational interpretations of social policy focus on corporate goals as opposed to building an encouraging work climate for older workers to remain and return to the workplace.

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## 4. Ageing of the Labor Market in the Netherlands: An Overview

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### **Abstract**

Population ageing is one of the most distinctive demographic events of the past several decades. This paper will focus on recent and future trends in the ageing of the labor force in the Netherlands. First the Dutch situation will be put in an international perspective. How does the ageing of the Dutch labor market compare to other (European) countries? Next, the paper will look into the Dutch labor market in more detail: what are the differences in labor force participation of men and women, of migrants and non-migrants, what are the differences between industries? Ageing of the work force is for instance rather high in public administration and education, but quite low in retail trade and the hotels and restaurants industry. The final part of the paper will deal with the consequences of future labor force ageing for Dutch society in general and industries and firms in particular.

### **1. Introduction**

There are nearly one million firms in the Netherlands. About half of them have people in employment. For all firms with people in employment size and composition of the current and future labor market are of importance. An important issue to the labor market, both in the Netherlands and Europe, is the future changing age structure of the labor force. In this respect two groups of factors have to be taken into consideration. First, there is the purely demographic phenomenon of population ageing. Both the total Dutch population and the Dutch labor force are ageing. Due to the decrease of the number of births in the Netherlands since the end of the sixties the number of young new entrants to the labor market decreased. This will lead to both an increasing percentage elderly and a rise of the average age at the Dutch labor market now and for a medium long period. Secondly, there is the aspect of changing age-specific labor force participation. Both increase of labor force participation of young people and decrease of labor force participation of elderly slow down the ageing process of the labor force. Opposite trends of course will reinforce the ageing. This paper deals with main aspects of labor force ageing in the Netherlands. First the Dutch situation will be put in a European perspective. Next the paper focuses on the Dutch case, by looking at past and future trends, immigration and non-nationals, economic activity, and consequences of an ageing labor force.

### **2. Ageing of the European labor market**

The next decades Europe will be inevitably confronted with an ageing population. In the 25 countries of the European Union for example, according to the Eurostat baseline population projection the share of the elderly aged 65 and over will increase by around 35% in twenty years and even by 80% in fifty years time. (Eurostat, 2004)

Also the potential labor force – that is, the population in the age group 15-64 years – will age. The population ageing is a direct consequence of at first a period with very high and after that with very low numbers of births. The age structure of the population of the European Union is dominated by the large post-war birth cohorts born in the period 1946-1965. These cohorts will gradually reach retiring age in the period 2005-2030 and consequently leave the labor force. Due to the fertility decline younger cohorts are much smaller.

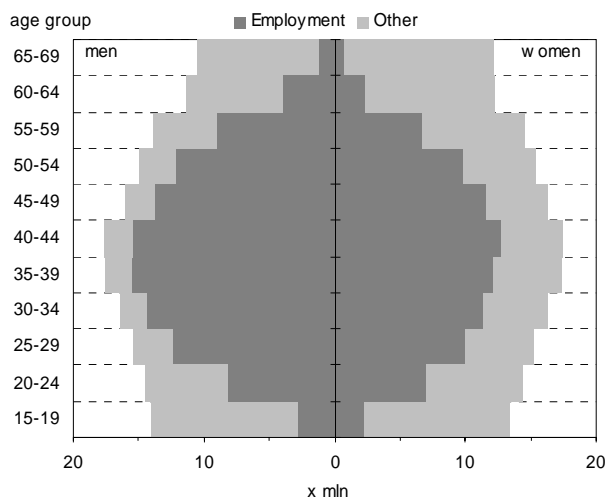
The large size differences between the older and younger cohorts will change the future age structure of the European Union potential labor force to a large extent. Though the decrease

of the number of births did not happen at the same time and the same speed in all countries, the general trend is more or less the same throughout all the countries. The recently acceded countries particularly faced a rapid decrease of fertility rates after 1990, that will have its effect in due time (Van der Erf, 2001).

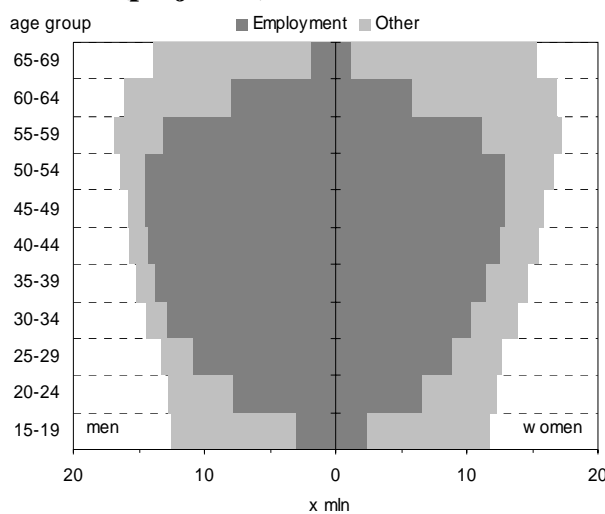
Recent studies on future European labor force ageing have been carried out by Bijak *et al.* (2005) and Carone (2005). These studies project a strong increase of the percentage older workers, both in the Netherlands and the European Union as a whole. In 2005 11.2% of the labor force population was aged 55-64 years; in 2025 around 17.4% of the labor force population will be in the age group 55-64 (Carone, 2005). This increase is partly due to higher labor force participation of older workers, but mainly due to the already mentioned consequence of the baby-boom generation approaching retiring age and the succeeding lower-birth-rate cohorts reaching working age.

Figure 1a and 1b. The population of the European Union by age, sex and labor status in 2005 (observed) and 2025 (projected) Sources: Eurostat; Carone (2005).

**1a. 2005 (observed)**



**1b. 2025 (projected)**



Though all countries of the European Union certainly will have to face a strong labor force ageing, there are substantial differences amongst countries. The first aspect of importance in

this respect is the level of labor force participation. Figure 2 shows observed (2000 and 2005) and projected (2025) labor force participation (i.e. employment) rates in all European Union countries. Countries are in ascending order of employment rates in 2005. The Scandinavian countries show high employment rates partly due to relatively high labor force participation of women. Austria, Belgium, Hungary, Italy, Poland, Slovakia and Slovenia have much lower labor force participation rates due to on average lower retiring ages. Nowadays the Netherlands takes a rather average position around the European Union average employment rate. However, in the 1980s the Netherlands was characterized by a relatively young work force with low employment rates of older workers.

The extent to which the labor force is ageing can be made evident by the share of older workers in the labor force. Figure 3 shows the percentage of older workers aged 55 and over in the total labor force for all 25 European Union countries in 2000, 2005 and 2025. Again the countries are in ascending order of the percentages in 2005.

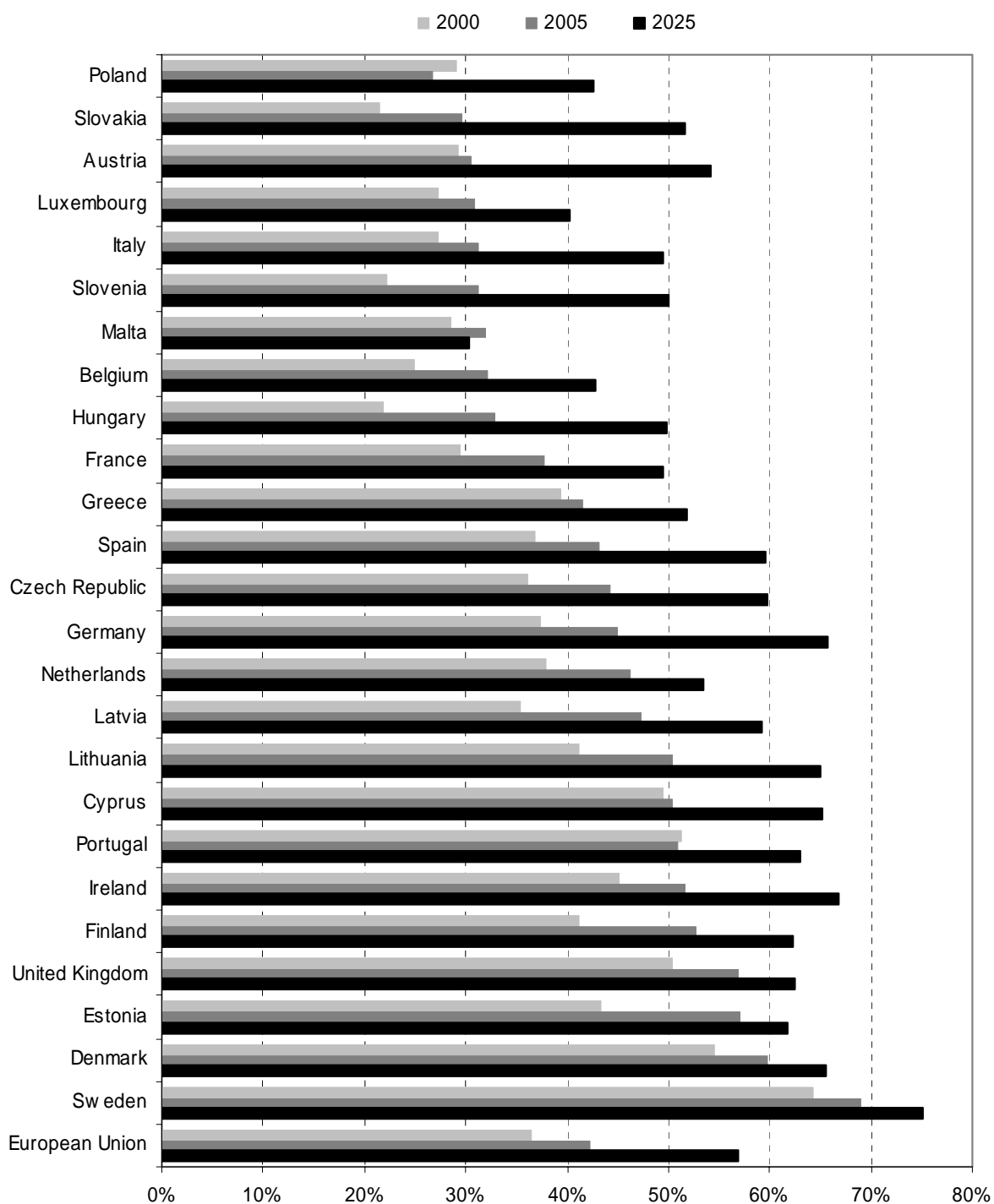
Austria, Belgium, Poland, Slovakia and Slovenia have relatively low proportions of older workers in 2005, whereas Sweden has a high share of older workers. The picture will remain more or less the same in 2025. However the change of the proportion older workers shows remarkable differences amongst countries. In Sweden there is hardly any rise in the percentage of older workers. Particularly Austria, Italy, Slovakia, Slovenia and Spain will have to face a huge increase of the share of older workers. The Netherlands actually shows a modest future increase. However in the past decade the increase of the share of older workers was of all European Union countries the highest in Denmark, Finland and the Netherlands.

### **3. Ageing of the Dutch labor market**

The ageing of the Dutch population actually started at the end of the 1960s. In the 1950s and 1960s the Dutch population was characterized by rapid population growth and a young population. Particularly the decrease of the fertility rate contributed to the population ageing. The number of births declined from 250 thousand at the beginning of the 1960s to below 200 thousand ten years later. This was a result of two trends: decline of the average number of children combined with at first (till 1970) a decrease and next an increase of the average women's age at birth (Van Imhoff and Van Wissen, 2001). The average age of the Dutch population of 32 years in 1960 was around seven years lower than in 2005 (See Figure 4). For the working age population the ageing only started in the mid 1980s. The first cohorts of the post-war generation start contributing to the rise of the average age. Since then the average age of the total population and of the working age population show similar trends. Around 2010 the first cohorts of the post-war birth generation start leaving the working age population. The average age of the working age population remains stable from then on.

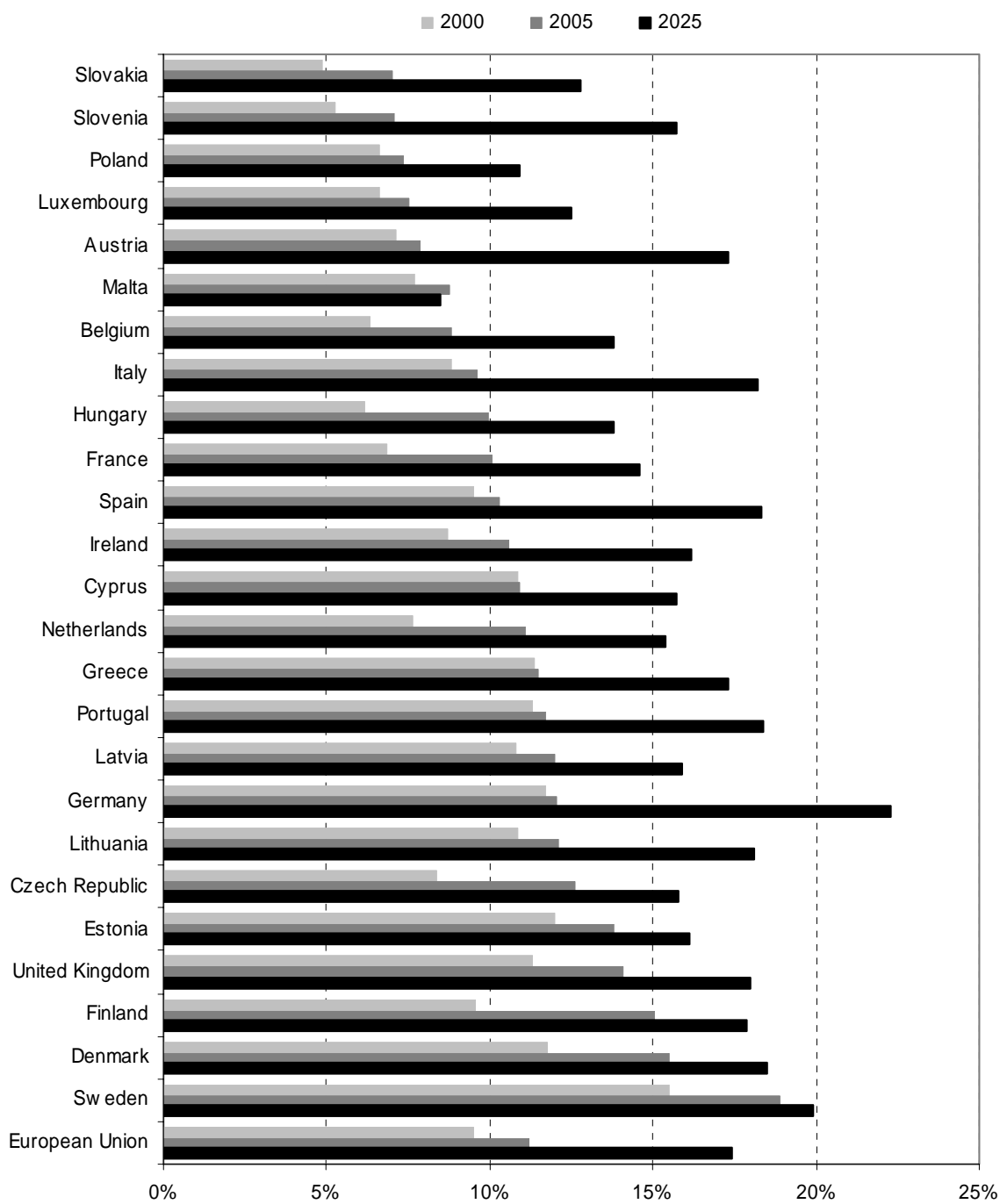
The change of the average age of the labor force and of the working age population show a similar pattern. However, changes in the average age of the labor force are only partially related to the ageing process since a number of developments have been taking place simultaneously. The effect of the ageing process among the male part of the labor force was (more than) offset by the reduced participation of the older workers in the labor market, mainly due to disability benefits and early retirement. On balance the average age of the male labor force still declined until 1990. Among the female labor force, on the other hand, the ageing process was reinforced by their increased labor force participation. This resulted in an increase by almost seven years in the average age of working women since 1960.

Figure 2. Employment rates of the population in age group 55-64 by country, European Union, 2000, 2005 (observed) and 2025 (projected)



Sources: Eurostat; Carone (2005).

Figure 3. Percentage of the employed population in age group 55-64 by country, European Union, 2000, 2005 (observed) and 2025 (projected)



Sources: Eurostat; Carone (2005).

Whereas the age of entering the labor market increased during the last decades, the average exit rates decreased particularly for men. Employment rates in the age group 55-64 dropped until the mid 1990s (Table 1).

Particularly in the economically unfavorable 1980s a lot of older workers left the labor market before reaching the official retirement age of 65, using early retirement schemes, disability benefits and unemployment benefits. This is also evident from the shortened lifetime labor careers (see Liefbroer and Dykstra, 2000). Men born between 1901 and 1910 worked 45 years on average until reaching the age of 65. Men born between 1921 and 1930 worked 5 years less on average until reaching the age of 65.

The same men born between 1901 and 1910 worked 27 years on average until reaching the age of 45. Men born between 1941 and 1950 had only worked 24 years up to the same age. Men started entering the labor market later and later, and left the labor market earlier and earlier. Moreover due to the increased life expectancy the labor career becomes an increasingly shorter part of the entire life course. According to a study of Liefbroer and Henkens (1999) men born in the period 1903-1907 participated 74% of their lifetime at the labor market; men born thirty years later participated only 58% of their lifetime.

*Table 1. Employment rates (%) by age, sex and year, the Netherlands*

Sex	Age	1971	1975	1981	1985	1990	1995	2000	2005
Men	50-54	93	87	83	77	81	82	87	88
	55-59	87	77	70	64	64	58	69	76
	60-64	74	58	40	29	22	20	26	32
Women	50-54	21	17	24	27	36	45	56	67
	55-59	18	14	17	18	23	28	39	48
	60-64	12	7	7	7	8	8	11	18

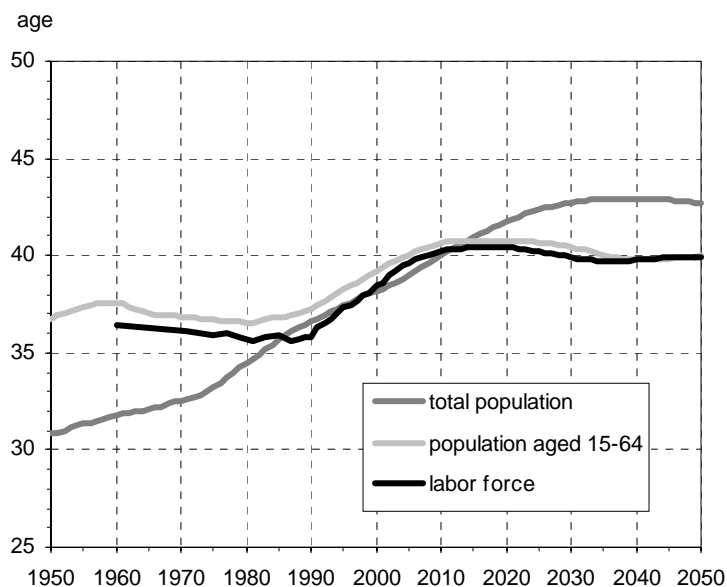
Source: Statistics Netherlands (1971-1981); Eurostat (1985-2005).

The efforts of the Dutch government to try to turn round the trend towards a lower and lower early retirement age seem to be successful by now. Since 1995 employment rates of older workers are gradually increasing. Male employment rates in age group 55-59 for instance decreased from 1971 to 1995 from 87% to 58%, but increased since then to 76% in 2005. Female employment rates particularly increased tremendously at ages above 50.

The employment rate of women aged 50-54 for instance more than tripled since 1971. This growth is to a great deal due to increasing labor force participation of younger birth cohorts. Younger cohorts of women tend to stay longer in the labor market even if they get older (Van Solinge and Fokkema, 2000). The average age of employed women therefore increased by around seven years since 1960 (Figure 4). The average length of the working life career of women thus increased (starting from the cohort of women born between 1931 and 1940; see Liefbroer and Dykstra, 2000).

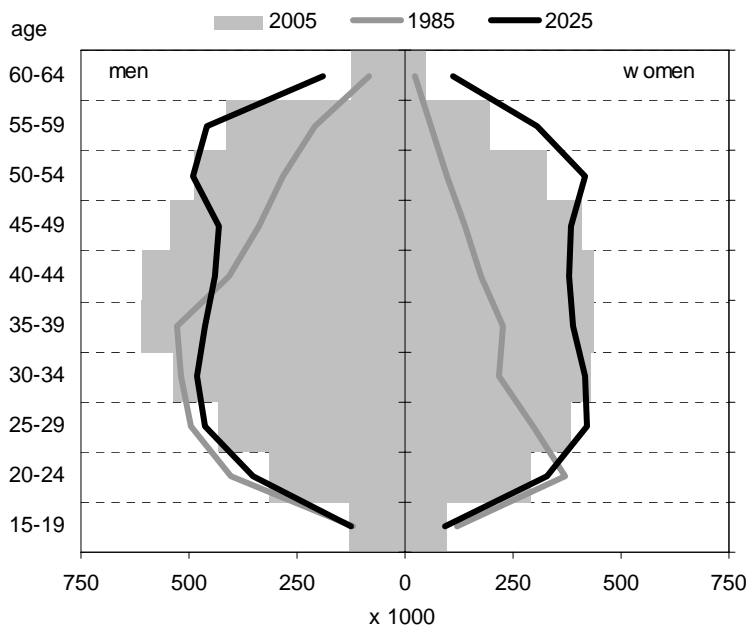
Projections carried out by Statistics Netherlands (De Jong, 2005a) show that the average age of the Dutch population will increase by another four years by 2030 and that the average age of the working-age population will increase by around two years by 2015.

Figure 4. Average age of the total population, working age population (age group 15-64) and labor force, the Netherlands, 1950-2050



Source: own computations based on Carone (2005).

Figure 5. Population in employment by sex and age group, the Netherlands, 1985, 2005 (observed) and 2025 (projected)



Source: own computations based on Eurostat and Carone (2005).

It is not quite clear how the age structure of the Dutch labor force will change since economic developments play a role alongside demographic trends. According to Eurostat labor force projections (Carone, 2005) the average age of the labor force will increase by one year in the coming decade. A decline will not set in until after 2020.

Trends in the average age of the total labor force are not always indicative of the ageing process. They do not acknowledge differences in the age structure. The proportion of the older workers is also a useful indicator of ageing. The percentage of 55 to 64-year olds is due to increase substantially, from 13 per cent in 2005 to 17 per cent in 2025 for men and from 9 per cent in 2005 to 14 per cent in 2025 for women (Carone, 2005). The ageing process is clearly reflected in the changing age pyramid of the labor force (Figure 4). In 1985 most males in the labor force belonged to the 30 to 39-year age group; in 2005 most males are part of the 35 to 44 age category, and in 2025 a large part will be part of the 50 to 54-age category.

Both the average age of the labor force and the share of older workers increased substantially the past decade. This process will go on the next couple of decades. The ageing of the labor force may even be greater than one would expect on the basis of the Eurostat baseline labor force projections (Carone, 2005) since efforts are being made to boost the participation of older workers.

Due to (future) labor shortages one might expect firms to lay off less older workers using unemployment benefit schemes and expect them to implement adjustments to prevent disability. Also transformations of pay-as-you-go early retirement schemes to flexible capital funded early retirement schemes could discourage exit from the workforce. In these new flexible early retirement schemes people are still able to stop working before they reach the official retirement age but at much higher costs than in the previous pay-as-you-go early retirement schemes. (Van Dalen and Henkens, 2002)

#### **4. Immigration**

In the discussion on the future population and labor force ageing the issue of immigration draws attention. Two aspects are of particular importance: the impact of immigration on population ageing as such, and the role of immigration to solve future labor shortages.

Immigration might slow down population ageing because immigrants are usually younger than the present population. However, immigration does not seem a solution to population ageing in the long run, since migrants also get older and will contribute to the population ageing themselves. To keep for instance the Dutch old-age dependency ratio (that is the ratio of the population aged 65+ to the population aged 20-64) constant at the current level, Dutch society would require an annual net migration of 150 thousand immigrants. The Netherlands would have a total population size of about 50 million at the end of the century (see Alders and Garssen, 2002). The study of Bijak *et al.* presents similar analyses using different dependency ratio definitions and concepts resulting in total Dutch population sizes varying between 50 and 63 million around 2050 already and annual net migration flows gradually increasing to 1 to 1.6 million. (See Bijak *et al.*, 2005)

Irrespective of immigration being an answer to population ageing, immigration could very well offer a solution to preventing future labor shortages. The past decade the number of immigrants varied between 95 and 130 thousand per year. The number of migrants coming to the Netherlands because of job reasons is between 10 and 20 thousand. The majority thus



migrates for other reasons, like family formation and family reunification. There is a difference between immigrants from western countries and other countries: for instance, in 2004 around 50% of the immigrants from the “old” European Union (EU-15) countries came for job reasons against 24% for non-western countries (Statistics Netherlands). These kinds of differences are also apparent in employment rates of the current foreign born population in the Netherlands. (See Table 2)

*Table 2. Employment rates (%) by sex, ethnic background and year, the Netherlands*

		Native Dutch	Foreign		
			All	Western	Non-western
Men	1995	74	57	67	46
	2000	79	66	74	58
	2004	76	63	71	55
Women	1995	45	37	44	28
	2000	54	44	51	36
	2004	56	46	54	39

Source: Statistics Netherlands.

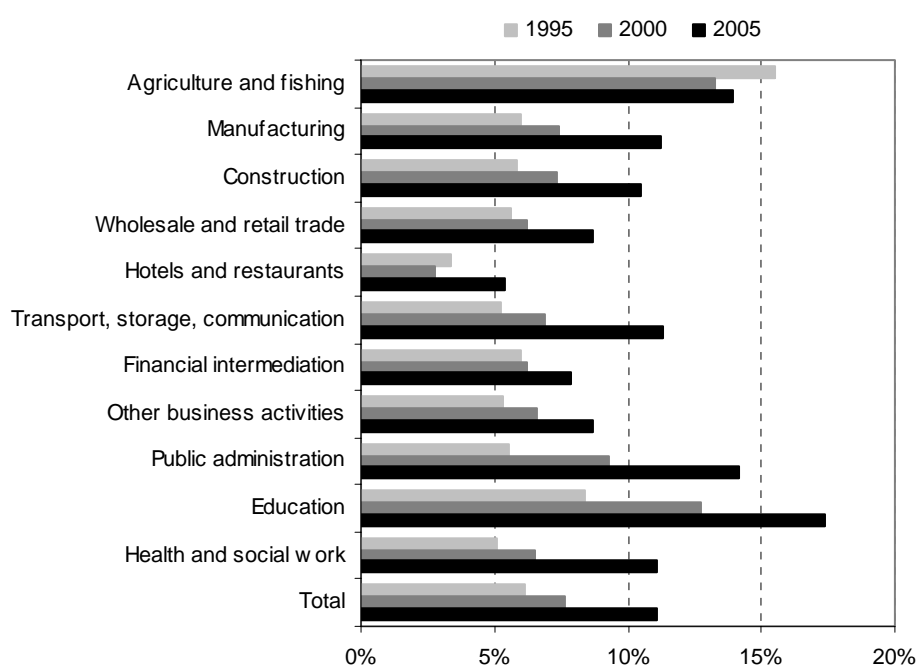
Though employment rate differences between the native Dutch population and the population with a foreign ethnic background diminished, employment rates of the foreign born population remain below average (See Van Gils, 2003). Particularly employment rates of the population with a non-western background are much lower. This applies to all educational levels. Employment rates of the children of the population with a non-western background (second generation) are slightly higher though than their parents’ (first generation). (See Reemers, 2003)

To potentially solve labor shortages essentially three migration flows are of importance: migration from other Western European countries, migration from Central and Eastern European countries, and other migration. Statistics Netherlands expects a declining net migration flow, from -13 thousand in 2006 to 30 thousand in 2025 of which around 20 thousand from non-western countries (Alders, 2005b). The labor capacity from other western EU countries is limited (see Van Imhoff and Van Wissen, 2001). The net migration between these countries is rather small in general. Moreover economic differences are relatively small and these countries face similar ageing problems with respect to the labor force. High migration flows from the Central and Eastern EU countries are not very likely (Van Imhoff and Van Wissen, 2001). These countries in general will also have to deal with population and labor force ageing. A relatively high temporary flow of higher educated migrants from the poorer to the richer European Union countries may very well be possible. However, according to the Statistics Netherlands population projection assumptions, the Dutch share is expected to be rather limited (Alders, 2005a; Alders, 2005b; De Jong 2005b). The largest flow of migrants is expected to come from non-western countries, mainly related to family formation and family reunification. Labor force participation of this group might, like with the current population with a foreign background, lag behind the native Dutch born population (Van Imhoff and Van Wissen, 2001). All in all, migration is probably only a very limited solution to future labor market shortages due to population ageing.

## 5. Ageing by economic activity

The ageing of the Dutch labor market of course has implications for the age-structure of personnel in individual firms and organizations and thus for the several economic industries. The extent to which organizations will be faced with problems related to an ageing workforce, and when these problems are likely to arise, depends for a part on their current age structures. Other factors which play a role are the question of whether the organization is growing or cutting back on staff numbers, as well as patterns of age-specific inflow and outflow (See for instance Ekamper, 1997). Also the economic industry is of importance to the age structure. Huge differences exist between industries for instance regarding to required educational level, type of education, and skills.

Figure 6. Percentage of the employed population in age group 55-64 by industry, the Netherlands, 1995, 2000 and 2005

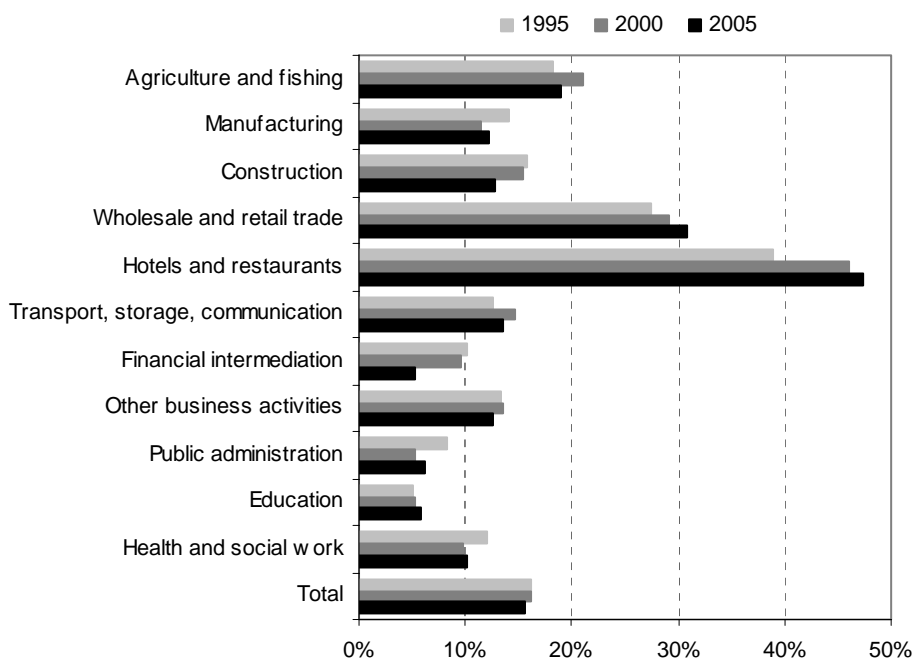


Source: Eurostat.

The share of younger and older workers per economic industry is a useful indication of industrial age structure differences. Figure 6 and Figure 7 show the percentages of the employed population in age group 55-64 and 15-24 respectively in 1995, 2000 and 2005. From Figure 6 it is clear that in the past decade the share of older workers increased in all industries but agriculture and fishing.

Particularly public administration and education faced a strong increase in the percentage older workers. In agriculture the share of older workers was already very high in the past (16% in 1995) compared to other industries. The educational sector had a high share of older workers as well in 1995 already (13% aged 15-64). Above that the share of older workers in the educational sector increased to 17% in 2005.

Figure 7. Percentage of the employed population in age group 15-24 by industry, the Netherlands, 1995, 2000 and 2005



Source: Eurostat.

The highest increase of the share of older workers occurred in the public administration: a rise from 5% in 1995 to 14% in 2005. Typically young industries are the wholesale and retail trade industry and the hotels and restaurants industry. They both show high and still increasing shares of younger workers (age group 15-24). The share of older workers is relatively low but increasing as well in the past couple of years. In wholesale and retail trade almost one third of the workers are younger than 25 years of age. In the hotels and restaurants industry the share of younger workers is nearly 50%, whereas the share of older workers is only 5%. (See Figure 7)

Even within industries differences can be observed. Within wholesale and retail trade supermarkets and department stores show an even younger workforce and within the educational sector secondary education is even more aged than the educational sector as a whole.

## 6. Consequences of labor force ageing

The next decades the European Union will be inevitably confronted with an ageing labor force. The Dutch labor force used to be relatively young but takes an average position nowadays. In the Netherlands like in most other European Union countries the labor force ageing process will continue a couple of decades. Studies of consequences of population ageing usually focus on the financial consequences particularly with respect to the old age pension schemes and the health system (see for instance Van Ewijk *et al.*, 2000). The strong increase of the Dutch population aged 65 and over will start around 2010, when the large post-war birth cohorts will reach retirement age. Until then ageing will mainly affect the labor market. Without dramatic changes in exit flows from the labor market (like early retirement) the inactive population within the potential workforce will still increase. This might negatively affect the willingness of younger workers to pay contributions or premiums for older inactive persons. However, at the organizational or firm level this is hardly a

problem, since organizations and firms themselves only pay part of these contributions. These costs can be shifted on to society as a whole, or like often in case of early retirement schemes, to all workers in a sector. An aspect that is of importance to firms and organizations is the future replacement demand for labor. Within a decade individual organizations and industries as a whole with a high share of older workers will not only lose a substantial number of workers, including their skills and knowledge, but also need to replace them with qualified new staff. As long as these older workers do not reach retiring age, consequences of their numerical share in the organization are dominant. An increasing number of older workers possibly has consequences with respect to the productive capacity and the related costs.

Little study has been done into the direct relationship between age and productivity, especially because it is difficult to find a good measurement for individual productivity. Studies were carried out hypothesizing a direct relationship between productivity and wage costs. However, research which addresses on the directly measurable productivity in relation to age is scarce. The research available indicates on no relationship between the two. McEvoy and Cascio (1989) state that there is persuasive evidence from different studies across a wide variety of jobs that no general relationship between age and performance exists. Stabilization or decline in functioning sometimes remains limited to some aspects of the work. Sometimes even functioning increases with age. Only the ability to cope with physical strain decreases with age (Shephard, 1995). (Negative) stereotypes about older workers in the organization often play an important role (Henkens, 2003). Older workers of today already are incomparable with the older workers in the past (see for example De Klerk, 2001). Older workers nowadays on average have higher education and more skills, are more prosperous, have a higher life expectancy, and are healthier. The older workers of today build a group more heterogeneous than in the past. In the future older workers probably will be on average even higher educated and more prosperous than the current generation of older workers (WRR, 2000).

Where productivity is not clearly related to age, wage is. Wage scales with automatic increments are rather general in the Netherlands. Therefore strongly increasing income profiles by age are dominant. This results that for men average income between age 25 and 50 roughly doubles; for women the increase is somewhat smaller (Timmermans, 1997). The last earned salary generally is the highest salary. A lot of pension and benefit schemes are based on this highest salary. For this reason an ageing work force can lead to a strong increase of the total wage costs. This possibly has negative consequences on both the competitive position of firms and the competitive position of older workers within the organization.

However, pension reforms in the Netherlands include a change to pension benefits based on the average salary. Also transformations of pay-as-you-go early retirement schemes to flexible capital funded early retirement schemes could discourage exit from the workforce. In these new flexible early retirement schemes people are still able to stop working before they reach the official retirement age but at much higher costs than in the previous pay-as-you-go early retirement schemes.

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## 5. Flexicurity among Older Workers in North-Western Europe

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### Abstract

This article argues that a synergy could exist between flexibility and security regarding the older workers in the labour market. A more or less deliberate strategy to enhance both flexibility and security in workorganisations and/or in the labour market is called ‘flexicurity’. In the light of the ageing of the workforce and the implementation of the European strategy to encourage the labour market participation of the 55+, the concept of ‘flexicurity’ is worthwhile to analyse. This article shows differences in the state of affairs and policies between the north-western European countries concerning the balance and types of flexibility and security among the older workers. The external numerical flexibility and employment security among the (senior) workers in the Danish labour market are relatively high. The Dutch and Belgian policies show most clearly the strive to strike a new balance between flexibility and security. Here, the government and the social partners facilitates flexibility in work organisations and employment and ‘combination’ security for the older workers. In Germany, the well rooted early retirement practice appears to be more difficult to be changed into more activating forms of flexibility and security.

### 1. The concept of ‘flexicurity’<sup>1</sup>

In this article, the first paragraph elaborates, in broad and in general terms, on ‘flexicurity’ as a policy concept and framework to analyse the state affairs and trends in labour markets. In the second paragraph, the flexicurity concept is linked to the issue of the older workers. In the following parts, assessments of the state of affairs and the policies on older workers in Belgium, Denmark, Germany and The Netherlands are made within this framework of flexicurity. In paragraph 4, some conclusions are made.

#### 1.1 Flexibility and security: a positive-sum game?

Governments, employers and employees in Europe are currently facing a twofold expectation. On the one hand there is a strong demand to make labour markets, employment and work organisations more flexible, while at the same time an equally strong demand exists for providing security to employees, especially vulnerable groups of employees. This twofold expectation has been documented in the EU policy discourse since 1993. The pursuit of a (new) balance between ‘flexibility’ and ‘security’ is especially apparent within the European Employment Strategy. In the Council Decision on the revision of the Employment Guidelines (2003/578/EC) it is stated that:

*‘The providing of the right balance between flexibility and security will support the competitiveness of firms, will increase quality and productivity at work and will help firms and workers to adapt to economic change’.*

Wilthagen (1998, 2002) has called this twofold expectation a ‘double bind’, as psychologists would call it, and a *flexibility-security nexus*. It could be argued that this new nexus merely reflects the traditional capital-labour nexus, which represents the core topic of industrial relations theory and research. However, flexibility does not seem to be the monopoly of employers. Employees and their representatives also need a more flexible organisation of

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<sup>1</sup> With thanks to Dr. Thomas Bredgaard (University of Aalborg, Denmark) who made comments on earlier versions of this article.

work in order to meet employees' individual preferences and circumstances, e.g. in combining work and private duties and responsibilities. Moreover, employers realise that they have an interest in stable employment relations and in securing employees' commitment and human capital to their companies.

One of the basic, and very interesting, questions in this nexus, or maybe paradox, is about the reconciliation of both goals of enhancing flexibility *and* security. Some studies are pessimistic that synergy can be found between flexibility and security. On the basis of a comprehensive comparative study Ozaki (1999: 116) firmly states: 'the flexibilisation of the labour market has led to a significant erosion of workers' rights in fundamentally important areas which concern their employment and income security and the (relative) stability of their working and living conditions.' The flexicurity concept, however, states that flexibility and security are not incompatible and are mutually preconditions for each other. In bargaining on flexibility and/or security, trade-offs can be made with a positive sum. In this, institutional characteristics do matter.

From a scientific and theoretical point of view flexicurity policies can be characterised as a form of coalescence and synchronisation of economic and social policy (Wynn 2000: 501) or as a post-deregulation strategy (Keller and Seifert 2000: 293).

In this article I follow the next definition of flexicurity: *a policy strategy that enhances the flexibility of labour markets, work organisation and labour relations on the one hand, and that enhances security – employment security and social security- on the other hand.* The definition is based on Wilthagen & Rogowsky (2002:250), but is less strict. Wilthagen & Rogowski introduced elements of 'synchronisation' and 'deliberate'. In the Netherlands there are some examples of a strategy in which the policymakers were very aware of enhancing and integrating flexibility and security at the same time and in which they integrated policy domains in different security and flexibility areas. The origin of this concept is also closely connected to the Dutch labour market reform in the 1990s (Wilthagen, 1989, Wilthagen 1998a, Wilthagen & Rogowski, 2002). Alternatively, flexicurity can be defined as a 'state of affairs', indicating the simultaneous existence of high levels of flexibility and security in the labour market within a employment system (see Wilthagen, 2005; Madsen, 2005; Bredgaard & Larsen, 2005). Finally, the concept of 'flexicurity' can be used and defined as only a conceptual framework to analyse flexibility and security in the labour markets.

### *1.2 Types of flexibility and security*

As stated before, it can be argued that there flexibility and security are mutually supportive and are mutual preconditions to each other. These points can be illustrated and will be more clear when we identify different types of flexibility and security. Based on the 'flexible firm' of Atkinson (1985) and adaptations of this model by others, four forms of flexibility in workorganisations can be distinguished:

- (1) external numerical flexibility: varying numbers of workers in an organisation;
- (2) internal numerical flexibility: varying working hours without varying the numbers of workers in an organisation (part-time, overtime, flexible working hours);
- (3) functional internal flexibility: varying jobs and task within the organisation, functional adaptability of the workers in an organisation;
- (4) wage flexibility: varying the price of labour.

Security in the labour market can also be based on four different forms: job security, employment security, income security and 'combination security'. With combination security



we refer to the security of a worker of being able to combine his or her job with other – notably private – responsibilities and commitments.

In some combinations there is less synergy, such as income security and wage flexibility or job security and external numerical flexibility. But other combinations can go hand in hand, such as external numerical flexibility and employment security or functional flexibility and job security. In these domains, trade-offs can be made with positive sum results. Muffels & Luijkx (2005) conclude in their empirical research on the combination of flexibility and *employment* security that the state of affairs in liberal and socio-democratic regimes seems to support the flexicurity thesis, while the corporatist and southern regimes show a far more tensed relationship between flexibility and employment security.

Specific forms of flexibility or security can be seen, to a certain degree, as alternatives to each other in the production of flexibility and security. F.e. in the case of increasing numerical external flexibility through cheaper dismissal procedures, the loss of job security can be exchanged for, or compensated by, more employment security through more education or mediation facilities for the employees.

## **2. Flexicurity and the older workers**

The concept of flexicurity can be beneficial to the implementation of the twin goals of EU and national policies: First, to promote the activity rates of older workers, and second, to increase the effective retirement age (cf. the Lisbon strategy 2000 and the Stockholm target 2001). By increasing on the one hand the flexibility of the older workers in the labour market and the flexibility in work organisations, and on the other hand the employment security of older workers, it can be argued that the employment and activity rates of older workers can be increased. The hypothesis is further that a strategy that promotes both flexibility and security in a co-ordinated way, will have most effect.

### *2.1 Enhancing flexibility and security*

Since the 1970s the policies for older workers on the central and local levels have focused on early retirement. On a collective level, financial compensations for the older workers were created to combat youth unemployment and to facilitate redundancy-strategies in the enterprises. On the micro level, early exit arrangements are still popular because these facilities meet the interests of the workers themselves to retire with good financial conditions and meet HR-strategies to refresh human capital and to adjust staff levels to structural changes in the economy. In our concept, this means that income security for the older workers was, and still is, combined with external numerical flexibility for the employers. But with the dismantling of early retirement facilities, economisation of welfare arrangements and ageing on the supply side of the labour market, the conditions for this ‘balance’ are under pressure. For the creation of income, the older workers in the labour market are becoming more dependent on having a job and being employable. Firms are losing the possibilities and the attractiveness of the early exit arrangements as HR-instrument and need flexibility of the older workers in work organisations and in the labour market. New policies are needed to promote the job security and work security and the flexibility of the older workers. The limited levels of flexibility and security among the older workers are one of the effects of the ‘early exit culture’: firms tend to have a passive attitude towards the older workers and workers are orientated mentally towards early exit. The lower levels of job mobility and the difficulties for the unemployed older workers to return to employment indicate limited levels of numerical flexibility and employability. The functional flexibility of the older workers also seems to be limited because of lower levels of education and lower participation rates in training, in comparison to younger workers. Further, the hypothesis can be put forward that traditional

internal labour markets tend to decline, which weakens the competitive advantage of older workers (Gautié, forthcoming). Their job and employment security is also under pressure because of trends like work intensification and the loss of ‘soft jobs’ and ‘bridge jobs’ because of the ‘lean production’ process (ibid). Finally, the seniority principles in salary-arrangements, as regulated in many firms and collective agreements, are on bad terms with the wage flexibility for the older workers.

### 2.2 Flexicurity strategy

The flexicurity concept can be seen as a fruitful strategy for bargaining in the difficult domains on early retirement and other issues among the older workers. By introducing new alternative, more activating forms of security and flexibility for the older workers in the labour market, new perspectives can be created for the bargaining parties. Employers will be more willing to support new job- or work-related facilities for the older workers if these increase the flexibility on the labour market. The trade unions will only be ready for re-regulations in the early retirement schemes if forms of security are involved. Workers can be given new perspectives on job and employment security as a compensation for the growing pressure on their income security in the end of their careers.

Figure 1. Options for flexicurity strategies for the older workers

<b>Security Flexibility</b>	<b>Income security</b>	<b>Job security</b>	<b>Employment security</b>	<b>Combination security</b>
<b>External numerical flexibility</b>	Early retirement		External job mobility by: Job centres Job pools Activating labour market policies	Flexible age of retirement Self-employment
<b>Internal numerical flexibility</b>		Part-time contracts; Part-time retirement; Flexible working hours		Part time pension; Part time contracts; Flexible working hours; Leave facilities
<b>Functional Flexibility</b>		Education/ training; Task rotation; Adaptation tasks/ working conditions	Education/ training; Senior jobs; Job-rotation; Internal job mobility	
<b>Wage Flexibility</b>		Variable pay	Demotion Wage subsidies	

But flexicurity is not only a ‘catchy’ strategy to give new positive spirits around the negotiating tables on the issue of early retirement. Especially for the older workers it can be argued that the synchronical creation of both flexibility and security is an important condition for strengthening the position of the older workers in the labour market. As described above, the older workers are behind in flexibility as well as employment security. Without flexibility

in work organisations and/or in the labour market, employers will not be willing to recruit and retain older workers. And the older workers can only ‘jump’ if there are safety nets. It is important to make the point that flexicurity-arrangements for the older workers are not by definition promoting employment participation. One could argue that in the policies in which companies use early retirement schemes to ‘dump’ the older workers during redundancy programmes or to renew their work forces with younger human capital, a synergy has been made between external numerical flexibility and income security. Nevertheless, in these facilities the external numerical flexibility is limited because of the one-way transitions towards exit and the uniform character of these arrangements that limits the individual flexibility. As the income arrangements for the older workers are under pressure and the ageing in the labour market is going further, it is useful to look for new combinations of flexibility and security that will enhance the labour market activity of the older workers. Figure 2 shows some possible flexicurity arrangements for the older workers in which different forms of flexibility and security are combined. The matrix shows that flexicurity strategies for the older workers can facilitate (temporal and part time) transitions within the firm, firm-firm-transitions and two-way traffic with domains of education, private life, retirement and unemployment/disability.

### 3. Striking a new balance in the policies for the older workers in four EU-countries

Within the framework of ‘flexicurity’, in this paragraph shifts in the policies for the older workers in the labour markets are analysed in four EU-countries: Belgium, Denmark, Germany and the Netherlands.

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*Table 1. Characteristics of the older workers in the labour market in four EU-countries, 2003/04*

	<b>Average exit-age</b>	<b>Employment</b>	<b>Change in employment rate 55+</b>
	<b>2003</b>	<b>2004</b>	<b>1993-2004 (in %)</b>
Belgium	58.7	30,0	+ 8.1
Denmark	62.1	60.3	+ 8.3
Germany	61.6	41.8	+ 5.0
The Netherlands	60.4	45.2	+ 16.4
EU-15	61.4	42.5	+ 6.8

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Sources: Labour Force Survey (Eurostat, November 2005)

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#### *3.1 Policies in Belgium*

The employment rates for the older workers in Belgium are far under the Eu-15 average: only 30.0 % of the 55+ are working (table 1). Especially for women the employment rates are very low. The tradition of early withdrawal in Belgium began before the policy of the 1970s to tackle unemployment (Merla, 2004).

The labour market for the older workers is still dominated by the ‘traditional’ combination of income security and numerical flexibility (in a collective way and in one-way transitions towards exit) facilitated by the bridging pension schemes. Recent empirical research indicates that the pressure imposed by Belgian employers is an important factor in early exit: of all people aged between 45-65 who stopped working, 43 percent were forced to stop (Elchardus & Cohen, 2003: 158-159; Tielens, 2004). For employers in Belgium the bridging schemes are

still a financially interesting and socially acceptable way of cutting back on staff in the context of rationalisations or reorganisations, as shown in cases like Belgacom, the federal and Flemish administration, postal services and Ford (Tielens, forthcoming). Further, Belgian collective agreements contain advantages for older people in terms of wages, working conditions and protections against lay-offs. The wage flexibility is relatively low. Salaries in Belgium, especially in white-collars pay-scales, are strongly characterised by seniority and based on the model of lifelong full-time careers, whereby periodic salary increases are linked to age (IW Cologne, 2003; Merla, 2004).

### *Facilitating internal flexibility*

Despite the dominance of early exit, there has been a policy shift since the end of the twentieth century. The Federal purple-green government has collaborated with the social partners to implement a policy to increase the employment levels of the older workers. The condition of economic growth has played a role in this and Belgian authors indicate an ambiguous ideology because the government and the social partners wanted to retain the existing early retirement schemes and social security arrangements for employees who are experiencing difficulties.

The Belgian strategy to activate the older workers focuses on the management of working hours. The governmental program of 1999 and the intersectoral agreement 2001-2002 aimed towards a flexibilisation and a reduction of working hours. A system of part-time end-of-career jobs is seen as a way of gradually leaving the labour market (Vandenbroucke & Van der Hallen, 2002, pp.161). Further, the government created facilities for the 55+ - and extra bonuses for the 60+ - to reduce working time without financial loss. In the time-credit system (2002) the 50+ who can demonstrate 20 years of career, have special rights to a reduction in working hours. These measures have given companies options for internal numerical flexibility and have given workers facilities for job- and combination security. Interestingly, in the Belgian policy approach, arrangements to enhance the functional flexibility are integrated. The plan included the encouragement of the workers aged 50+ on the half-time time-credit scheme to engage in training, supervision or mentoring for new recruits in their new part-time jobs. This can take place either in the firm where they work, in another firm or in a training centre in the same sector of activity (Jollivet, 2003). Additionally, policy interventions from 2002 have aimed towards prevention of early exit by improving the working conditions and the job quality (D'Addio & Nicaise, 2003). Empirical research indicates that career breaks and reduction of working hours are relatively popular among the older workers. 6% (and 12,2 % of the female) of the 50+ in the Flemish region used one of these two option in 2001 (Tielens, 2004). In the last years, the time credit system has gained popularity, especially among the older workers (idem). Additionally, policies on the reintegration of the unemployed 50+ have been introduced, including measures proclaiming that the new older unemployed will have to stay available for work in the social security system (Merla, 2004). Since 2002 the 45+ have the right to an outplacement procedure in case of dismissal. The social partners on the National Labour Council defined the procedure and implemented the earlier legislation on this issue (EIRO, 2002).

### *3.2 Policies in Denmark<sup>2</sup>*

In comparison to other EU-countries, the problems in Denmark regarding ageing and low employment rates of the older workers, are in fact smaller (Larsen & Bredgaard, 2005). From an international point of view, the relative low degree of demographical ageing and the rather high employment levels of the older workers give less 'sense of urgency'. The labour

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<sup>2</sup> This analysis for the Danish case is for a large part based on Larsen & Bredgaard (2005).

participation of the senior workers seems to benefit from the ‘golden triangle of flexicurity’. This golden triangle is characterised by high levels of external numerical flexibility (inter firm job-mobility) and employment and income security (Madsen, 2003, 2004). It can be questioned if this combination of a flexible labour market, a generous welfare system and an active labour market policy is the result of a co-ordinated policy strategy (Madsen, 2003, 2004). The Danish version of flexicurity can be seen as the outcome of a long historical process involving a series of compromises between the social partners and an evolution of the welfare state. The liberal regime of employment protection means that the employers in the Danish firms have a high degree of autonomy in personnel decisions because of liberal recruitment and lay off procedures (Bredgaard, 2004). In contrast to Germany and Belgium, the older workers do not have extra lay-off protection. But this is compensated by a well-developed state-financed system of unemployment compensation and an employment security that seems to be rather high. The latter can be illustrated by relatively high levels of firm-to-firm job transitions, a limited gap between younger and older workers in training participation and a high older workers’ participation in education in comparison to other EU-countries (see table 2). But similar to other countries, if the older workers become unemployed, they have greater difficulties in returning to employment because of indirect discrimination by employers and fewer rights and obligations in the Danish labour market policy. So the Danish model is challenged to prevent that older workers will not be placed outside the Danish ‘golden triangle of flexicurity’.

Similar to other countries, the Danish government changed the ‘pull’ factors of the early retirement schemes. The reform of 1999 made it financially more attractive to stay in the labour market after the age of 60 years. During the last years politicians and economists have discussed more drastic measures, but the political efforts to implement fundamental reforms of the early retirement schemes have been postponed indefinitely. Another characteristic of Denmark is the low degree of activity on the national level in the creation of policies for the older workers. By the method of soft co-ordination, the Danish government has tried to persuade firms to develop more training and educational activities for the older workers or to create senior policies. But following the tradition in the Danish industrial relations system of self-regulation, the regulation of terms and conditions of work are left to the labour market parties themselves. It can be questioned if this decentralised way of dealing with the issue of older workers will be effective. In contrast to the Netherlands, senior policies are not a topic figuring prominently in collective bargaining in Denmark on the national and sectoral levels.

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*Table 2. Participation in non-formal job-related continuing education and training, workers aged 55-64 (and workers aged 25-64), 2003*

<b>Age of the workers</b>	<b>55-64</b>	<b>25-64</b>
Belgium	14	(22)
Denmark	39	(46)
The Netherlands	?	(?)
Germany	9	(14)

% of the labour force participated in some of non-formal job-related continuing education and training within a 12-month period: workers aged 55-64 (workers aged 25-64).

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Source: Education at a glance, OECD 2005

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### *3.3 Policies in Germany*

The problems regarding ageing and low employment rates of the older workers are relatively big in Germany. In 2004, the employment rate of the 55+ is 0.7 % under the EU-15 average. More striking is the fact that this employment rate has hardly increased for the beginning of the 1990s (table 1). The labour market for older workers in Germany shows high levels of job security and income security and low levels of employment security and flexibility. Also in a more general perspective, the security factor seems to be prominent in the German labour market and it proved to be difficult to introduce new forms of flexibility and security in the German practice (Wilthagen et al., 2003). The case of the older workers in the German labour market confirms these two characteristics. In the German system there is extra legal protection in case of dismissals for the older workers and there is job protection for the older workers in case of operational dismissals or in the *Sozialplan* (Teipen & Kohli, 2004; Klammer, 2004). In practice, this job security is often exchanged in income security: deviation from the protection rules against dismissals can taken place by financial compensation and the senior workers are selected more often in case of operational dismissals in the Socialplan (Teipen & Kohli, 2004). In Germany there is a strong ‘consensus model’ in which the interests of employers, trade unions and works councils are closely knit to facilitate income arrangements in case of early retirement. Further, collective agreements in Germany contain extra provisions related to the protection of older workers in case of dismissal, remuneration (for white collar workers in particular), working hours and work organisation (Bispinck & WSI-Tarifarchiv, 2002; Funk, 2004). The low employment security for the older workers can be illustrated by the relatively high unemployment rate and higher risk of remaining jobless (Naegele, 2002; Teipen & Kohli, 2004). Striking is the very low participation rate of the older workers in education and training (table 2). Also other studies and other statistics showed participation rates in training of the older workers in Germany that are nine, resp. seven times as low as in Denmark (in Klammer, 2004; European Commission, 2003).

#### *Restructuring pension systems, but what about flexibility and effects?*

Since the 1990s, the German policy response to ageing and low employment levels of the older workers has focused on the restructuring of the pension systems. By a step-by-step implementation the retirement ages have been increased and pension levels have been reduced. The implementation processes are still going on. The main measurement has been the introduction of the *Altersteilzeitgesetz* in 1996 (*Gesetz zur Förderung eines gleitenden Übergangs in den Ruhestand*). The intention has been to decrease the unemployment under the older as well as under the younger workers to facilitate part-time retirement. Employees aged 55+ are allowed to halve their working time. The employer has to top up the wage to at least 70% and pays pension contributions at a level of 90% of the former wage. If the firm takes a young unemployed or trainee in return to cover the full amount of working time lost, the employer’s ‘top-up’ is refunded by the Federal Employment Service. In this law, also another possibility was offered: the part-time retirement facility could be transformed in a so called ‘blockzeitmodell’ in which the older workers continue to work full-time and to retire fully at an earlier age (to write it differently: the number of working hours in the end of the careers keeps the same but is concentrated in the first half of the retirement-period). This model appeared to be popular among the collective bargaining parties on the sectoral and company levels. In the beginning of 2000 47% of the firms in the private sector offered only the ‘blockzeitmodell’, only 5% offered only the ‘teilzeitmodell’ and 48% of the firms gave the opportunity to individual workers to choose between these two models (Klammer, 2003). In the public services, the percentages were respectively 20%, 6% and 74%. Many employers preferred the blockmodell because this implementation doesn’t ask for changes in the organization of the work (idem). Many employees prefer full retirement at a certain age above

a longer period of reduced working hours. The conclusion is that the *Alterteilzeitgesetz* was not effective in extending working careers. Because of the massive implementation of the ‘blockzeitmodell’, many employees were facilitated to retire fully at the age of 57 years.

The effects of the institutional changes concerning pensions and early retirement systems have been very limited up till now. Early retirement is still one of the most popular instruments in social-, labour market-, collective bargaining- and HR-policies in Germany. Just a couple of years ago, German trade unions (like IG metal) strongly defended the maintenance of early retirement programmes. Naegelle (2002) argues that the intentions of employers’ organisations to dismantle the early exit arrangements in Germany are not shared broadly by firm-level actors. Early retirement still plays a strategic role in German firms as a means of adjusting staff levels to structural changes in the economy. In contrast to the Dutch practice, the social partners in Germany appear to be more opposing in the dismantling of early retirement schemes and the introduction of new age-related items in collective labour agreements. The German employers aim at the deregulation of age-specific protection in collective agreements on dismissals, salaries, seniority wages, etc. The Federal Employers’ Association also promotes part-time work, temporary work and other flexible arrangements for the older workers (Naegele, 2002, Bertelsmann Stifting 2004, EIRO, 2004). There are, however, examples of companies in Germany in which personnel policies have changed towards preventive measures in job design and training, but the dissemination in the economy is unknown (Bosch, 2003). National statistics on employment rates and training participation suggest low activities in age aware policies on the local level.

Since 2002, there has been an accelerated trend towards a more activating labour market policy for older workers (Bosch, 2003). Among other measures, older workers that accept lower paid jobs are compensated in a new law on modern labour market services and labour law has been flexibilised in the sense that fixed term contracts for the older workers are an opportunity. In the last years there have been initiatives to spread out ‘good practice’ of Human Resource Management policies, as a response to the ageing of the workforce. Further, there are more and more initiatives to make workplaces healthier for the senior employees to keep them longer in their jobs (Bosch & Schief, 2005).

Courtioux & Erhel (2004) come to the conclusion that Germany is in a transition period between a model that focuses on early retirement and a model favouring seniors’ employment. The question is whether this new model will not relapse in the ‘broad social consensus’ and ‘great coalitions’ around early labour market exit. Remarkably, also the Harz Commission showed ambiguity in promoting bridging payments for those ‘who are not willing to work’ in order to support the early retirement practice.

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*Table 3. Percentages of employees aged 50+ working part-time in 2003*

The Netherlands	31,6
Germany	23,5
Belgium	23,4
Denmark	16,8
OECD-countries	17,4

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Source: Ageing and employment policies, The Netherlands (OECD, 2005, p. 49)

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### *3.4 Policies in The Netherlands*

In the Netherlands, the growth of the employment rate among the 55+ was relatively high in the last decade (table 1). The average exit age from the labour market also increased. The Dutch labour market for the older workers shows increasingly numerical and functional flexibility (in one way transitions towards exit) and job-, work- and combination security. The high amount of part-time workers among the older workers and the workers' willingness in this, is illustrative for this last characteristic (table 3). In the 1990s, the participation of older workers in training and education programmes increased enormously (Muffels, 2003).

There are no figures for the Netherlands in the OECD publication of 2005 on the participation rate in education and training (table 2). In the statistics used in 'Employment in Europe 2003', the Netherlands were rated between Denmark and Belgium regarding to this participation. As in other countries the 'traditional' trade-off between income security and numerical external flexibility is still visible, but the effort to change this 'balance' through activities to promote other forms of flexibility and security seems to be bigger.

#### *Flexibilisation and the dismantling of pre-pension schemes*

In comparison to the other three countries, the institutional adaptability of the early retirement schemes in the Netherlands proved to be high. In contrast to Belgium and Denmark, the reformations did not only make later exit financially attractive, but the collective bargaining parties have really decreased the benefit levels since the mid 1990s as well. In comparison to Germany, the modernisation went faster. Dutch trade unions supported a shift towards individualisation in the financing and creation of individual à la carte options regarding age of retirement and part-time retirement. In about ten years time almost all schedules on the sectoral and firm level have been flexibilised by the social partners.

From 2006, the fiscal facilities for pre-pension arrangements for employees then aged under 55 will be abolished by the government. This means, by estimation, abolition of state subsidies of 25% of the total finance of these schemes, what will make the pre-pension arrangements less popular for employers and employees (CPB, 2004). The trade unions felt overruled by this unpopular programme of the Christian-right-liberal government.

After strong protests of the trade unions (that have been supported by rather large manifestations around this subject), the state decided to continue the beneficial fiscal facilitation for the workers aged 55+ in 2006. In the same operation, and seen as compensation for the redundancies in the finance of early retirement schemes, the government introduced a 'life course arrangement' (*levensloopregeling*). In this arrangement employees can save salary or working hours with some fiscal benefits during their career for leave (for child care, education, sabbatical etc.) or for early retirement.

We have to be careful to conclude that the rather high growing participation rates under the 55+ in the Netherlands are the results of the relative large institutional reforms on early retirement. Nevertheless, it is remarkable that the participation rates for the younger groups have been declined since 2001, while the rate for 55+ has grown in the same time.



Table 4: Percentage of workers under collective bargaining with specific arrangements for the older workers in collective agreements, The Netherlands, 2001, 2004

Issue	Industry	Trade	Service	Public sector	Total
Flexible prepension scheme					83 *
Extra free days	97	82	76	52	80
Working hours	73	91	61	87	76
Reduction of working hours	57	64	75	88	67
Research on older workers	62	11	48	45	40
Employability					32 *
Leave for prepension	37	30	19	27	28
Demotion					22
Career changes					8
Educational leave					8
Roulation/mentor	3	2	11	13	6
Early retirement scheme, not flexible					2 *

n= 80% of employment under collective bargaining  
Sources : Arbeidsinspectie (2002), \* SZW (2004)

#### *Compensations in new policies?*

At the same time as the early retirement systems were flexibilised, the social partners on the national level (in the *Foundation of Labour*) recommended to the collective bargaining parties and the firms, to implement activating arrangements for older workers. Table 4 shows the scope of specific arrangements for the older workers in collective agreements in 2001. In recent years bargaining on 'age aware personnel policies' has grown; in 2002/3 this was an issue in 30-40% of the negotiations in the sectors and enterprises (AWVN, 2003). As Dutch collective agreements contain many recommendations and 'soft' regulations, the effect of the implementation is unknown. But the survey of Remery et al. (2003) among firms in the Netherlands shows, as table 4, the policy dominance of flexible pre-pensions, additional leave

and holidays, and flexible working hours. 40-65% of the companies implemented these arrangements and other measures as ergonomic adaptations and a reduction of the workload for the older workers. On the sectoral and firm level, the policy focus is on a 'relieve-strategy', and therefore on job security. Nevertheless, recent research in workorganisations show a more activating 'developmental approach' of managers regarding their view on the senior employees (Leisink, Thijssen & Walter, 2004).

#### **4. Conclusions and discussion**

##### *4.1 Similarities and differences between the four EU-countries*

Paragraph 3 has given a rather general picture of the state of affairs and policy initiatives in the four EU-countries. Regarding the concept of flexicurity, interesting similarities and differences appear. In all countries the early exit arrangements are an important topic of discussion. Therefore the balance between flexibility for employers and security for older workers, as developed in the last decennia, is challenged. The income facilities for older workers as well as the opportunities for companies to use these arrangements for flexible staffing policies, are under pressure. Modernised early retirement and pension schemes in the four countries give options for internal flexibility for the employer, as well as for the combination security and job security of the older workers. A la carte systems give more opportunities for trade-offs made on the local level. The degree and implementation of the flexibilisation and individualisation of the arrangements for early labour market exit differ across the countries that have been analysed. In Belgium and especially in the Netherlands this shift seems to have more impact than in Denmark and Germany.

Internal functional flexibility and job/employment security is another combination that has (implicitly) appeared in the policy discourses on the older workers. In the countries you can find policy initiatives on adaptations of tasks/working hours, on internal job mobility and on education and training facilities for the senior employees. To relieve the workloads and/or to enhance the employability. Regarding the participation in education and training for the 55+, the very low activities in Germany are striking. Regarding the 'relieve strategy' of adapting the work load and working hours for the senior workers, it can be questioned if this meet to the flexibility needs of employers.

Another flexicurity strategy is the combination of external flexibility and employment security. Relatively speaking, Denmark is leading the way in flexible firing procedures, also regarding the senior workers. But also in Denmark, older workers, and especially unemployed older workers, have more problems to find a new job. In the near future, this strategy to enhance te employment participation rates for the older workers will be one of the most challenging in Europe. New policies in these - such as facilities for outplacement of senior employees or activating labour market policies for the unemployed older workers - can be observed, but have been modest or otherwise have just been started.

Another similarity in the four countries is the low degree of policy interventions in the combination of wage flexibility and employment security. Subsidies for the employers which hire unemployed workers have been introduced, but facilities for demotion of employed senior workers are not important issues in the four countries. It can not be ignored that the relatively high salaries of the older workers can be obstacles for new employers to hire senior employees or can be obstacles for internal career shifts.

#### *4.2 The importance of the local levels<sup>3</sup>*

Another issue that appears from the analyses in this article concerns the problematic relationship between the policy discourses and facility structures on the central levels and the HRM-policies and practises on the local levels. There are a lot of asynchronous rhetorics and practices regarding the issue of the older workers. Firstly, it can be questioned if and how the policies on the macro- and meso-levels will be implemented on the micro-level in the way it is intended. The actors on the micro-level (individual employers, works councils and workers) are mostly not forced to use the new fiscal measurements and facilities on older workers or to follow the central recommendations or policy shifts. The implementation of the German legislation that intends to promote part-time retirement but is used to facilitate full-time retirement is a good illustration. As Teubner (1994) called it: the 'firm in itself' is a rather 'autonomous subsystem' of the industrial relations system. It can be questioned if this can be challenged. The effectiveness of a domineering, uniformistic approach by governments and social partners on the central levels is more and more limited by the increasing diversities on the local level and the decentralisation of industrial relations. More worthwhile are the questions whether the employers and (representatives of) employees on the local level have needs and opportunities to create flexicurity strategies by themselves and whether the institutional environments are beneficial or obstacles for them to create new combination of security and flexibility. In many respects, the firm represents the most relevant arena to implement and create policies and arrangement that enhance the flexibility and the security among older workers. Strategies on recruitment, development, lay-offs, salaries, working hours, etc., are made on the company level.

The implication of the discussion in the last section is not that legislation, collective agreements or central policy discourses do not matter. Within the institutional and policy environments individual employers make strategic choices and make coalitions with their own workforce and individual employees. The orientations and capabilities of actions of the local actors are influenced by policy discourses and regulations. The point is that legislators and collective bargaining parties have to be aware of the incentives and obstacles that their regulations give to the practice and self-regulation on the local levels. Policies, institutions and facilities on the central levels have to create opportunity structures for companies and workers to create (new forms of) flexibility and more activating security among the senior workers. Institutional obstacles in the creation of higher balances or new combinations between flexibility and security on the local levels need to be reconsidered.

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<sup>3</sup> Thomas Bredgaard and Frank Tros have developed a survey to investigate the HR-instruments and arrangements for the workers aged 50+ in workplaces in the four EU-countries in different sectors of the economy. The results are expected in spring 2006.

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## 6. In Search for Suitable Age Management Practices for Lifelong Employability and Career Success<sup>1</sup>

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### Abstract

Despite an increasing dependence of the market on older workers, organizations still do not pay enough attention to their (broad) development. In this study, potential factors of age management are explored, specifically with regard to the development of specific and broad competences (employability). The mediating role of employability between an age-related hrm policy, learning climate and learning value of the job and career success is tested for. Argued is for an age management policy which is accessible to all ages, combined with attention to individual differences.

### 1. Introduction

Despite an increased awareness of our graying working population, it is remarkable that more attention is devoted to retirement issues compared to investing in human capital of older workers (Greller & Simpson, 1999). Reasons are amongst others prejudices against older workers and expected lower costs to returns (Greller & Simpson, 1999). While they need, just as much as young workers in a dynamic knowledge market, to stay updated and (stay cognitively stimulated) for maintaining their employability and career success.

Research findings point into the direction that despite certain physical or cognitive declines with age, these can easily be compensated by other factors, such as motivation and/or experience. Studies overall do not show a sign of declines in work performance with age (Sterns & Miklos, 1995). Individual differences are expected to fulfill a larger role than whatever age decline. Learning capacity has shown not to decrease with age. Cognitive declines for instance were reversible through training (Sterns & Miklos, 1995). Despite this information there are signs that older workers gain less access to training as younger workers (Sterns & Miklos, 1995).

In order to keep up with this faster pace of change, a more varied and transferable competence package is called for. Increasingly, domain-specific occupational expertise is not enough to guarantee positive work outcomes during the entire career. While on the one hand, larger domain related expertise is expected to accompany aging; on the other hand, expertise nowadays is getting outdated much more easily. They also have to deal with the faster change in the nature of work (Ilmarinen, 2001: “work organizations, work methods and tools, and also work loads are changing today faster than human resources can easily adapt”; London & Greller, 1991).

Employability, here is defined as ‘the *continuously* fulfilling, acquiring and/or creating of work through the optimal use of competences’ (Van der Heijde & Van der Heijden, 2005a; 2005b). It entails a kind of self-management in which specialist occupational expertise is easily counterbalanced with more general competences such as flexibility. In this study employability is measured by a multi-dimensional instrument in which occupational expertise is complemented with the more general competences of anticipation & optimization, personal

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<sup>1</sup> This study, named *Aspasia*, has been financed by NWO, the Dutch Organisation for Scientific Research.

flexibility, corporate sense and balance (Van der Heijde & Van der Heijden, 2005a; 2005b). The five employability scales contain items in the domains of work performance, and career development and –management.

In the majority of the organizations, development of expertise is short-term focused and narrow-focused on the present work domain. In line with the resource-based view of the firm (Barney, 1991; Wright, McMahan, & Mc Williams, 1992), investments in human capital are strictly in line with the firm's direct needs. It is not focused on long term career development and on attaining a broader competence package. In organizations awareness has to grow on the need to also invest in broader and more non firm specific competences, appropriate for an innovative dynamic context.

The career development during a person's entire career is largely dependent on the initiatives and investments of the employee him- or herself (Protean career, Hall, 1976), but also needs ample scope from within organizations. Specific policies at the organizational level are called for, to deal with the maintenance, and improvement of the employability and career development of older workers. Age management could involve different organizational initiatives (managerial and other) that address all age groups, and in this sense could be of benefit to all age groups within the organization. In this study, the role of employability as a mediator of potential age management policies and career success is studied. Potential components of age management and their effect on career success via employability are tested for.

## **2. Theoretical background and formulation of hypotheses**

### *Employability mediating the relation between age management and career success*

An age management policy, is ideally a policy that is focused on attaining and exploiting a diverse workforce with regard to age. Different age groups have different strengths and weaknesses. They can learn from one another and can complement one another. An age management policy is a HRM policy that is tailored to the (career) development of specific age groups, and not only restricted to the aging workforce. The European Foundation for the Improvement of Living and Working Conditions (1997) describes 'age management' in terms of "supporting employability i.e. keeping the workforce skilled, motivated and able-bodied". Age management in this sense will stimulate the career success of different age groups via employability.

For an organisation to be attractive to employees, it should provide life-long learning opportunities and chances to grow in knowledge and skills, and to improve their capabilities. There are several strategies that can be used in order to promote growth and to prevent obsolescence (Arvey et al., 1984). Potential activities are measures aimed at encouraging and stimulating individual career development, whether they are planned or not, in which an organisation engages. Factors that might be of importance in stimulating the employability and career success of employees of all age groups are an age-related HRM policy (the role of the manager), a positive organizational learning climate, and the learning value of the job. These potential age management practices are now further explained subsequently.

In the research from Tuomi et al. (1999), the role the manager is fulfilling, seems of crucial importance. The manager is an essential link in the sense that he or she may be a catalyzer or hinderer of expertise and career development. An *age-related HRM policy* (Van der Heijden & Mikkelsen, in preparation), is a scale that measures the attitude and support of the superior, not only with regard to age, but also to other career related aspects of the employee, such as personal career phase and capacities. An age-related HRM policy specifically may be related to career success via employability in the sense that managers need to stimulate the broad development of competence of their employees and need to

prevent the funneling of expertise. All age groups, and certainly aging workers need exclusive attention from their managers in this sense.

The learning climate of the company, could exert influence on the development of competences of the personnel and subsequently their career success. Learning climate is “the space and the stimulus that employees are given in order to behave in a learning manner” (Klarenberg, Van Moorsel & Poell, 1996). Organizations are partly dependent on their personnel for flexibly adapting to environmental changes, necessitating a stimulating learning climate (Bartram, Foster & Lindley, 1993). Important features of a learning climate are Autonomy within work processes, communication, co-operative structures, attitudes of and support by superiors, as well as time for learning, and opportunities to develop (e.g. Bergmann et al., 2000; Heintel, 1992; Jenewein, Knauth & Zülch, 2002; Lorscheider, 1997). Bartram, Foster & Lindley (1993) did develop the LCQ, Learning Climate Questionnaire, in which the perceptions<sup>2</sup> of the employees fulfil an important role in the emergence of the learning climate of the organization. For this study we focus on three LCQ scales we consider specifically advantageous for the development of competences: time, team and opportunities to develop.

Apart from the learning climate in the organization, specific job features might contribute or hinder the ongoing development of competences: *the learning value of the job*. “The individual job should entail opportunities to enlarge one’s occupational expertise by developing new knowledge and skills. Each job should be rich in resources, tools and learning materials and it should offer ample opportunities for social interaction and collaboration. Tasks should be varied and to some degree unpredictable and able to be explored freely without heavy pressure to achieve an immediate goal” (Van der Heijden & van der Heijde, 2004). Sterns & Miklos (1995), mention task diversity and complex and challenging work, and participation in decisions to be of importance for updating knowledge and skills.

Positive career outcomes are very important to aging workers to be able to stay on (longer) in the working process productively and with satisfaction. Career success is operationalized as both objective and subjective career success evaluations to obtain a complete picture (e.g. Gattiker & Larwood, 1988; Judge et al., 1995). Empirical evidence has suggested that subjective perceptions of one’s own career do not always correspond to external objective criteria and extrinsic and intrinsic career evaluations do not always overlap (e.g. Korman, Wittig-Berman & Lang, 1981; Poole, Langan-Fox & Omodei, 1993).

Hypothesized is that because of the positive attitude of the manager towards the career stage of different age groups or through a positive learning climate or a high learning value of the job, the extent of employability (competences) will increase which consequently will have a positive effect on career success (H2a). To demonstrate that this effect applies to all ages (and not only to younger workers), and thus is suited as age management practice, we will test for interaction effects of these potential age management practices with age (H2b). On an exploratory base, moderated mediation (Frazier, Tix & Barron, 2004), is tested for, that is the appearance of the mediator effect of employability, only for specific age groups.

H1 Age-related HRM policy, learning climate and learning value of the job are positively related to the career success of workers via employability (as mediator).

H2 Age-related HRM policy, learning climate and learning value of the job are positively related to the employability and career success of workers of all ages (no interaction effects of these factors with age).

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<sup>2</sup> Also the learning climate of the department can play a major role.



### 3. Methodology

#### *Setting*

The study was performed in a large Dutch company that produces building materials and involved employees from different occupational fields in middle- and higher-level jobs. The employee selection was thus limited to employees active no lower than at a middle level of functioning or in a middle management position. The reason is that in order to study data which may be generalized for future use in organizations, allowances are made for the possibilities that the present workers, particularly the older ones, will be difficult to compare with the employees who will be hired by companies in, say, 20 years' time (Boerlijst, Van der Heijden and Van Assen, 1993). Until about thirty years ago, simple functions and simple tasks were dominant in most working organizations. As a consequence, the bulk of older employees in our existing working population has a rather low level of education. As the complexity and level of difficulty of future functions will on average be higher than it is now, we have every reason to expect that the average educational level will likewise have undergone a sharp rise by the year 2010.

#### *Sample and procedure*

The sample was based on two groups of respondents: the employees themselves and their immediate supervisors. 335 direct supervisors and 330 employees, i.e. 289 pairs, were included in the study. The employee sample consisted largely out of males, (83, 3 percent), against 16,7 percent of women. Their average age was 40,94 years. 84,80 percent of the employees reported to be married, while 3,90 percent was divorced. Of the persons that were married or were cohabiting, 63,10 percent of the partners was working part-time or full-time. On average these employees were engaged at this company for 126, 28 months, which is 10,5 years.

Concerning the highest educational qualification we found the following distribution:

1. Primary education	0.8	%
2. High school (or recognized equivalent)	40.9	%
3. Vocational education (or recognized equivalent)	30.8	%
4. Higher vocational education	15.3	%
5. Academical degree	2.2	%
6. Doctorate (PhD)	0.0	%

All employees of the firm in question were included for the study and were asked directly by their supervisors. Each supervisor had to complete employability questions on their subordinates. It was decided on a maximum of three employees per supervisor for practical (time restrictions) and reliability reasons (Van der Heijden, 1998). The employees have filled in the e-questionnaire while they were at work. There was no time limit to complete the questionnaire. The estimated time for completion was 45 minutes. All responses have been collected on an anonymous basis. The questionnaires of respectively the employees and matching supervisor were connected by a number. There were no specific problems while filling in the questionnaire.

#### *Measures*

*Employability* is measured by a new instrument consisting of five different scales (7-15 items each), which elaborates on an already existing instrument, measuring 'occupational

expertise'<sup>3</sup> (Van der Heijden, 1998; 2000). The measurement of employability presented here is based on the idea that some characteristics of expert performance and of employability are valid regardless of the domain of expertise of a professional. The five dimensions of employability (occupational expertise, anticipation & optimization, personal flexibility, corporate sense and balance) will be measured by means of seven to fifteen items that are scored on a six-point Likert rating scale ranging from: (1) to (6). Examples of scale extremes are 'not at all', and, 'to a large degree', and 'never', and 'very often'.

The employability tool (Van der Heijde & Van der Heijden, 2005a; 2005b) consists of an employee's and a supervisor's version. Direct supervisors and employees, fill out nominally identical versions of the questionnaire. The supervisors fill in the amended version of the questionnaire, which contains items worded so as to express the extent of employability of their respective employees. All five scales have high reliability scores with Cronbach's alpha ranging from .78 to .90 for the self-ratings (N=314), and .83 to .95 for the supervisor ratings (N=334) (Van der Heijde & Van der Heijden, 2005a; 2005b).

*Age-related HRM policy* is measured by means of a five-item scale developed by Van der Heijden and Mikkelsen (in preparation). A sample item is "My supervisor has talked with me about my career development in relation to my age during the last year?" All items will be scored on a six-point rating scale ranging from: (1) strongly disagree, to (6) strongly agree. Cronbach's alpha for the scale is .77.

*Learning climate* is measured with three scales of the Learning Climate Questionnaire (Bartram, Foster & Lindley, 1993): time, team style and opportunity to develop (together 30 items). A sample item is "There are lots of different ways to learn new jobs here" (opportunity to develop). All items will be scored by means of the following rating scale: (1) never true, (2) rarely true, (3) sometimes true, (4) usually true, and (5) always true. Cronbach's alpha's for the scales are .69 (time), .80 (team style), and opportunity to develop (.79).

*Learning value of the job* is measured by a new, and psychometrically sound scale (Van der Heijden, in preparation) in order to measure the amount of learning value of an individual's current job. Six items that are scored on a six-point rating scale are used. A sample item is "My job enables me to further develop my talents". The scale anchors for each item range from: (1) strongly disagree, to (6) strongly agree. Cronbach's alpha for the scale is .81.

*Objective career success* is measured with three single items. *Objective hierarchical success*, is measured as number of promotions. Numbers of promotions is defined as 'any increase in hierarchical level and/or any significant increase in job responsibilities or job scope' they have experienced 'since joining your current organization' (*organization-specific objective hierarchical success*) and 'in your entire career' (*overall objective hierarchical success*). *Objective financial success* is measured, as *current gross income* (per month).

*General subjective career success* will be measured with 7 items from Bozionelos (2004). A sample item is "I am drawing a high income compared to my peers". The items require responses on a 5-point format: (1) does not apply at all, to (5) applies a great deal. The scale is based upon the subjective career success scales from Gattiker and Larwood (1986, 1988), which consists of an organizational and a non-organizational component (organizational,

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<sup>3</sup> In the original study 'occupational expertise' was termed 'professional expertise' (Van der Heijden, 1998; 2000).

interpersonal, hierarchical, financial and life success). Most recently (Bozionelos, 2004) reported an internal consistency of .70 for the scale.

#### 4. Results

##### *Descriptives*

In table 1 some descriptives of the variables included in our model are reported, including, means, standard deviations and reliabilities of scales (Cronbach's alpha). We do use age as a continuous predictor variable in our statistical analyses.

##### *Employability mediating the relation between potential age management factors and career success?*

The mediating role of employability for *age management* and career success is tested for by hierarchical regression analysis. In this procedure, relevant demographic variables are put into the regression equation first, including age, followed by the potential age management variables (age-related HRM-policy, learning climate, learning value of the job) and subsequently the employability dimensions. The advantage of this method is an estimation of the relative and subsequent contribution to the explained variance ( $R^2$ ) in career success by these three different steps. After that the order of entry is reversed to assess direct and mediator effects of these steps.

Table 2 demonstrates that the picture is different for the different career success measures. For number of promotions in the organization, 8 percent of the variance ( $R^2=.08$ ) is explained by the factors in the model. Individual factors, and more specifically, highest educational qualification is significantly and negatively related to number of promotions in the organization ( $\Delta R^2=.04$ ,  $p\leq.01$ ,  $\beta= -.14$ ). Not all organizational factors, but LCQ time was significantly and positively related to number of promotions in the organization ( $\beta= .16$ ). There is no confirmation of our hypothesis of the mediator role of employability with regard to this career outcome.

With regard to number of promotions in entire career, a substantial amount of the variance ( $R^2=.22$ ) is explained by the factors in the model. Individual factors ( $\Delta R^2 =.10$ ,  $p\leq.01$ ), and more specifically, age is significantly and positively related to number of promotions in the entire career ( $\beta= .25$ ). Organizational factors ( $\Delta R^2 =.09$ ,  $p\leq.01$ ) and more specifically LCQ opportunity to develop ( $\beta= -.27$ ) and learning value of the job ( $\beta= .16$ ) are significantly related to number of promotions in entire career. The reversed model shows that there is a significant and negative relation of employability with promotions in entire career ( $\Delta R^2 =.07$ ,  $p\leq.01$ ), but not as a mediator between individual or organizational factors (occupational expertise,  $\beta= -.26$ ).

With regard to gross income per month, a substantial amount of the variance ( $R^2=.39^{**}$ ) is explained by the factors in the model. Individual factors ( $\Delta R^2 =.25$ ,  $p\leq.01$ ), and more specifically, age ( $\beta= .34$ ) and gender ( $\beta= -.26$ , women) are significantly related to gross income per month. Organizational factors ( $\Delta R^2 =.09$ ,  $p\leq.01$ ), and more specifically, LCQ opportunity to develop ( $\beta= -.27$ ) is significantly and negatively related to gross income per month. Our hypothesis of employability as a mediator between individual and organizational factors is confirmed for this career outcome ( $\Delta R^2 =.04$ ,  $p\leq.05$ ). Corporate sense ( $\beta= .22$ ) is significantly and positively related to gross income per month.

With regard to subjective career success, a substantial amount of the variance ( $R^2=.39^{**}$ ) is explained by the factors in the model. Striking here is that the individual factors do not play a major role. Organizational factors ( $\Delta R^2 =.34$ ,  $p\leq.01$ ), and more specifically, age-related HRM policy, ( $\beta= .23$ ), LCQ team ( $\beta= -.20$ ), LCQ opportunity to develop ( $\beta= -.21$ ) and learning value of the job ( $\beta= .12$ ) are significantly related to subjective career success.

Table 1 Descriptives and correlation table for variables under study (N=333)

	M	SD	1	2	3	4	5	6	7	8
1. Age employee	40.94	9.20	-							
2. Age supervisor	42.95	7.79	.11*	-						
3. Age-related HRM-policy	3.02	.63	-.05	.00	(.77)					
4. LCQtime	2.80	.50	.17**	-.09	-.25**	(.69)				
5. LCQteam	2.43	.55	.05	-.12*	-.40**	.54**	(.80)			
6. LCQopp	2.66	.57	.02	-.25**	-.39**	.50**	.58**	(.79)		
7. Learning value	4.37	.78	-.04	.08	.20**	-.04	-.24**	-.32**	(.81)	
Employability (self-ratings)										
8. occupational expertise	4.78	.43	.04	.08	.00	-.10	-.01	-.17**	.00	(.90)
9. anticipation & optimiz.	3.72	.66	-.14*	-.05	.14*	-.13*	-.14*	-.31**	.31**	.40**
10. pers flexibility	4.44	.49	-.18**	.04	.01	-.10	-.07	-.25**	.19**	.58**
11. corporate sense	4.13	.72	.06	.15*	.18**	.01	-.12*	-.39**	.30**	.53**
12. balance	4.30	.51	-.01	.05	.19**	-.35**	-.28**	-.31**	.11*	.44**
Employability (supervisor ratings)										
13. occupational expertise	4.36	.67	-.17**	.25**	.01	-.07	-.04	-.19**	.07	.26**
14. anticipation & optimiz.	3.49	.71	-.30**	.22**	.00	-.14*	-.11	-.26**	.17**	.22**
15. pers. flexibility	3.92	.67	-.33**	.15**	.06	-.11*	-.10	-.23**	.19**	.21**
16. corporate sense	3.90	.72	-.09	.26**	.04	-.01	-.05	-.24**	.18**	.22**
17. balance	4.17	.54	-.13*	.13*	.04	-.14*	-.13*	-.22**	.08	.18**
Objective career success										
18. Number of promotions at Company	1.34	1.63	.16**	.11	.10	.15**	.00	-.05	.06	.05
19. Number of promotions in career	3.46	2.40	.30**	.10	.07	.11*	-.01	-.19**	.25**	.09
20. Monthly income (gross) EUR	3266.30	1328.63	.40**	.35**	.13*	-.03	-.14*	-.37**	.17**	.25**
21. Subj. career success	3.63	.29	.02	.20**	.42**	-.27**	-.44**	-.48**	.34**	.19**

\*p≤.05. \*\*p≤.01

Our hypothesis of employability as a mediator is not confirmed for this career outcome. Only corporate sense ( $\beta = .18$ ) is significantly and positively related to subjective career success.

It is important to test for main effects first, after which mediator and moderator effects can be tested for, which are usually smaller than main effects. Hypothesis H1 is confirmed for gross income per month. Employability acts as a mediator between individual factors, (organizational) potential age management factors and gross income. Hypothesis H2 is also confirmed: possible interaction effects of the potential age management practices and age were tested for: for number of promotions in entire career, gross income and subjective career success (the career success factors with significant organizational effects). No significant interaction effects were found. This leads us to conclude that the significant effects we found for these organizational practices are applicable to all ages, which makes them suitable age management practices. For employability, which appeared to act as a mediator between individual and organizational factors and gross income per month, moderated mediation was tested for on an exploratory basis, more specifically with regard to corporate sense. No interaction effects with age were found, meaning that mediation probably is occurring throughout all age groups. We choose to not present the absence of these interaction effects.

Table 1 Descriptives and correlation table for variables under study (N=333)

	9	10	11	12	13	14	15	16	17	18	19	20	21
9.	(.81)												
10.	.48**	(.79)											
11.	.53**	.53**	(.83)										
12.	.32**	.31**	.30**	(.78)									
13.	.05	.17**	.22**	.14*	(.95)								
14.	.21**	.32**	.28**	.10	.69**	(.89)							
15.	.19**	.39**	.26**	.13*	.70**	.75**	(.88)						
16.	.10	.24**	.37**	.06	.76**	.69**	.71**	(.85)					
17.	.09	.12*	.21**	.29**	.60**	.54**	.56**	.49**	(.83)				
18.	-.04	-.11*	.15**	-.05	.02	.00	-.05	.06	.00	-			
19.	.17**	.13*	.32**	.03	-.11	-.05	-.06	.04	-.08	.45**	-		
20.	.16**	.21**	.47**	.20**	.15*	.11	.08	.27**	.07	.19**	.41**	-	
21.	.24**	.18**	.38**	.42**	.11	.11	.14*	.18**	.19**	.19**	.21**	.36**	(.50)

\*p≤.05. \*\*p≤.01.

## 5. Discussion

Organizations could profit from age management by stimulating a tailored competence development for different age groups. A Canadian study in the technology sector (Duxbury, Dyke, & Lam, 2000), concludes that a tailored HR approach is needed for different age groups to stimulate career development. Different age groups are dealing with different career issues. Career development can be stimulated through different means for different age groups, depending on different needs with regard to different work, life and career developmental aspects. Differences in competence levels, such as possible declines in flexibility of aging employees can also be taken into account in this sense. Such a tailored approach could be detrimental in the sense that it could bring discord between age groups and in that sense a policy of which all ages can profit from would be better. Besides, in this study was demonstrated that the level of more generic competences stays behind compared to more specific competences, both for older as well as for younger employees. In different studies on aging also the importance of individual differences is strongly emphasized (Greller & Simpson, 1999; Sterns & Miklos, 1995), which is pointing to the need for an individual approach of the (development of the) older worker.

Organizational factors such as an age related HRM policy, learning climate, and learning value of the job have an effect on career success, particularly for *subjective career success*. For this career success measure especially the combination of the different potential age management strategies we tested for in this study, appeared to have a significant effect. These are important potential age management factors since they effect all ages (no interaction effects found with age). We have to look further into detail into the specifics of these organizational practices to optimize our knowledge with regard to their application.

Mediation of employability between individual and organizational factors and career success is only demonstrated for gross income per month. And more specifically this is due to the employability dimension 'corporate sense'. From our hierarchical regressions, only 'corporate sense' fulfils a positive role for career success. Organizations could use this knowledge and pay more attention to the training and development of corporate sense: Corporate sense refers to the expertise derived from participation and performance in different work groups like the department, the organization, working teams, the occupational community, and other networks. It is about sharing responsibilities, knowledge, experiences, feelings, credits, failures, goals, etcetera (Van der Heijde & Van der Heijden, 2005a, 2005b). Occupational expertise seems to hinder the number of promotions in the entire career (a direct effect) what can be explained by the fact that experts are very committed to their profession. Following the profession then is the main career goal, which leads to less mobility and change as a consequence. This can also be caused by organizations in the sense that they thrive if people keep on doing what they do best.

From these results, it may be concluded that, aging and potential age management factors fulfill important roles with regard to employability and career success. Further studies between age groups over different industries are needed to be able to generalize and to look more into these relationships. Case studies of the implementation of different age management policies in different companies would make a valuable qualitative contribution to the knowledge base. A limitation of this research design is the fact that a cross sectional design was used where a longitudinal design is more appropriate with regard to studying career issues.

Table 2 Hierarchical regression results: Predicting career success

Predictor/ Step	Promotions within organization				Promotions in entire career				Gross income per month				Subjective Career Success			
	At step	Final	R <sup>2</sup>	ΔR <sup>2</sup>	At step	Final	R <sup>2</sup>	ΔR <sup>2</sup>	At step	Final	R <sup>2</sup>	ΔR <sup>2</sup>	At step	Final	R <sup>2</sup>	ΔR <sup>2</sup>
Indiv. Factors																
age	.09	.06			.27**	.25**			.34**	.34**			-.01	.03		
gender	-.08	-.04			-.12*	-.02			-.31**	-.26**			-.16**	-.09		
highest ed qualification	-.13*	-.14*	.04**	.04**	.02	-.05	.10**	.10**	.13*	.08	.25**	.25**	.02	.00	.03	.03
Org factors																
Age-related																
HRM policy	.06	.07			.01	.00			.06	.05			.24**	.23**		
LCQtime	.17*	.16*			.11	.10			.05	.03			-.02	-.04		
LCQteam	.03	.02			.12	.12			.02	-.01			-.19**	-.20**		
LCQopp	-.10	-.08			-.25**	-.27**			-.32**	-.27**			-.24**	-.21**		
Learning value	.04	.05	.07*	.03	.19**	.16**	.19**	.09**	-.01	-.03	.35**	.09**	.13*	.12*	.36**	.34**
Employability <sup>a</sup>																
oc expertise	.06	.06			-.26*	-.26*			.08	.08			-.04	-.04		
antic& opt	.10	.10			.05	.05			-.01	-.01			-.13	-.13		
pers flex	-.18	-.18			.04	.04			-.05	-.05			-.02	-.02		
corp sense	.07	.07			.15	.15			.22*	.22*			.18*	.18*		
balance	-.03	-.03	.08*	.01	-.07	-.07	.22**	.03	-.09	-.09	.39**	.04**	.11	.11	.39**	.02
Overall	F= 1.86		dfs	13, 271	Overall	F= 5.72	dfs	13, 270	Overall	F= 12.62	dfs	13, 260	Overall	F= 13.18	dfs	13, 272
Employability <sup>a</sup>																
oc expertise	.01	.06			-.26*	-.26*			-.08	.08			-.04	-.04		
antic& opt	.04	.10			.05	.05			-.02	-.01			-.13	-.13		
pers flex	-.21*	-.18			.04	.04			-.18	-.05			-.02	-.02		
corp sense	.17	.07			.15	.15			.47**	.22*			.18*	.18*		
balance	.00	-.03	.02	.02	-.07	-.07	.07**	.07**	-.01	-.09	.10**	.10**	.11	.11	.06**	.06**
Org factors																
Age-related																
HRM policy	.06	.07			.01	.00			.01	.05			.24**	.23**		
LCQtime	.20**	.16*			.11	.10			.14	.03			-.02	-.04		
LCQteam	-.01	.02			.12	.12			.01	-.01			-.19**	-.20**		
LCQopp	-.08	-.08			-.25**	-.27**			-.39**	-.27**			-.24**	-.21**		
Learning value	.04	.05	.06	.03	.19**	.16**	.16**	.09**	.00	-.03	.21**	.11**	.13*	.12*	.38**	.32**
Indiv. factors																
age	.06	.06			.27**	.25**			.34**	.34**			-.01	.03		
gender	-.04	-.04			-.12*	-.02			-.26**	-.26**			-.16**	-.09		
highest ed qualification	-.14*	-.14*	.08*	.03*	.02	-.05	.22**	.06**	.08	.08	.39**	.17**	.02	.00	.39**	.01

<sup>a</sup> Supervisor ratings

<sup>b</sup> R<sup>2</sup> values do not always add up because of the rounding of numbers

\*p≤.05. \*\*p≤.01.

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## **7. Silver Processes and Instruments. Towards an age-friendly HR management**

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### **Abstract**

If we have a look at the demographic evolution, not only in Belgium, but also in all European countries, we witness a broadening at the top of the population pyramid while the basis is narrowing. The challenge becomes very clear: eminent worker shortage and tremendous loss of know-how and know-why as older employees leave the organisation. In response, some organisations enact innovation processes that disrupt the detrimental status quo towards sustainability. Firstly we focus on the macro-economic level by explaining the Belgian situation as regards career ending, activity level and the prospects for the future. Secondly we present a theoretical framework for understanding our approach: organisational development from a 'process consultation' point of view. Thirdly, we will describe several cases. Every case has an action or intervention component. Finally, we conclude with practical advices and recommendations for further research.

### **1. Belgium within Europe**

Belgium suffers from a serious jobs deficit relative to the European average: out of one hundred people of working age in 2004, a mere 60.3% were at work, against the EU average of 64.7%. Our shortfall in relation to the Netherlands and the Scandinavian countries is even larger; these countries show activity levels ranging from 67.6% in Finland to over 75.7% in Denmark (Belgian High Council for Employment, 2005).

The activity level in Belgium improves slower in relation to the EU. Between 1997 and 2004 the activity level in Belgium improved by 3.5%, while this advanced by 4% in the EU. Given that the Lisbon Strategy aims for a European activity level of 70% by 2010, Belgium will have to make some serious efforts to have more people at work! This low activity level constitutes a serious threat to the advancement of prosperity in Belgium. One of the greatest challenges is the low activity level of the older professional population (OECD, European Commission, European Social Fund). For the 55 to 64 group, the activity level is a dramatically low 30%. This is 12.5% lower than the EU average!

In the context of EU agreements (European Employment Strategy-NAP, Lisbon Strategy), Belgium has committed itself to ensure that half of its over-55s are at work by 2010. When we consider demographic developments, the evolution of the real retirement age and self-contradictory government policies, this commitment seems to be a 'mission impossible'.

The low level of activity among the elderly working population in Belgium can be ascribed to the systematic reduction in the statutory pensionable age since the end of World War II. The OESO estimates that the real pension age decreased from an average of 64.3 in 1950 to 57.7 in 2000. Today, the average Belgian works until the age of 57,7. This is below the statutory pensionable age of 65. In the last 50 years, the introduction of social welfare legislation has led to a 10-year reduction in active working life. The post-active period increased by 19 years in the latter part of the twentieth century because of the decrease in active years and higher

life expectancy. In some cases the post-active years exceed the active years. In conclusion, we believe that the active period is too short (25-57: +/- 30 years) and the inactive period is too long (0-25 and 57-75/80 = +/- 50 years) (Martens, Vandenberg & Deweerdt, 2004).

## **2. The Belgian context: history explains a lot**

The Belgian context is a special case as regards keeping older employees at work for longer and in a different way and implementing age-conscious HR policies. The Belgian practice of retaining older employees and implementing age-conscious HR policies is a very specific one! The government has, from the 1970s, developed a framework in which people are in effect encouraged to leave the world of work. The emphasis for older workers is usually: ‘You have made your contribution, you have worked well and hard for so many years, so you can enjoy your rest early and thus give younger people a chance.’ This kind of attitude has over time become a credo and has taken a profound hold on the attitudes of the various actors (employers, trade unions and employees). Early retirement schemes to encourage older workers to exit their jobs prematurely were developed together by the government, employers and trade unions! Everyone considered this an advantageous situation, until it was realised that the present-day situation could be termed somewhat problematic, to say the least.

## **3. Our goal**

Within this inconsistent government framework, which encourages early retirement and at the same time calls for people to stay at work longer, we propose to start up and develop age-conscious HR policies in companies. The most important objective is to implement organisational development towards age-conscious HR management. By raising awareness and creating support for a tailor-made process that stimulates reflection on how to create conditions that stimulate work pleasure and professional growth during the whole career – possibly leading to the choice of working longer – the process of change will get underway and this will eventually result in different viewpoints, ideas and habits about working. We anticipate that the government will soon issue new regulations to extend people’s working lives. In consideration of this dynamic social and legal environment, we hope to pro-actively assist all members of organizations in their quest for universally acceptable alternatives.

## **4. Organizational development from a process consultation point of view**

From this macro perspective it becomes very clear that a reaction on the challenges of an ageing workforce is simply a must! But how do organisations and employees react on this evolution? Within the European Social Fund (ESF) project – ‘Silver Instruments and Processes’ – we want to encourage companies to support and develop age-conscious HR management policies. We aim to develop a tailor-made change process in which all actors within a company can reconsider the issue of working longer, while taking into account specific company cultures, which should result in new viewpoints, customs and age-friendly HR practices.

Our method consists of looking at organisational development from a ‘process consultation’ point of view. The ways in which new practices are developed and the actors involved in this process are crucial elements within the process of change towards age-conscious HR management. To this end, managers, employees and unions should constructively learn together how to change their views and feelings on the issue of working longer. All parties will need to value working longer and with a more diverse workforce. Companies will have to work pro-actively to find options that are valuable and acceptable to all parties involved.

When we are looking for organisational change from the process approach, it is important that we create a situation in which people and groups can learn and change. In practice it turns out that organisations have great difficulties with implementing ‘process learning’ (Probst & Büchel, 1997, 36), where the people concerned learn from each other how they tackled the change process and how they could do it better in the future. Lessons on ‘how to learn better from each other’ are barely learned (Schein, 1996, 2003a). The basis of these learning problems is, according to Schein (1996, 2003a, 2003b), essentially relational in nature. One can distinguish three ‘occupational cultures’ within each organisation: the top, the administration and the shop floor. These three cultures often do not understand each other well, are poorly co-ordinated with each other, and one of these cultures sometimes dominates the others. Schein (1996, 2003a) considers that this lack of co-ordination explains why high-quality change and process learning so rarely occur in organisations (e.g. Argyris & Schön, 1978; Swieringa & Wierdsma, 1991).

The macro-economic context, as described above, determines partly how a company organizes. The goal of an organization is to get the work done given this macro-economic context. The present context is a context characterized by a shortage of ‘good’ workers; it isn’t easy to find the right people for a specific function. Hence, organizations have to take a larger responsibility to realize an optimal person-organization fit.

Employees should get the continuous opportunity to develop themselves in their careers in balance with the development of the organization as a whole. Age-conscious HRM is a way to achieve both goals. It is a way to bring people in the right ‘mood’ – a mood to stay ‘on the move’, to learn and develop continuously – and to create the optimal conditions for this development with the intention that everyone experiences ‘work pleasure’ and contributes to a vital and successful organization.

### **5. From an organizational wide approach to a specific project**

If we want to develop a new dynamic, it is important to form the right basis of support with all participants within the organisations. We have done so in Borealis and in the city council of Hasselt by creating focus groups in which a cross-section from different age groups and various layers of the company are represented. Then we proceeded to more concrete projects, specific for the concerning organisations.

In both organisations focus groups were organised on the initiative of HR departments in order to start up concrete activities. Focus group meetings, attended by management, trade unions and employees (8-10 participants per group) were facilitated by a researcher. Each meeting lasted an average of two hours. These focus groups had a threefold purpose: (1) creating awareness and changing mentalities, (2) diagnosing helpful and obstructive factors regarding work pleasure and longer working, and (3) collecting ideas and suggestions.

It was emphasised at all levels that this was not a question of the company abolishing or sustaining transitional pensions, but using studies and surveys to find possible new ways of keeping older employees working effectively and enjoyably for longer. This will most likely be necessary as a result of changing regulations. Participating companies will then have taken the first hurdle, namely, awareness-raising and dealing with resistance. Those companies will be ready to act because they have already studied and planned possible actions with all the interested parties.

The need for age-conscious HR policies was first demonstrated by using macro-economic data which was then linked to the vision and mission of the organisations. Constructive efforts were made to establish the responsibilities of companies and the areas where legal and statutory elements predominate. In this way the persons involved were confronted with the real situation and the prospects for the future (creating awareness and changing mentalities).

Subsequently we focused on the following questions: ‘What factors will make you work/keep on working enjoyably, enthusiastically and effectively? What factors prevent you from working longer? What can your organisation do to make you want to keep on working?’. There was an exchange of views and the group decided on a number of priorities, on the assumption that not everything could be dealt with at once. These action points were developed further in a subsequent phase. Organising such focus groups ensures that all the interested parties feel that they have been heard and want to learn together. This way of working was applied in Borealis and the City Council of Hasselt. As a consequence of this facilitation process, each of the organizations mentioned is at present working to enact an age-conscious HR management on their own. ‘On their own’ is important here because the processes we facilitate have always a ‘self-learning’ component built in to them: while facilitating the process we give special attention towards strengthening the competencies of the client organization so that they can take matters in to their own hands.

#### *What follows...Borealis*

Two people were appointed internally to develop the project further and to consult with sites in other countries. The positive output of the project was that concrete work was being done by the organisation and at the organisation’s tempo, on initiatives concerning age-conscious HR policy. The organisation’s tempo and own context is an important factor. During the project collective labour negotiations with trade unions slowed down the process considerably but HR thought it was wise to do so because they didn’t want to jeopardise these important negotiations.

The focus groups resulted in defining a specific project that at this moment is further elaborated in the organization: ‘How can we stimulate older workers to work longer with work pleasure and effective in shift systems?’. In the chemical sector, this is an important and challenging question. The focus is not really on getting workers to work ‘longer’ in shift systems but rather on searching and exploring possibilities to keep shift workers working effective with pleasure with the intention that they can, possibly, do this longer without serious complaints (health complaints, stress, complaints on the level of social functioning,...).

#### *City Council of Hasselt*

The ESF-project is facilitated in collaboration with the organization developer of the City Council of Hasselt and the “Work group Attention Personnel” (WAP). WAP is an existing forum that consists of representatives from diverse levels, departments and functions of the City Council. Both, organization developer and WAP, have the explicit task to develop worker commitment to (further) improve the overall services to the public.

After discussing the results of the focus groups in the WAP, the following priority action point emerged: “appreciating positively the mutation and/or rotation policy within the diverse city services”. The WAP has brainstormed on the possibilities and conditions of an attractive

rotation policy and is at this moment working on a 'blue print', a policy letter and a process, to get support for this initiative from the higher echelons of the Council.

Our approach encourages the organisation to learn at the organisational level; we try to encourage all the parties involved to work together in developing new ideas about working longer and age-conscious HR policies. As facilitators we have involved the WAP and organization developer from the start of the project: they developed the process together with us. This is crucial because this way they became co-author and psychological owner of the project. This is a condition for a quick anchorage in the organization.

## **6. From a specific project to an organisational wide approach**

In other organizations it becomes clear during the first explorative conversations that there is a particular need for a project concerning a specific, well defined age-related problem. Since we always want to develop a tailor-made process, our starting points in these projects are the problems experienced. In Umicore and the Province of Limburg we started from particular tailor made projects concerning internal replacement and knowledge transfer. Later we made a more organisation wide movement in both organisations.

### *Province of Limburg*

A methodology developed in the framework of the ESF 'Silver Instruments and Processes' research project is the encouragement of knowledge transfer within organisations. Increasing 'pride in one's work', and strengthening and energising the work and co-operation of the team are central throughout the knowledge transfer process. A positive climate of learning and co-operation and a constructive way of dealing with people based on interpersonal skills, are crucial preconditions for knowledge transfer.

Sharing knowledge is extremely important for employees of all ages. The result will be an extension of one's own competencies and the organisation's expectations will be met (Ilmarinen, 1999). In addition, knowledge-sharing is a quick, effective and efficient method that enables organisations to meet constantly higher demands. In the context of knowledge management (e.g. Nonaka & Takeuchi, 1995), the objective is to disseminate as much individual (tacit and explicit) knowledge as possible, so that this becomes organisational knowledge. In this way, this knowledge remains present in an organisation, because there is no longer dependence on one person to retain it. The possibility that people will implement this knowledge in their work will increase, resulting in improved corporate efficiency and effectiveness.

In the present-day context it is hard to predict when older employees will leave their organisation. The time when one could be certain that older employees would be there until their 65th birthday is long gone. Older employees can leave an organisation very suddenly; one only needs to think of restructurings with redundancies, relocations, implementing transitional pensions, and so on. Unless it wants to lose all the knowledge that older employees have available to them, an organisation must prepare itself for a possible sudden exit of older employees. Where no steps are taken to transfer knowledge, the knowledge (especially tacit knowledge) leaves the organisation along with the older worker.

Companies are often unaware of this situation and do not see the usefulness of knowledge transfer. A first step therefore is to demonstrate the necessity of knowledge transfer. Presenting macro-economic developments does this. Numbers and data about age structures, both in the Belgian economy and in the company itself, are discussed. Does the organisation

as it is now functioning actually make sufficient use of the knowledge that is present amongst its personnel of all ages? Are people in the organisation aware of the changes outlined above (possible sudden exit of older employees, specific knowledge areas of employees, etc.). In this way the need to be involved in knowledge transfer is explained and emphasised.

The second stage is making a record of the knowledge that is present within an organisation. The following questions are central to this: What specific knowledge can we, or do we want to, pass on from our profession or expertise? What is this knowledge about? One automatically comes to the distinction between theoretical or explicit knowledge, and experience-based or tacit knowledge.

What possibilities are there to pass on this knowledge? In other words, what are the possible ways to pass on knowledge? It will quickly become apparent that the manner in which knowledge is transmitted is strongly dependent on the type of knowledge. Tacit knowledge cannot be transmitted in the same way as explicit knowledge.

A third stage involves investigation into the conditions that govern that one is involved in knowledge transfer. It should, after all, be possible to transfer knowledge within an organisation. In other words, it is necessary to create a favourable learning climate in which knowledge can easily be transferred. If knowledge transfer is necessary, then it is also necessary to create an environment in which it can happen.

A climate of open exchange and discourse encourages new ways of transferring knowledge. People are encouraged to work together to create a favourable learning climate, one in which knowledge can be transferred and appreciated.

We applied this methodology to an organisation where tacit knowledge is most important, namely the Province of Limburg. The HR manager and the career advisor guided the ESF process from central management. The trade union representative and the immediate section head were also behind the project, an important condition to get started! Together with the HR manager, the career advisor, the trade union representative and section head, we went in search of organisation-specific pointers for age-conscious HR policy, in the first instance by means of exploratory conversations. The concrete project was in a first phase directed at some 30 people, spread over three generations, who carry on old crafts such as thatching roofs, constructing wattle and daub walls, making wooden carts, and so on. At a later stage our approach would also be applied to other sections. We therefore start with specific tailor-made projects in order to set in motion a more organisation-wide movement later on.

We started in the spring of 2004 with two teams who were mostly involved in craftsmanship. The intention was to co-operate and to create knowledge about questions such as ‘How can we transmit knowledge and co-operate more satisfactorily?’ and ‘How can we increase pride in craftsmanship?’ By picking up on perceptions and experiences from groups, we then mainly started discussions on topics such as:

- What factors make you work/co-operate enjoyably, enthusiastically and effectively?
- What factors reduce your desire to work/co-operate?
- What would the organisation be able to do so that you would be (more) motivated to work/co-operate? This concerns the conditions that need to be created in order to be able to work together well and transfer knowledge effectively.
- What would a career in the organisation have to look like to bring this about?

We assume with these questions that ‘the better you work together with others and the greater enthusiasm you have for your work, the faster knowledge transfer and learning from each other can happen’.

The approach in a facilitated session consisted of participants interviewing each other in pairs, so that each questions the other as a critical assistant in order to bring the other’s story into clearer focus. This was with the purpose of presenting the account later on to others in a large group so that they could, as it were, see the account ‘like a film playing before their eyes’ and could pick up on or amplify points, etc. Subsequently everyone came together in the larger group and gave their account (in turns), and the most salient points were put onto a flip board. The high-priority points for improvement were also stated on every occasion. In this way we gathered experiences, opinions and accounts. On this basis we formulated improvement proposals that we presented to the project steering group. This steering group was made up of the co-ordinator of the ESF project, a process facilitator from the ESF project, the HR manager, a career guide, the section head of the technical services and three foremen. This diversity is important: all relevant voices in this stage of the project are included.

Two crucial working points were formulated on the basis of the sessions. Firstly emerged the crucial need to set up and implement work meetings at every level (teams, between foremen, etc.) and between the various levels (foremen with their superiors, etc.). Secondly, there was the urgent call to strengthen the foreman’s job and leadership position. This position had to be more central so as to restore full value to what was now a diminished function.

We then decided to expand the initiative to the entire technical service and to go through the same process with the rest of the workers so that everyone felt that they were also owners of the concrete improvement actions. In concrete terms this also meant that the logistical service and the gardens department were also involved in the project, which signified an extension to 34 people. We extended the initiative for various reasons:

- We wanted everyone to be a co-creator of the process in order to generate a wider basis of support and ownership
- The positive noises that were reaching us from the steering group: ‘People themselves state that the chances for improvement are important’, ‘they learn’. This is very unusual in a rigid, hierarchical government culture where the dominant mode is top-down implementation of actions decided at a higher level without consulting people.
- A local initiative signifies little in terms of support basis and power, but by expanding it the initiative generates more power.
- We want to know what other people think about it. This does generate confirmation but there are other equally valid emphases that we then take on board during the change process.

Subsequently the steering group came together again to discuss further steps and a ‘memo’ was drawn up to give the initiative and its results visibility at a high executive and political level. The project resulted in the implementation of work meetings at and in between different layers and the decision is made to strengthen the foremen’s job by giving them the authority to set up coaching talks with their subordinates. A very important result from our facilitation process is the attitude change of the section head of the technical services: he has always believed in the importance of good communication but several years ago he had a bad experience with bringing an issue openly in group. This led to a lot of doubt to communicate openly in a group context. Through participation in several facilitated sessions with all the foremen he saw the power of communicating openly and was appreciated for this by everyone present.



### *Umicore*

Umicore is an international metal and materials group with eight locations in Belgium. They employ about 8000 employees. With the closing of an internal department in September 2003 was opted for a re-employment policy instead of the usual pre-pension policy. This department employed a lot of white-collar workers. Together with the older white-collars was actively searched for new jobs within or outside Umicore. There were a lot of conversations with the HR manager of Umicore about wishes and possibilities. Ultimately, this process resulted in the internal re-employment of almost all white-collars. All white-collars involved in the re-employment process were interviewed by an ESF-researcher. This resulted in two extensive reports to HR management with advice and lessons towards the future. These reports were discussed deeply in two sessions with management (2,5 hours per session on average).

In the summer of 2002 management planned a similar re-employment process but this time it was intended for blue-collar workers in the context of restructuring in another Umicore plant. When the work council was informed about this intention conform the “Wet Renault” (Law Renault), an immediate strike followed. After one week of strike, management and labor unions reached an agreement in a government mediated process on the pre-pension that labor unions demanded.

By means of focus groups with present employees, interviews with labor representatives and HR management we have investigated why the re-employment initiative was rejected. Furthermore we have explored the missing conditions that can explain this rejection. The focus groups made it possible to formulate diverse recommendations intended to help the company in their learning journey towards a more age friendly, this is change friendly, organization.

The central challenge for organizations turns out to be to create organizational conditions that encourage and stimulate flexibility; movement and learning among all employees; to create conditions that facilitate flexible job transfers within an organization (inplacement – retention management) or towards other organizations (outplacement).

We can identify three critical tasks for HR:

1. Create a basis of support about change and rotation. Such a basis of support is an important condition to work on to create a culture of change, learning and rotation. In order to create a sufficient basis of support conversations have to be facilitated among members of different hierarchical levels and functional departments about questions such as:

- What is the sense of making regular internal/external job changes?
- What are possibilities for change?
- What are organizational conditions that have to be in place to facilitate changing and learning? What are inhibiting factors? How to make a difference?
- What do we expect from each other, f.e. about leading and to be lead?
- How is regular job change appreciated and rewarded (non-financial and financial motivators)?
- What are success stories about changing and which lessons can we draw from these stories?

2. Continuous attention for conditions that stimulate the strengthening of a flexible professional identity. The following issues are central:

- Facilitating career development – individual development plan: during regular career talks between leader/career coach and employee the development of one’s career gets coordinated (‘tuned’), with attention to sufficient change, learning, variation and competence development. Within these conversations challenges, worries, expectations... are exchanged, engagements are made and prior engagements are considered and tuned.
- Create conditions so that employees and groups can experiment with change in order that they can broaden their professional identity by means of job mutations, rotation, duo jobs, training and courses.
- Stimulate networking within and outside the company. This way people get the opportunity to form broad social networks that stimulate autonomy.

3. In the case of coerced rotation, f.e. in the context of a plant restructuring, we give additional recommendations. It is very important to give transparent information about the reason and background of the forced rotation/job change. Further, there has to be a lot of attention for the individual worries, needs and wishes of each employee. A possibility is to create a special ‘crisis’ function where people can go to with their questions.

A career plan can be developed together with employees so that they get ‘perspective’ on the future: what future sees the employee, what are his/her wishes, how to meet a person’s wishes. And last but not least a continuous appreciative attitude with attention to the individual is crucial. The employee must feel appreciated, his competencies and experience must be acknowledged. In this way there is a bigger change that the employee continues to feel ‘full’ and not “empty and less”.

## **7. Conclusions and recommendations**

A lot of organizations are afraid to openly discuss age-conscious HR management, they are even more afraid to really do something about it because the ‘touchy’ nature of the topic. Labor unions see it as a threat for acquired privileges (such as pré-pension on early age), management sees it often as a quick fix ‘social friendly’ and low-priced solution in the context of restructuring, employees have ‘learned’ to stop working at an early age – there is also a lot of pressure from peers, friends and family – and the government continues to be inconsistent about a facilitating framework to work longer. All this considered, it is not a surprise that expectations towards early exit are not easily broken.

Our approach is focused on creating conditions in organizations in order that all organization members experience work pleasure and possibilities for personal growth during their whole career. Through this focus we want to stimulate people to work longer with enthusiasm. We recommend to really focus on creating conditions for work pleasure and personal growth without making to explicit the underlying broader societal goal of ‘people have to work longer’. If you start with the ‘negative’ message “we want you to work longer” there will be immediate resistance (e.g. Wissema, Messer & Wijers, 1991) and the project will probably stop before it has really had a chance to begin.

Creating conditions to experience personal growth and work pleasure to stimulate working longer needs a change in organizational culture. Such a cultural change isn’t realised ‘tomorrow’, it takes a step-by-step process that can take up to five years or even longer. Organizations that place the topic of age-conscious HR management on their agenda now are better prepared for the future. It cannot be the goal of age-conscious personnel management to create a special ‘favour’ statute for older workers: more privileges, do less and paid more.

A good age HR management is based upon diversity, learning from each other, searching the best in everyone in order that the organization as a whole functions better.

This means bringing people ‘on the move’ during their whole career, creating stimulating and appreciative conditions for change and learning. This automatically means that people have to learn to deal with discomfort associated with change by looking at it as an opportunity to learn. In this fashion there is a good change that people change their perspective on working longer. From our collaborative projects with organizations about age-conscious HR management other interesting new insights emerge.

Age-conscious HR management becomes a talked about topic and this on all levels of the organization. Strikingly, on all levels the same problems and challenges are mentioned. Once the first resistance is overcome by a focus on work pleasure and personal growth, there is a deep collaborative contemplation about challenges and images/presuppositions of each other that block or facilitate work pleasure and thus working longer. The opinions are often shaded both in the focus groups with mainly blue-collar workers and in the meetings with management.

Age-conscious HR management must always be a tailor-made process: there are several ways to go to Rome! From diverse projects it becomes clear that each organization has its own challenges with the conception and implementation of age-conscious HR management. These challenges are coloured by the context in which the organization operates. In one organization the starting focus is more on creating conditions and policy about knowledge transfer, in another organization the focus is more on generating new regulations about working hours or labour conditions. It’s always a challenging process of cultural change where people – unions, management and employees – need each other to make things better for everyone!

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## 8. Ageing Workforce and Age-related Policies: A Secondary Analysis

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### Abstract

Due to an ageing population the workforce profile changes and with that the available mix of skills and abilities. This shifting age structure has a significant impact on the labor market. Companies are forced to retain their older workers longer and make use of their rich expertise. They could lower older workers' quit rate by increasing their job satisfaction, and enhancing their level of involvement in training and development. Many companies already introduced all kinds of age-related measures, but these seemed insufficiently translated into practical conditions and implications. This article reports the results of a secondary analysis on data gained from a survey among pharmacist's assistants in the Netherlands. The aim of the analysis was to provide insights into age-specific differences that exist between young and older workers with regard to aspects of employment, training and development, and employees' satisfaction with job-related aspects and HR related issues. From the results it can be concluded that many differences between age groups exist in this respect. Recommendations have been made for age-related policies in the near future that reckon with older workers' specific characteristics, and with the preferences and learning styles of various groups in an ageing workforce. The article ends with some limitations of the study and suggestions for further research.

### 1. Introduction

The world's population is ageing, which is mainly due to an improved health and a general decline in fertility rates (ILO, 2002). The number of people aged 60 and over is growing faster than all other age groups (ILO, 2002; Social Economic Council, 2005), and this shifting age structure towards old age will present society with significant challenges. One of the most urgent issues confronting societies is the impact of population ageing on employment and the labor market (European Foundation for the Improvement of Living and Work Conditions, 1997). The demographic shift towards old age means that there will be an increasing shortfall of young workers to fill positions, and companies also have to rely on older workers to meet skill demands. Longer life expectancy and better health did not result in longer working lives, and most industrialized countries even have experienced a substantial drop in the average age at which individuals retire from the labor market (ILO, 2002). This may result in a loss of valuable experiences, and companies feel now forced to retain older workers longer in stead of stimulating retirement and by that causing a brain-drain. A key challenge is how they could nourish their older workforce, make use of the rich expertise they have, and improve their employability and career opportunities (Turku Conference, 1999). With that companies could increase and prolong the participation of senior people in the workforce, which should reach 50% by 2010 according to the EU's 'Lisbon Objective'. The workforce participation of older workers in the Netherlands (aged 55-64) is still lagging behind the Lisbon objective although it has risen considerably, growing from 29% in 1993 to 45% in 2003 (Social and Economic Council, 2005).

## **2. A multi-generational workforce**

The ageing profile of the working population makes many employers to increasingly recognize the need to integrate and inspire different age groups within their workforces. They believe their companies will fail if they do not have a workforce drawn from all ages. They acknowledge the need to do more to help young and old to work together (Opinion Leader Research, 2004). The realization of a multi-generational workforce thus has clear advantages for business. It brings into the company a more diverse range of skills and abilities and contributes to avoid skills vacuums caused by a number of skilled and experienced older employees leaving the business (ILO, 2002). An age-related personnel policy is therefore a topical theme in personnel management. Following this it could be stated that employers should not exclusively perceive older employees as a separate group when taking measures to nourish them and improve their employability and career perspectives. Policy measures should also be aimed at the younger generation – and therefore, in fact, all generations (e.g. ILO, 2002). An older worker policy to increase and prolong the participation of senior people in the workforce is ‘too late’ (Social and Economic Council, 2005). The positions of older workers in the labor market are in fact largely determined by the choices that people have made earlier in life and during the course of their career. Employees across all age groups, including older workers, must therefore be equipped to keep playing a fulfilling and productive role in the labor process up to the official retirement age.

## **3. Age-related policy measures**

HR practices may increase employees’ motivation and commitment to their tasks (Ichniowski, Shaw, and Prenzushi, 1997) and also reduce quit rates by increasing employees’ job satisfaction (Batt, 2002). Greater involvement of older workers in lifelong learning is such a fundamental measure to increase the employment level of older workers and keep them motivated (Social and Economic Council, 2005). And older workers are willing to learn, but their ability to learn, learning styles and preferences differ from those of younger ones in some respects (Dorhout et al., 2002). Older people think HRD policy should be more sensitive to their needs and better meet their expectations (Rhebergen & Wognum, 1997). They prefer to learn work-based and by means of new experiences, and they consider attractive learning situation-related conditions very important (Thijssen, 1996). Learning by doing, learning on the job, and individual coaching are perceived as being far more relevant than formal training and courses.

According to Thijssen (1996) experience concentration of older workers may prevent them from learning new knowledge and skills, meaning that with increasing of age, the multitude of experiences increases but the diversity of experiences decreases. It then becomes more problematic to gain experiences outside the experience domain. It is therefore important to broaden older workers’ learning experiences beyond their actual job, providing company-specific learning initiatives which are expected to enhance older workers’ job satisfaction and to diminish their intention to leave (Dorhout et al., 2002).

Workers’ job satisfaction is of major concern in occupational fields. Low job satisfaction is associated with low performance, limited service quality and reduced customer satisfaction (e.g. Judge, Bono, Thoresen & Patton, 2001; Koys, 2001). It may cause health complaints (Waddell, 2004), burn-out (e.g. Jayaratne & Chess, 1984), and turnover (e.g. Shields & Ward, 2001), and creates substantial financial, social, and psychological costs for workers, organizations, and society. Job satisfaction could differ between age groups, with older employees tending to report higher satisfaction than younger ones (Clark, Oswald & Warr, 1996). Observed age-differences in overall job satisfaction are greater than those associated with gender, education, ethnic

background, or income. Intrinsic forms of job satisfaction with features of job contents and tasks undertaken could also be positively related with age. Affective responses to job related aspects such as pay-level, working conditions, work content and tasks undertaken, and promotion opportunities are more variably related with age, presumably because they are determined by specific features in an organization. (Clark et al., 1996; Warr, 1992). This could also be the case for affective responses to personnel policy related issues such as supervision, merit rating, appraisal interviews, and discussions of progress.

Next to learning initiatives, other age-related measures are supposed to improve older workers' employability, and with that their job satisfaction and commitment to the organization they work for. These measures can also lower absenteeism and older workers' intention to leave. In a recent study Boomsma (2005) hypothesized the relation of these factors - overall described as 'vitality' of employees - with organization commitment and job satisfaction. These last two factors in turn could be affected by antecedent measures such as organizational support. Based on Eisenberger Boomsma (2005) described organizational support as the extent to which an organization values employees' contribution and welfare. She found, among others, that job satisfaction and vitality are positively connected, while commitment can be enhanced by means of organizational support. Because an ageing workforce was one of the reasons for doing her study it was important to find out if older employees perceive less organizational support than their younger colleagues, causing lower commitment and vitality. However, due to low numbers of respondents and in particular for older employees, no significant differences could be found in this respect.

De Grip and Sieben (2002) and De Grip, Sanders & Sieben (2002) have studied the impact of some personnel-policy measures on – among others - employees' intention to leave and the level of absenteeism caused by illness. No relationship of these measures with employees' intention to leave was found. But they did find a relationship with absenteeism, suggesting that more competent workers will be less absent due to illness. The training and development policy in the studied organization, however, did not have a direct impact on absenteeism. It is unknown if differences exist between various age groups, among others because of the often lower involvement of older workforce in training and development.

#### **4. Problems with age-related policy measures**

Although the intention to keep the ageing workforce employable and to retain and develop their knowledge, skills and expertise, many age-related policy measures are insufficiently translated into practical conditions and implications (Rhebergen & Wognum, 1997). It, for instance, turned out that the actual participation of older people in training and development declines with age, and older workers remain under-represented in most forms of training and education. Most educational training is aimed at younger workforce, rather than older employees. Research shows that young adults in the 25-34 age group are almost twice as likely to undergo training as older people aged 54-64 (ILO, 2002). One reason for this may be the unfounded stereotyping of older employees: they are seen as less mobile and flexible than their younger counterparts, less able to deal with rapid changes occurring in organizations and less productive (e.g. Dorhout, Maassen van den Brink, & Groot, 2002). Due to, among others, their lower participation in training activities older employees face problems with career prospects as compared to younger employees (Thijssen, 1996). These employability problems usually increase as the years mount and this often results in an early retirement from employment. Age discrimination underlies many of the difficulties faced by older workers in the labour market. However, no empirical evidence exists for this preconception towards the abilities of older worker (ILO, 2002). On the contrary it

could be stated that older workers are perceived more innovative and productive because they are more independent and experienced than younger ones (e.g. Opinion Leader Research (2004). They also less report sick as compared to their younger colleagues (Nauta, De Bruin, and Cremer, 2004).

## **5. Problem statement and research questions**

Companies require a flexible and responsive workforce with a diverse range of skills and abilities. They have to deal with an increasing shortfall of younger people and are in need of a growing participation of senior people. They have to nourish their older workforce in order to retain them and make use of the rich experience they have. As aforementioned this could be done by means of various age-related policy measures. However, in many of the aforementioned studies a lot of lip-service was found in the field of age-related policies. Scarce information exists on policy measures that were actually put into practice and on the effects and effectiveness of these measures. We, therefore, have to search for actual measures and integrated strategies for an ageing workforce in order to find out if these measures work. This, among others, could be done by means of an age-focused analysis of former studies and/or data files holding information on various personnel policy measures and their effects. By this kind of further analysis, insights could be gained into the importance of some age-related measures.

For this, an investigation will be done into specific differences that exist between age groups with regard to training and development, employment, and their satisfaction with job related aspects, and personnel policy related issues. It is also of concern to search for possible explanations for the results observed. Based on the results, recommendations could be made to, for instance, break the vicious circle of older workers' low involvement in training and development and their early retirement. The research question thus concerns possible differences between age groups on factors such as involvement in training and development, job perspectives, and respondents' satisfaction with job related aspects, and personnel related issues

## **6. Method**

To answer the research question data were used from an employee survey into bottlenecks in personnel policy in public pharmacies (De Grip & Sieben, 2002; De Grip, Sanders & Sieben, 2002), held in November and December 2001. The survey was sent to a random sample of pharmacist's assistants working in Dutch public pharmacies. Pharmacist's assistants are the so-called 'core workers' in the pharmacies, which is the largest group of non-supervisory, non-managerial workers at the establishment of a firm and directly involved in making the product or providing the service (e.g. Osterman, 2000; Batt, 2000). The group of pharmacist's assistants represent 80% of the total workforce in pharmacies, and is homogeneous with respect to their occupation as well as their educational background. In the Netherlands a person is only allowed to work as a pharmacist's assistant if he or she is a graduate from a pharmacist's assistant school (De Grip & Sieben, 2005). In total 3.229 assistants returned the written questionnaire, yielding a response rate of 54%. Nearly all surveyed assistants were woman. Next to data on background issues such as gender and age, the data file contains various data on, among others, the number of employees, HR practices, employment status, work experience, turnover intention, intention to leave, job tenure and organization tenure. HR practices concern, among others, appraisal interviews, personal development plans, discussion of progress, and supervision. Employment status was assessed in weekly hours of work; with full time employment in case of 36 hours a week. Work experience was measured by means of the number of years in a paid job, irrespective of the function or size of employment. Job tenure was measured in years of employment as



pharmacist assistant, irrespective of which pharmacy. Organization tenure was measured in years of employment in the current pharmacy. The file also holds also data on overall job satisfaction, which was measured by asking assistants ‘All-in-all, how satisfied are you with your present job’ (answer categories: ‘very satisfied’, ‘satisfied’, not very satisfied’, and ‘not satisfied at all’). Information also was available on assistants’ satisfaction with different aspect of their job, such as salary, work hours, safety of workplace, work content, career perspectives, work atmosphere, and work pressure, with the same answer categories used. Next to this, data were also gathered on employees’ satisfaction with aspects of their employer’s personnel policy, such as the performance interview, personal development plan, the settling of travelling expenses, additional reward for having successfully finished pharmacy related training, additional clothing allowances, discussion of progress, flexible work hours, and age-related personnel policy.

When processing the data cross tabulation and Chi-Square tests were used, as well as Independent Samples T-tests. Also One-way ANOVA was conducted to investigate differences between groups with various ages. For that, first the following two age groups were made: respondents aged from 55 though 64, and all respondents younger than 55. Because Then four age groups were distinguished: employees aged from 15 through 30, from 30 – 40, from 40 through 55, and from 55 through 64. A Post Hoc analysis was conducted using the Bonferroni procedure to see which groups differed significantly from the others.

## **7. Results**

In the following section the findings of the study will be presented. First some background information will be given on e.g. respondents’ age and gender. Then results will be presented for possible differences between older employees and their younger colleagues, concerning their state of employment, involvement in training and development, and job satisfaction.

### *Background information*

Data show that the responding pharmacist’s assistants are aged from 19 through 64. Of them 1055 (32.8%) belong to the youngest group of employees aged from 19 to 30, and 1012 (31.4%) are part of the second youngest group aged from 30 to 40. The oldest group aged from 55 through 64 includes 138 respondents (4.3%), while 1013 respondents (31.5%) are part of the second oldest group aged from 40 to 55. Eleven respondents did not fill in their age. Only 16 out of 3229 respondents (.5%) are male. Of 390 respondents aged from 50 to 64 237 employees (61.6%) make use of a so-called senior arrangement, implying that employees aged 50 years and older could gradually diminish their working hours without losing income.

On average, respondents have 15 years of work experience (SD=8.3), and 13.5 years of experience as a pharmacist’s assistant (sd=8.4). They work, on average, 8 years in the present job. Nearly all assistants work on a permanent contract. However, most assistants work part-time and nearly 27 hours per week on average.

### *Employment*

It is important to investigate possible differences between age groups regarding their current state of employment. The tasks employees have to perform, for instance, could differ. In Table 1 data in this respect are presented. Next to this the form and size of employment contracts could vary, as well as workers’ intentions to search for another job or their plans to leave job within a period of five years. The results in this respect are presented in Table 2.

As data in Table 1 show, responding pharmacist’s assistants of all ages in general perform the same array of tasks. Significant differences, however, were found in the percentages of weekly

work hours spent on each task. Workers in the first half of their working life spent on average more time than older respondents on the monitoring of medication (14.3%, and 25.6% as opposed to 9.8% and 9.0%) ( $F(3,2982)=31.96$ ;  $p=.00$ ). On the other hand, the oldest group aged from 55 through 64 spent relatively more time on administration tasks concerning prescriptions and patient accounts (6.5% as opposed to 3.8%, and 4.4% for the younger age groups;  $F(3,3067)=3.61$ ;  $p=.01$ ), and on finance tasks with regard to wage records and expense accounts (2.4% as opposed to 1.0%, 1.8%, and 1.7% for the younger age groups;  $F(3,3088)=3.91$ ;  $p=.01$ ). Differences between age groups are also found for weekly hours spent on order related tasks, where this percentage is the lowest for the oldest age group (5.9%, and the highest for the youngest age group (10.6%) ( $F(3,3031)=17.41$ ;  $p=.00$ ).

*Table 1. Percentages per age group of weekly work hours spent on different tasks and significant differences between age groups*

	n	Percentage for each age group				statistic	p
		< 30	30 – 40	40 – 55	≥ 55		
Standard counter tasks	3039	29.2	31.0	32.2	27.2	$F(3,3035)=8.04$	.00*
Dispensing of medicines	3028	22.6	23.8	24.9	21.0	$F(3,3024)=7.15$	.00*
Monitoring medication	2986	14.3	25.6	9.8	9.0	$F(3,2982)=31.96$	.00*
Preparation of medicins	3064	13.0	11.8	12.7	12.8	$F(3,3062)=2.17$	.09
Order related tasks	3035	10.6	8.9	8.3	5.9	$F(3,3031)=17.41$	.00*
Farmaceutical patient care	3008	6.7	5.6	4.8	3.6	$F(3,3004)=11.68$	.00*
Administration	3071	3.8	4.4	4.4	6.5	$F(3,3067)=3.61$	.01*
Finances	3092	1.0	1.8	1.7	2.4	$F(3,3088)=3.91$	.01*
Otherwise	3001	3.3	3.5	2.9	1.7	$F(3,2997)=3.90$	.01*

\* denotes a significant result at  $\alpha=.05$  level.

Most responding pharmacist's assistants have a regular position, irrespective of their age. However, data in Table 2 show significant differences when taking the scale of their contracts into account ( $\chi^2(12)=1064.9$ ;  $p=.00$ ).

*Table 2. Percentages of employment aspects within age groups, and sign. differences between age groups*

	N	Percentage within age group				$\chi^2$ statistic	p
		< 30 n=10050	30 – 40 n=1006	40 – 55 n=1006	≥ 55 n=136		
Size contract of employment	3198					$\chi^2(12)=1064,9$	.00
at most 8 hours a week (1 day)	57	0.7%	3.0%	1.6%	2.9%		
9 - 16 hours a week (2 days)	513	4.1%	26.6%	18.3%	13.2%		
17 - 24 hours a week (3 days)	1014	9.6%	38.9%	45.6%	46.3%		
25 – 32 hours a week (4 days)	489	13.1%	13.7%	18.6%	19.1%		
From 33 hours a week (full-time)	1125	72.5%	17.8%	18.4%	18.4%		
Intention to search for an other job	3218	11.9%	11.2%	11.5%	4.3%	$\chi^2(3)=7.19$	.07
Intention to leave within 5 years	3190					$\chi^2(12)=1146.4$	.00
To a different public pharmacy	267	12.0%	7.7%	6.3%	0.7%		
Outside public pharmacy	99	3.7%	2.9%	3.1%	0.0%		
Different job	359	14.4%	12.2%	8.4%	0.7%		
Stop working	254	5.6%	2.6%	5.6%	82.5%		

\* denotes a significant result at  $\alpha=.05$  level.

Although the percentage of workers with a 3-days contract, for instance, is on average 31.7 out of 3198 respondents, only 9.6% of the youngest workers aged through 29 have this size of contract. This percentage increases per age group, from 38.9 for employees aged from 30 to 40, to 46.3 for respondents aged from 55 through 64. Younger assistants often have a full time contract (72.5%) in contrast to the other age groups who less often work on a full time base (17.8% in the second group, 15.9% in the third, and 18.4% in the oldest group of respondents).

No significant differences were found for the intention of pharmacist assistants to search for another job  $\chi^2(3)=7.19$ ;  $p= .07$ ). Only 4.3% of respondents aged from 55 through 64 mentioned this turnover intention, next to over 11% of the other three age groups. When asked for their intention to leave their job within a period of five years, most respondents (69.3% out of 3190) indicated not to quit. However, significant differences between age groups were found  $\chi^2(12)=1146,38$ ;  $p= .00$ ). Only 5.6% of the youngest age group has, for instance, the intention to stop working, in contrast to 82.5% of the oldest age group.

### *Training and Development*

As was said before, greater involvement of older workers in lifelong learning is a fundamental measure to increase the employment level of older workers. In Table 3 data concerning respondents of all ages are presented with regard to their actual participation in courses as well as to other aspects of training and development in the pharmacy sector.

*Table 3. Percentages of various aspects of Training and Development within age groups and significance level for differences between age groups*

	N	Percentage within age group				$\chi^2$ statistic	p
		< 30 n=1055	30–40 n=1012	40–55 n=1013	$\geq$ 55 n=138		
Participation in training activities	3194	73.8	55.9	62.5	43.6	$\chi^2(3)=96.14$	.00*
Content of the courses	1931					$\chi^2(3)=2.11$	.55
Pharmaceutical	1557	80.5	78.9	82.3	81.1		
Business oriented	374	19.5	21.1	17.1	18.9		
Reasons to participate	2017					$\chi^2(24)=153.3$	.00*
Keep abreast of knowledge and skills	863	33.4	45.6	50.0	65.5		
Wish to further specialize	399	26.3	18.0	14.1	12.1		
Remove lack of knowledge and skills	322	14.4	12.3	21.5	13.8		
Increase in salary	258	18.6	14.4	4.8	2.8		
Other categories	174	7.3	9.7	9.6	3.4		
Preferred learning style	3140					$\chi^2(9)=34.58$	.00*
Attending courses	869	25.5	29.5	28.2	27.3		
Self-education	215	6.9	6.2	7.1	8.8		
Learning from colleagues	352	11.9	9.7	12.1	10.7		
Workplace learning	1704	55.7	54.5	52.6	53.2		
Willingness to attend courses	3200	98.	94.1	94.0	80.1	$\chi^2(3)=83.14$	.00*

\* denotes a significant result at  $\alpha=.05$  level.

Although 63.3% of responding pharmacist's assistants (n=3194) participated in organized training activities, considerable differences are found when taking account of respondents' age. The youngest group (aged through 29) has most attended one or more formal courses (73.8%),

while the lowest percentage was found for the oldest group aged 55 through 64 (43.6%). The differences between the four age groups are significant ( $\chi^2(3) = 96.14, p = .00$ ).

Data show that most attended courses were pharmaceutical. It here concerns courses on acquiring knowledge on medicines, acquiring knowledge on syndromes, and providing information on medicines. Among the more business oriented courses those in which computer skills and communication skills could be learned were the most popular. No differences between the various age groups were found ( $\chi^2(3) = 2.11, p = .55$ ), implying that pharmacist's assistants participated in pharmaceutical as well as business oriented courses irrespective of their age.

The reasons why respondents decided to attend courses are diverse, and differ significantly between the four age groups ( $\chi^2(24) = 153.30; p = .00$ ). The most important reason was *to keep abreast of knowledge and skills*; 33.4% for the youngest group aged through 29 mentioned this reason, 45.6% of the group aged from 30 through 39; 50% of the group aged from 40 through 54, and 65.5% of the oldest group aged from 55 through 64. The opposite following order for percentages per age group was seen if the reason for attending courses was the *wish to further specialize*; 12.1% for the oldest age group, and 26.3% for the youngest age group. A different pattern was found if the reason concerned the elimination of respondents' *shortage in knowledge and skills*; 14.4% of the youngest group mentioned this reason as compared to 13.8% for employees aged 55 and older. It should also be noticed that 18.6% of the youngest group of respondents decided to attend courses because of an *increase in salary* after successfully having completed the course. These percentages are much lower for both oldest age groups (4.8% and 12.8% respectively)

Another important issue is on how pharmacist's assistants think they could keep various types of knowledge and skills up to date. They could do so through attending courses, but also by means of self-education, learning from colleagues, and workplace learning. Learning styles could vary when taking account for several types of knowledge and skills. Significant differences between age groups were found in this respect ( $\chi^2(9) = 34.58; p = .00$ ). More than 52% of respondents give preference to *workplace learning*, and more specifically if they want to acquire communication and interactive skills, as well as computer skills, or competencies on drugs preparation. If we take the type of knowledge and skills into account it is observed that only 42.4% of the oldest age group prefer workplace learning for the acquisition of computer skills, in contrast to 50.6% for the group aged from 40-55, and 56.1% for the group aged 30-40. The youngest age group most prefers workplace learning for the acquisition of computer skills (62.5%). On the other hand, the oldest age group most prefer workplace learning if they have to acquire communication and interactive skills (72.7%), as opposed to the group aged from 30-40 less preferring this learning style when keeping their communication and interactive skills up to date (63.3%). Overall 67.1% of respondents prefer workplace learning for keeping their competencies in preparing medicines up to date, with 65.6% as lowest percentage (for the group ages 4- to 55) and 68.0% as highest percentage (for the oldest age group). Attending courses is the second important learning style for keeping all kinds of knowledge and skills up to date. More than 25% of respondents mentioned this learning style. But considerable differences between age groups exist when taking account of the various types of knowledge. The attending of courses is most preferable for keeping knowledge on medicines up to date, with 60.1% of the youngest age group having this opinion; 59.1% of the second age group; 60.3 of the third age group; and even 53.8% of the oldest age group.

All respondents are willing to attend courses if they are asked for that by their employer, although significant differences between age groups are found ( $\chi^2(3) = 83.14; p = .00$ ). Despite the fact that a considerable 80.1% of the oldest age group is willing to attend courses, this is

considerably lower the percentages of the other groups, which are 94% for the group aged 40 to 55, 94.1 of the group aged from 30 to 40, and even 98% of the youngest age group.

### *Job satisfaction*

It is important to prevent older workers from getting de-motivated. It therefore is of major concern to keep an ageing workforce satisfied with their job. High job satisfaction will lead to e.g. high performance and customer satisfaction, and could possibly prevent older workers from early retirement. In Table 4 data are presented concerning the job satisfaction of pharmacist's assistants. More specifically, the data provide insight into the satisfaction of respondents with their present job and with different aspects of this job. Results are also presented concerning respondents' satisfaction with various issues related to the personnel policy of their employer, and with the various tasks they have to fulfill.

Table 4  
Mean scores and significance level for job satisfaction per age group

	N	Mean score for each age category**				Statistic	p
		< 30	30-39	40-54	≥ 55		
Overall job satisfaction	3200	1.85	1.88	1.91	1.87	F(3,3196)=1.44	.23
Job related aspects ***							
Salary	3193	2.72	2.63	2.73	2.67	F(3,3189)=3.60	.01*
Working hours	3212	1.84	1.79	1.79	1.71	F(3,3208)=3.31	.02*
Working atmosphere	3204	1.79	1.85	1.92	1.96	F(3,3200)=6.99	.00*
Work pressure	3193	2.39	2.40	2.51	2.48	F(3,3189)=5.40	.00*
Career perspectives	3149	2.62	2.70	2.72	2.59	F(3,3145)=4.16	.01*
Safety at the workplace	3203	2.07	2.14	2.08	2.23	F(3,3199)=5.26	.00*
Personnel policy related issues ***							
Regulation for traveling expenses	1566	1.96	2.11	2.06	2.06	F(3,1562)=3.40	.02*
Personal Development Plan	747	2.39	2.61	2.57	2.56	F(3,743)=3.16	.02*
Organizational Development Plan	714	2.44	2.58	2.68	2.69	F(3,710)=3.93	.01*
Appraisal interview	2096	2.53	2.66	2.68	2.61	F(3,2092)=4.48	.00*
Discussion of progress	3018	2.36	2.45	2.49	2.40	F(3,3014)=5.09	.00*
Additional rewards for courses	1486	2.75	2.91	2.93	3.07	F(3,1482)=5.25	.00*
Merit rating	1029	3.01	3.23	3.09	3.06	F(3,1025)=3.30	.02*
Supervision of absenteeism	885	2.50	2.88	2.88	2.62	F(3,881)=11.80	.00*
Age-related HR policy	979	2.40	2.59	2.64	2.57	F(3,975)=4.63	.00*
Task satisfaction ***							
Standard tasks	3148	1.86	1.80	1.77	1.78	F(3,3144)=3.50	.02*
Order related tasks	2790	2.22	2.31	2.43	2.58	F(3,2768)=12.80	.00*

\*} denotes a significant result at  $\alpha=.05$  level

\*\* on a 4-point scale with 1=very satisfied, 2=satisfied, 3=not very satisfied, and 4=not satisfied at all

\*\*\* only significant results are presented

As data show, no significant difference between the four age groups was found for overall job satisfaction ( $F(3,3196)=1.44$ ,  $p=.23$ ). The overall mean score on a 4-point scale (running from 1=very satisfied, 2=satisfied, 3=not very satisfied, to 4=not satisfied at all) was  $m=1.88$  ( $sd=.65$ ).

Considerable differences were found for respondents' satisfaction with various job-related aspects, also measured on a four-point scale with the same answer categories. As data show, the oldest group of workers (aged from 55 through 64) is most satisfied with their working hours ( $m=.71$ ,  $sd=.60$ ) as compared to the other age groups (for groups decreasing in age the means are

1.79, 1.79, and 1.84 respectively, with standard deviations .56, .59, and .57 respectively). Older workers are also more satisfied with the career perspectives of their job ( $m=2.59$ ,  $sd=.81$ ) than the other age groups, ( $m=2.72$ ,  $sd=.79$ ;  $m=2.70$ ,  $sd=.76$ ; and  $m=2.62$ ,  $sd=.76$  respectively). Respondents in the oldest age groups are least satisfied with the working atmosphere in their pharmacy ( $m=1.96$ ,  $sd=.76$ ) than workers in the three younger age ( $m=1.92$ ,  $sd=.71$ ;  $m=1.85$ ,  $sd=.71$ ; and  $m=1.79$ ,  $sd=.71$  for groups decreasing in age respectively). The oldest age group is also least satisfied with safety aspects of their workplace ( $m=2.23$ ,  $sd=.62$ ) as compared to respective  $m=2.08$  ( $sd=.59$ ),  $m=2.14$  ( $sd=.59$ ), and  $m=2.07$  ( $sd=.59$ ) for the other groups in decreasing concerning age. Older workers in the second half of their working life are also less satisfied with the work pressure they experience ( $m=2.48$ ,  $sd=.74$ , and  $m=2.51$ ,  $sd=.76$ ) than both younger age groups ( $m=2.40$ ,  $sd=.73$ , and  $m=2.39$ ,  $sd=.74$ ).

Considerable differences are also found for respondents' satisfaction with issues related to their employers' personnel policy. Older respondents are in general less satisfied with these issues than their younger colleagues. The older the age group, the less satisfied respondents are, for instance, with the development plan of their organization ( $m=2.44$  to  $m=2.69$ ), and with additional rewards they receive after successfully having completed a course ( $m=2.75$  to  $m=3.07$ ). Respondents in the second half of their working life are also less satisfied with the age-related policy of their employer ( $m=2.64$  and  $m=2.57$ ) as compared to both younger age groups ( $m=2.40$  and  $m=2.59$ ).

Concerning their satisfaction with task that belong to their job and function, responding pharmacist's assistants in the second half of their working life are more satisfied with standard tasks ( $m=1.77$ , and  $m=1.78$ ) as compared to their younger colleagues ( $m=1.86$  and  $m=1.80$ ), but less satisfied with order related tasks ( $m=2.58$  and  $m=2.43$ ) than both youngest age groups ( $m=2.31$  and  $m=2.22$ ). For other tasks, such as the preparation of medicines, pharmaceutical patient care, administration, or finance, no significant differences in satisfaction between age groups were found.

## **8. Conclusion and discussion**

The shifting age structure towards old age has a significant impact on the labor market, and companies are forced to retain their older workers longer. They could lower their quit rate by increasing older workers' job satisfaction. They could also try to break the vicious circle of older workers' low involvement in training and development, or make some age-specific work arrangements. Many companies already introduced all kinds of age-related measures, but in practice these seemed insufficiently translated into practical conditions and implications. And good practices in the employment of older workers remain a minority pursuit (Walker, 2005). According to Walker, progress is slow and haphazard and often relies on a conducive HR culture and the existence of a champion to promote the issue or a specific initiative. There is therefore a need for research into age-specific differences with regard to aspects of employment, training and development, and employees' satisfaction with job-related aspects and HR related issues, among other things. The secondary analysis on data gained from pharmacist's assistants was done to provide such insights. From the results it can be concluded that many differences between age groups exist with regard to employment aspects, training and development, and job satisfaction.

*Employment aspects:* The data showed a high percentage of respondents aged from 55 and older having the intention to stop working within a period of five years. This percentage could possibly be lowered by means of an age-specific allocation of tasks. This assumption is based on the significant different scores between age groups concerning their satisfaction with the various tasks they have to perform. Although the results showed that all age groups perform the same

array of tasks, it was found that older workers in the second half of their working life were more satisfied with performing standard tasks, for instance, than their younger colleagues, while they were less satisfied with order related tasks. Another policy measure to retain older employees is by means of greater flexibility in their working hours. There is evidence of a desire on the part of older employees for this flexibility, because data showed an emphasis on a three-day contract for older employees, and a large percentage of older workers making use of the so-called senior arrangement, implying that employees aged 50 years and older could gradually diminish their working hours without losing income. However, pharmacist's assistants in the second half of their working life were also considerably less satisfied with the work pressure they experience, which could indicate that greater flexibility in working hours is not the only way to keep older employees satisfied with their job. The age-specific allocation of tasks could therefore be another policy measure to retain older employees and keep them satisfied with their job. Older workers from outside the firm could have special access to available jobs if employment aspects have been made more age-specific. With that, the percentage of senior people in the workforce could reach a higher percentage, and is the intention of EU's 'Lisbon Objective'. As data from the secondary analysis showed, only 4.3% of all respondents in the pharmacy sector were aged from 55 through 64. In explanation it may be stated that public pharmacies employ a specific group of workers, and mainly women. The oldest group of pharmacist's assistants belongs to a generation in which women decided to quit work to care for their children. Only a few percentage of them has probably returned to work after this period of care.

*Training and development:* It remains important to broaden older workers' learning experiences by providing learning initiatives that are expected to also enhance older workers' job satisfaction and to diminish their intention to leave (Dorhout et al., 2002). However, data show that relatively few older workers had attended a course, which result is in accordance with the results of other studies. A high percentage of older workers, however, is willing to attend courses if their employer asks for this, which result also is in accordance with other studies' results. The question remains how to ensure that older workers are not neglected in training and development. This could be done by providing learning opportunities that are more 'older worker friendly' (Walker, 2005), for instance by tailoring them to the preferred learning styles of older workers and to their reasons to attend courses. Significant differences between age groups were found in this respect. Older pharmacist's assistants, for instance, most prefer the attending of courses for keeping their computer skills up to date, which is in contrast to their younger colleagues. On the other hand, the oldest age group most prefers workplace learning for keeping their communicative and interactive skills up to date as well as their competences in preparing medicines. The attending of courses is suitable to keep abreast of knowledge on medicines, which was a significantly more important reason for older workers as compared to their younger colleagues to participate in training and development.

*Job satisfaction:* As was said before, worker's job satisfaction is of major concern in occupational fields. Low job satisfaction is associated with low performance, burn-out, but also with turnover. Based on the data it can be assumed that the so-called senior arrangement had a positive impact, because older workers are most satisfied with their working hours as compared to their younger colleagues. However, employees in the second half of their working life are considerably less satisfied with the working atmosphere, work pressure, and safety aspects of their workplace, which could lower their work motivation and speed up their decision to quit job. It is unknown what caused this lower satisfaction with safety aspects, but job design could possibly diminish older workers' dissatisfaction in this respect. According to Walker (2005) this could take the form of preventive measures, for instance by the elimination of violent twisting

movements or the provision of beneficial lighting and seating. With regard to work pressure and working atmosphere; Patrickson and Ranzijn (2005) indicate that managers still believe older workers to be less suited to the demands of the modern workplace. This attitude could possibly have a negative impact on the working atmosphere in a company or firm, and eventually cause an early retirement of the older workforce. This attitude could also affect all kinds of personnel policy effects. As was said before, in many studies a lot of lip-service was found in the field of age-related policies, but scarce information exists on policy measures that were actually put into practice. It thus is not surprising that the older workers in the pharmacy sector are less satisfied than their younger colleagues with personnel policy issues. As an example it can be said that older workers are less than their younger colleagues satisfied with the age-related HR policy in their pharmacy, irrespective of the existence of a senior arrangement concerning their working hours. To enhance their job satisfaction and commitment, older employees are in need of an organization that values their specific contribution and welfare (Boomsma, 2005). And older workers probably experience less organizational support than their younger colleagues in this respect.

### **9. Limitations of the study**

The analysis was done on data gained from a study into a specific sector, i.e. the pharmacy sector. Primary processes in this sector do need professional workers with the same kind of professional know-how and skills irrespective of the firm they work for. These basic competences are acquired in secondary education, and more specifically in a pharmacist's assistant school. Results could vary for other professional groups, and in other sectors of industry. Besides this, most pharmacies are in general small to medium sized (De Grip & Sieben, 2002). Results could differ if large companies are under study, because in larger sized companies a specific personnel department with more formalized HR policy measures is more often present. Possible differences between age groups might also be accounted for by varying rates of participation in the labor force. A lower per cent of older people is active on the labor market as compared to younger ones, and older employees are somewhat less representative of their age group in comparison with younger people (see also Clark c.s., 1997). The number of older respondents in this study was relatively low. This could also be caused by selection, because senior people that are still at work, belong to the group of employees with the highest motivation and commitment to the labour market.

Results should therefore be treated carefully. Further research should be done in various sectors of industry, and in companies of divergent sizes. Further secondary analysis should be performed in case adequate numbers of very young and older workers are in a sample. These new studies should pay attention to not only differences between age groups, but also within each age group. In literature it is noticed that people, when advancing in age, will differ with respect to their health and employability (Nauta, c.s., 2004). And older people in particular deserve specific attention with regard to e.g. their particular state of employment, or their array of tasks.

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## **9. An Age-related Personnel Policy.**

### **Case Study: the Ministry of the Flemish Government**

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#### **Abstract**

An age-related personnel policy can be seen as a possible solution to maintain the employability and sustain the motivation of the (older) worker over a longer period of time during his/her working lifetime. Although an age-related personnel policy has gained acceptance, it is less clear how this should be filled in or implemented. This paper discusses a theoretical framework for an age-related personnel policy and contains the most important components of an age-related personnel policy. Beside these components, we also define five critical success factors. Secondly, we discuss the personnel policy of the Ministry of the Flemish government. We examined the existing personnel policy and compared it to the theoretical framework. In this way, we gained insight into the ways in which Flemish government has already implemented an age-related personnel policy and the opportunities which can still be used. We analysed all the components of personnel policy together with the critical success factors and formulated advice on how to realise an age-related personnel policy.

#### **1. Definition of the problem**

People live longer and birth rates are decreasing. Moreover, there is a tendency for older workers to retire earlier and younger workers to enter the labour market later in their life. This makes for a shorter work life. The combination of these trends challenges our welfare state. Fewer and fewer employed individuals support more and more unemployed or retired individuals. This puts great pressure on the social security provisions (such as the pension system and health care services) and on the economy. All western countries are confronted with this evolution and look for an adapted policy as a solution to their specific situation. After all, the problem is partly a result of the pursued (political, economical and social) policy; and a solution is limited by this existing policy. In order to face this challenge, an important precondition is to urge and keep more (older) people on the labour market, at least until retirement age. In this paper we discuss how an organization can adapt its policy on meso-level to retain people instead of choosing for early retirement schemes.

#### **2. The Belgian context**

##### *2.1 Demographic change and the labour market*

About 16,8% of the population was 65 years or older in 2000. This rate will increase to 26,5% by 2050. In Flanders 16,9% was 65 years or older in 2000 and by 2050 the increase will be even higher (about 28,1%) (WAV, 2005). The proportion of older inactive and dependent persons will grow substantially during the next couple of decades. This means that the cost of this group will grow, while the proportion of active people who have to support this cost will decrease. The pressure on this latter group will increase considerably.

There is a remarkably low labour participation rate for people older than 55 years of age in Belgium. The official retirement age is 65 years, but only one out of four individuals (28,1% in Belgium and 26,5% in Flanders) stays active until that age. Most workers leave the labour market much earlier. This is a consequence of the labour market policy Belgium started in the 1980's. Opportunities for older workers were created to leave the labour market earlier in

favour of young unemployed people as unemployment was high, technology was changing and many companies were reorganizing. These early exit policies have not been abolished yet. As such they remain very popular and still exist in many forms.

## *2.2 International pressure*

At the European Top in Lisbon (2000), the European countries engaged themselves to realise an active and dynamic labour market until the year 2010. The targets were to realize a labour participation rate of 70% in general, 60% for women and 50% for individuals age 55 and older. Belgium signed this agreement as well. Given the low participation rates then and now Belgium has taken on a large task. Only since last year has the Belgian Federal Government started working on a policy to get more (older) people employed. The Flemish government (which is one of the regional governments in Belgium) had taken some initiatives before, related to its competences (Vanmullem and Hondeghem, 2004). It is important that governments themselves set an example for their own personnel. For this reason, the Flemish government wants to know how they can, as an employer, make an effort to keep their older workers working longer and how an age-related personnel policy can stimulate this. This policy question was the catalyst for our study.

## **3. Theoretical framework**

### *3.1 Definition of an age-related personnel policy*

An age-related personnel policy does not mean a totally new personnel policy. Rather, it is a new view on the existing personnel policy and its tools, implemented in the strategy of the organization, and based on the needs of the organization and the needs of each individual. The aim is to keep the employee motivated and employable on the one hand and to keep the organization able to react more flexible to the changing environment on the other hand. This means that both, the employer and the employee, have to take their responsibility. The employer has to offer the possibility to employees to plan their work life and has to improve the working conditions. The employee has to take use of these possibilities and take the initiative to remain flexible and employable.

A big distinction has to be made between ‘older worker policy’ and an ‘age-related personnel policy’. The older worker policy focuses only on the oldest workers and tries to keep them in the labour market. An age-related personnel policy focuses on all age groups in the organisation.

An age-related personnel policy has three dimensions: correction, prevention and proaction (van Delft and Grunveld, 1993). The corrective dimension is the older worker policy. This dimension focuses on the age group of 55 years and older with the aim to retain them on the labour market. The preventive dimension focuses on the age group 44-55 years and tries to prevent the problems associated with ageing or at least reduce them. A pro-active dimension focuses on younger employees who enter the labour market. The focus is now put on the development of these young employees who will have to work at least until retirement age. In the past, the focus was put too much on the corrective dimension. In the future, a pro-active approach is necessary in order to keep the next generation working longer. People do not only need to work longer, work attitudes of both employers and employees must change. An age-related personnel policy integrates all of three dimensions discussed above, focuses on all age groups and aims to develop every employee (young and old alike). An age-related personnel policy is a life span approach.

### 3.2 Conceptual model

The definition of an age-related personnel policy is still very young, application of such policies is limited and theoretical studies tend to be general. For this reason, we constructed a theoretical model based on a literature study of the divers existing models (Leisink, Thijssen, and Walter, 2004; Ester, 2003; Derijcke, Smedts, Verdijck, and Wouters, 1995; Kerkhoff, 1993). We made a selection of the most important elements and classified these s in-, through- and outflow of human resources (see figure 1). Continuous personal development and the right person at the right place are core elements in this model. Our model describes the most important and relevant elements of an age related personnel policy. The implementation of the model depends on different organisational aspects, such as the strategy, the core activities, the social context and the kind of jobs. This supports a contingency approach of HRM-policy (Sels, 2003). Therefore the conceptual model operates more like a framework when composing an age related personnel policy that meets the needs of an organisation, than a tailor-made model (Vanmullem and Hondeghem, 2005).



Figure 1: Conceptual model

#### 3.2.1 Inflow

Inflow implies recruiting and selection based on competences and experiences, not on age. Age discrimination cannot be tolerated and is in most countries illegal. The aim is to generate a balanced age structure in the organization and to respect the experience and knowledge of older workers instead of believing in the negative stereotypes. Elements such as the advertising process, the recruitment interview and the nature of the work itself are important factors in attracting older workers. These elements differ from traditional means of recruiting young people when recruiting older people. A different approach means: photographs used in advertisements should incorporate older workers and the ads should be placed where older people can find them, such as adult education centres; use words as 'experienced' or 'mature' to communicate that experience is valued; during the interview the aspects of work which are most appealing to work should be emphasized, such as scheduling freedom and social aspects (Doverspike, Taylor, Shultz, and McKay, 2000).

#### 3.2.2 Throughflow

The core elements in the throughflow are mobility, life long learning, career development and remuneration. A strategic implementation of these elements is not only important at the beginning of the career, but during the whole career.

### *Mobility*

Mobility keeps workers flexible and motivated during their work life. Getting new tasks or a totally new function creates new challenges, variation in work life, motivation and an attitude of willingness and openness to change. If we talk about 'mobility' we do not only mean vertical or horizontal mobility. The opportunities for these kinds of mobility are often too narrow. For this reason, we also emphasize mobility in a job (i.e., broadening, narrowing or changing the tasks in a function). Especially at the end of the career, a change of tasks, instead of the whole job, gives more opportunities and possibilities (Simoens and Denys, 1995). A change in a routine job brings a solution for workers who are stuck in their job. As older workers have a lot of experience and knowledge, new tasks could include: a mentor role, an expert function or a coordinator of a new project. These kind of job adaptations can have a permanent or a temporary character.

### *Life long learning*

Continuous personal development during the whole working life allows workers to be more employable. Being not 'up to date' and 'burn out' are the two main reasons why older workers are not able to continue their job. Reality shows that investments in training and education mostly take place at the beginning of the working career. The longer somebody is working, and the longer someone is in the same function, the less an employer invests in training and education. The prejudice is that older and experienced workers have enough knowledge and/or it is not profitable anymore to train or educate them. Nevertheless, the working environment is changing noticeable and this trend demands new adapted competence requirements of the workers. In order to sustain worker employability, a learning climate is necessary.

It is important to know that learning, training and education, can take place in many different forms. Training of older workers demands a different approach in training method than for younger workers. Research has shown that older people learn in a different way than younger people do. Ex cathedra courses are less efficient for older workers. Learning from experience is a more efficient teaching method. Direct applicable knowledge, systematic feedback, familiar concepts and an adapted social context are important elements in adult education as well (Thijssen, 1996). We conclude that learning methods depend partly on the public and the subject. An age related policy emphasizes life long learning as a benefit for the organization, society and the individual, and approaches life long learning in a broad way.

### *Career development*

Career development consists of two components, the individual career planning and the organizational career policy. Career development is becoming more and more the responsibility of the individual worker. It is no longer only the responsibility of the management, but rather a shared responsibility (Timmerhuis & Fruijtjer, 1994). An organization has the responsibility to offer career support for each individual worker. The support is embedded in the general career policy of the organization. An organization offers the possibilities and helps each individual worker to find the match between the needs of the organization and the individual worker's capacities. Each individual worker takes up his/her responsibility to keep himself/herself employable. As a consequence, it is not only a management tool, but also a personal development tool.

Career development is no once-in-a-life-time operation. It is a continuous process of mutual agreements between the organization (personnel manager) and the individual worker. Past performances are evaluated; and the present and future functioning and expectations of the employee are discussed. Career development is an investment in 'employability'. It enlarges

ones insight in his/her own skills, knowledge and expertise; and expectations become clear for the individual and the organization. (Albertijn & Sels, 2005)

### *Remuneration*

A classical wage structure in Belgian government is based on diplomas and seniority, regardless of job evaluation and performance. The older the worker is, the higher the cost for the organisation is. The differences in wages between an older and a younger person who do the same job can fluctuate greatly. Consequently, this higher cost is a push factor to let older workers go. On the one hand, this kind of remuneration does not stimulate or motivate older workers to polish up their skills or to stay employable and flexible. As long as they stay on the job, they keep their salary. On the other hand, older people who have lost their job and have a new job lose most of their seniority benefit and get a salary much lower because of their loss in seniority. As such, this system does not stimulate mobility. A remuneration system that fits into an age-related personnel policy should therefore take into account performances and competences of workers, rather than diplomas and seniority.

### *3.2.3 Outflow*

Although an age related personnel policy tries to retain people in the organization and keep them employable, there are always people who will leave an organization, voluntary or forced. Age management aims to either support workers in finding a new job (i.e., outplacement) or to prepare the older worker for the end of his/her career (i.e., bridge jobs). The first aspect is especially important for older workers, because it is more difficult for them to find a new job at an older age. Secondly, the longer older workers are unemployed, the more difficult it becomes for them to find a new job. Bridge jobs give older workers the opportunity to stop working gradually. People who are not able to keep their job as a consequence of physical or emotional reasons and who are still too young to retire, can be offered a less aggravating job. An adjustment of tasks and/or working conditions allows for a gradual transition from full time work to full time retirement, instead of older workers falling into unemployment, sickness or disability pensions.

### *3.3 Critical success factors*

In addition to the theoretical model, we have defined five critical success factors to develop an age related personnel policy.

#### *3.3.1 Information and communication*

Age management is a tailor-made personnel policy based on facts and figures of the organization. A transparent and overall information system gives an overview of the working of the organization which makes it possible to detect dysfunctions at an early stage. The system can contain information such as the rates of training participation, the absenteeism ratio, use of partial labour regimes. This information must be accessible for all persons concerned and gives shape to strategic management. Communication to personnel about the facts and developments of the organization is also important to get the personnel involved. Similarly the rights and duties of both employee and employer during the career of the personnel must be clearly communicated. In this way every worker has all relevant information at his/her disposal to maximize ones own career development.

#### *3.3.2 Competence and performance management*

Personnel planning, recruitment and selection, training and education, mobility and career development must be based on competence management. Defining the competences needed

in a function, and diagnosing the competence of employees are necessary to select the right person for the right job and to know which competences still need to be developed. Beside a description of the competences, it is important to have an objective measurement system. It is not enough to have the right competence, what one does with his or her competence is also important. Performance management includes a cycle of a clear agreed work planning and expectations, a continuous monitoring system of performances, a development of the capacity to perform, a rating of the performances and a reward system for good performances.

### *3.3.3 Organizational culture*

The creation of a climate that does not stimulate early retirement and where each person's contribution, (young and old alike) is respected motivates workers to be involved and stay active. Opportunities must be created for personal development that change the view from life time employment to life time employability (Visser, Henkens Kène, & Schippers, 2003). An organizational culture with less respect for older workers reinforces negative stereotypes about older workers and confirms these prejudices because the thinking determines the acting. Although studies have taken the edge off most negative stereotypes, these stereotypes still have not disappeared (Leisink, 2004). An open culture with the right information and close contacts between the older and the younger persons defend an organization against negative stereotypes. (Derijcke et al., 1995)

### *3.3.4 Work climate conditions*

Working conditions and working hours can be adapted in many different ways to reach a better balance between job demands and personal capacities. Proactive attention and adaptation of the working environment (such as noise, ergonomic machines, ventilation) and working hours (such as flexible hours, part-time work) prevent burn-out or disability before the end of the career. An open and stimulating climate makes it possible to present solutions before it is too late so that workers can be retained more easily.

### *3.3.5 Line manager*

Line managers have an important role in the development, implementation, monitoring and support of an age-related personnel policy. They have a guiding as well as a motivating role to realize motivated participation of the whole work force. If management does not believe in the strategy, employees will not be willing or be ready to take up their responsibility.

## **4. The Flemish government**

We have compared the theoretical framework to the personnel policy of the Ministry of the Flemish government, which is a regional governmental organization in Belgium<sup>1</sup>. We have used this framework to evaluate the personnel policy with a view to gain insight in the possibilities and needs for an age-related personnel policy. On the one hand, information was collected by means of analysis of official and internal documents. On the other hand, we gained insight in the personnel policy of the organization by means of participatory observation and interviews.

### *4.1 Greying of civil servants*

The ageing of the civil servants is clearly noticeable. One out of two civil servants is 45 or older and one out of five is 55 or older (see figure 2). Only 3% of the civil servants is 60 or older, although the official retirement age in Belgium is 65. The age structure varies a lot among the different departments. The department 'Environment and infrastructure' is greying the most; almost one out of four civil servants is 55 or older. This means that in the next 5



years a lot of workers will leave the department as the average retirement age is 60. This outflow of experienced workers means a loss of valuable knowledge. If management does not counter this movement, the functioning of the organization will be threatened by an outflow of knowledge and a shortage of competent personnel.

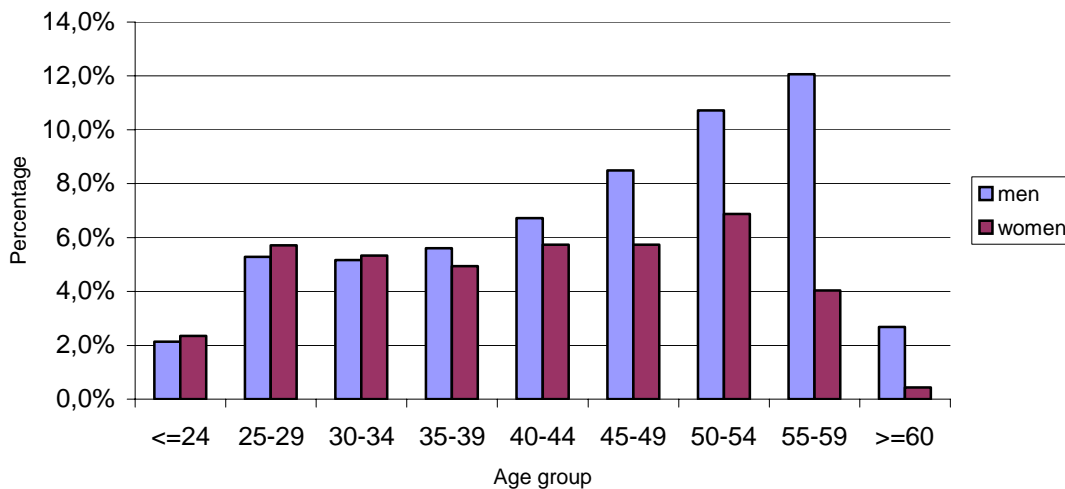


Figure 2: Age pyramid of the Flemish government in 2004 (MVG, 2005)

#### 4.2 Personnel policy: an evaluation

The question is how management can counter these developments. An age-related personnel policy is a possible solution. Therefore we studied the personnel policy of the Flemish government by means of our conceptual framework. In a process of modernisation, the Flemish government has developed a modern personnel policy since the early nineties. The HR-policy is quite extensive and there are some good practices in the field of personnel development, although there are also some bottlenecks. We will describe those elements which are most remarkable for an age-related personnel policy.

##### 4.2.1 Inflow

The biggest inflow of personnel in the Flemish government in 2003 took place in the age group 25-29. The reason is because new young civil servants have been recruited, not because staff members from a lower age group have moved up. The age group of 55-59 years old persons also knew an important increase. This is due to the greying of the existing personnel. Only a few older workers have been recruited. The figure below shows the demographic evolution between 2003 and 2004.

An interesting finding deals with the age profile of the applicants for external statutory vacancies of the Flemish government. Only 5% of the applicants is older than 45 (see figure 4). The reasons for this are divers. A possible reason is that job descriptions and advertisements are orientated more towards a younger public; other reasons might be the working conditions (salary, etc.). The main reason is probably the existing career system in which civil servants are recruited at a young age in lower grades, while vacancies in higher grades are filled through internal promotions (Hondeghem, 2000). This career system was part of the traditional bureaucratic organisation and was an important factor for the stability and motivation of the civil service. Although lateral entrance is possible now, there still is a culture and tradition of a closed career system.

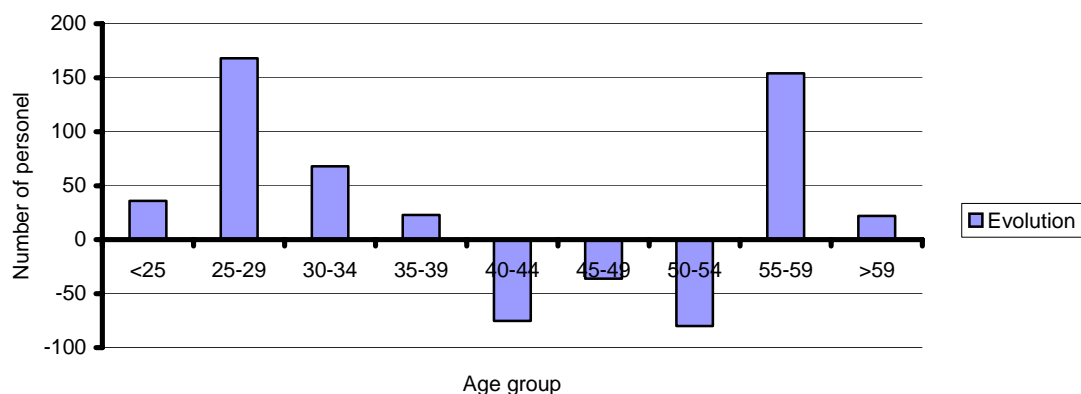


Figure 3: Demographic evolution in the Flemish Government between 2003 and 2004 in the age groups

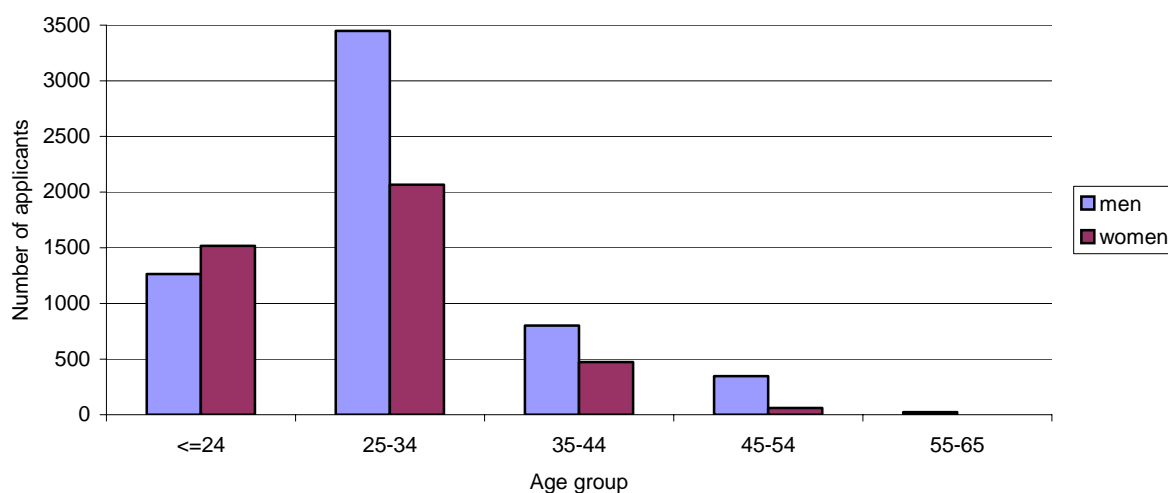


Figure 4: Number of applicants for external statutory vacancies of the Flemish government by age and gender

#### 4.2.2 Throughflow

Mobility seems to be a bottleneck in the personnel policy of the Flemish government. Interdepartmental mobility, intradepartmental mobility and the VIA (Verruimde Interne Arbeidsmarkt = Extended internal labour market) are three possibilities to change jobs (horizontally and vertically). The VIA, founded in 2002, was meant to stimulate internal horizontal mobility. Although these possibilities exist, only 22% of all job vacancies in 2004 were filled in internally. Although this was twice as much as the year before, this percentage is still very low. Both the number of vacancies and the number of candidates are low. Only 2,4% of the staff changed job by means of one of the three mobility procedures. Moreover, only one out of four candidates for the VIA is over 45 and most are men. The reasons for these low mobility figures are divers. There is not enough communication about the possibilities for mobility; line managers do not want to loose good workers; the procedures are too complex; internal candidates must compete with external candidates; the number of vacancies for internal mobility is too low as departments prefer external recruitment. Also policies to broaden, narrow or change tasks within functions are not common. All these factors hinder mobility in the Flemish government, which is already a flat organisation. This gives staff few expectations and few reasons to become 'flexible'.

The Flemish government offers an extensive range of job-related training and education. Every civil servant has the right to take part in training and education programmes during several hours a year. We examined the participation rates in order to know who has made use of these opportunities. A clear age-related participation rate is noticeable. The younger the civil servants are, the more they participate (see figure 2). A slight difference would be acceptable in the beginning of the career because civil servants must learn their job. But the gap is too big between the age groups. Another factor that influences the participation rate is the level of education. The lower the education, the lower the participation rate will be.

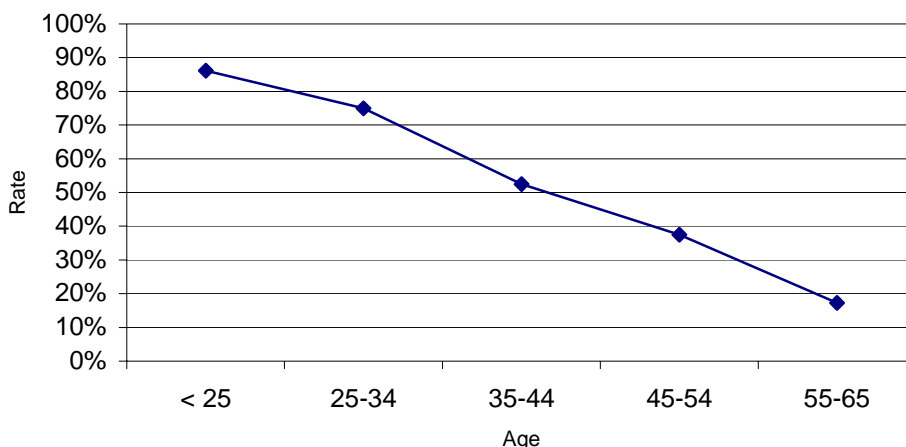


Figure 5: Participation rate in training in the Flemish government (2004)

It is of vital importance for the Flemish government to reverse this trend. Research shows that age is not the main reason for variance in productivity of older workers. Work experience and obsolete skills are more important indicators (Avolio, Waldman and McDaniel, 1990; Thijssen, 1996; Nauta, de Bruin and Cremer, 2004). Only continuous learning and training during their whole working life provides workers with the necessary skills to stay flexible and employable in a dynamic labour market. The challenge for the Flemish government is to develop an adapted training courses for all age groups. Stimulating measures can increase the participation rate of older workers and can enhance the effectiveness of training programmes. The Flemish government sets a good example in the field of performance management and career development. A management cycle named 'PLOEG' (which is a Dutch acronym for Planning, Leadership, Follow-up, Evaluation and Reward) has been developed since the nineties (Hondegheem and Vandermeulen 2000). At the beginning of each year (in the planning stage) managers and staff agree on the personal objectives for the following year. During the year, attention is given to leadership and feedback. At the end of the year, an appraisal is made of the performance of each civil servant. The last stage in the management cycle is the reward. Informal recognition of achievement is considered to be the most important, but a minority of civil servants obtain a financial reward for exceptional performance or sanctions for insufficient performance. The aim of PLOEG is to have a more equitable appraisal system and to realise a concrete change of behaviour. Core element is the cooperation between manager and individual worker. In the future, the link with performance management and competence management will be strengthened. At this moment, the system is being upgraded in order to make it more efficient and less bureaucratic. So far the remuneration system of the civil servants is entirely based on diplomas and seniority. There has been a debate going on for several years to modernise the remuneration

system. A working group was installed who designed a new remuneration system, based on performance and competences, but so far no decisions have been taken. There is a lot of resistance from personnel and their representatives against the new remuneration system. Also the budgetary contingencies are an important hindrance in the reform.

#### *4.2.3 Outflow*

Although the official retirement age in Belgium is 65, only a small number of civil servants stay employed until that age. In 2004, 244 civil servants retired and the average retirement age was 61. Almost 88% took advantage of the early exit possibility. Almost 74% of them retired at the age of 60. In spite of the law of the 20<sup>th</sup> of August 2000 (which provides a bonus for civil servants who prolong their career after the age of 60) only a few civil servants stay active. Management pays little attention to the outflow of the civil servants. There are almost no bridge jobs and the outplacement centre of the Flemish government has hardly been consulted since its start a few years ago.

#### *4.2.4 Critical success factors*

As to the first critical success factor, information and communication, the finding is that only a few line managers are aware of the implications of an ageing staff. Beside the awareness, an open culture with respect for the needs of young and older workers is necessary. For these reasons, the Flemish government is working on an internal communication campaign to inform, promote and stimulate age-related actions. This lack of consciousness could be the result of a shortage of clear and transparent data on the demography and ageing of the workforce. Therefore an informatisation of the data-processing system is taking place. A complementary reporting system will generate the information necessary for line managers to pursue a strategic and goal-oriented policy.

Big efforts have been made to implement a competency based management system. Each function will have a job description with the required competences. Moreover 'function families' (these are groups of functions of the same type and with similar required competences) were developed. The function families give insight in jobs of the same kind. This stimulates mobility or task rotation, because the career possibilities become more transparent. Another critical success factor which gets a lot of attention are the working conditions, such as the possibilities to take a career break. Not every civil servant however is aware of the opportunities. There is not enough communication about the possibilities and the consequences of career breaks for the pension system. Beside the different possibilities to change working hours, the Flemish government makes efforts to adapt working circumstances. A broad spectrum of measures is offered to the different departments, such as teleworking and ergonomic material. As mentioned above, only a few line managers are aware of the implications of an ageing staff and are willing to take actions. Line managers however play a key role in the planning, follow up, implementation, evaluation and rewarding of the performances. Extra support for the line managers is needed and this has not been provided yet. Some departments have already taken some specific actions for older workers. Some of these actions fit in the idea of an age-related personnel policy. The department 'environment and infrastructure' has the oldest population and was forced to take some actions. One of the first efforts was a stress survey which was organised in 2001 with a view to improve the working conditions and motivation of older workers. The most important stress factors found were: bad work organisation, insufficient support of the line manager and the problem of the wrong person at the wrong place. A stress action plan was set up to handle this. The plan consisted of personal support in stress reducing techniques, support for line managers in order to improve the appreciation, recognition and attention for older workers. The result of the programme was clearly visible as there were less complaints and a

more open culture, in which matters could more easily be discussed. In 2002 the department organised focus groups with persons of 55 and older. The management wanted to get insight in the needs and difficulties that older workers experienced. The focus group meetings resulted in an action plan including aspects such as appreciation from colleagues and management, reducing stress factors and improving the working atmosphere. The involvement of the older workers by means of focus groups gave them a feeling of appreciation and gave management insight in the needs and wishes of the target group. A third group of projects dealt with knowledge management. A lot of knowledge is not written down and many older, experienced workers will leave the organization during the coming years. If no actions take place, a lot of valuable knowledge, which sometimes resides with only one person, will be lost. For this reason, different projects were started, such as older workers writing down their profession-specific knowledge, training of successors or networking with younger workers in order to share knowledge.

#### 4.2.5 Summary

Figure 6 gives a brief summary of the elements of an ideal age-related personnel policy compared to the situation of the personnel policy in the Flemish government.

	<b>Conceptual model</b>	<b>Flemish government</b>
<b>INFLOW</b>	<ul style="list-style-type: none"> <li>* No age limits</li> <li>* Balanced age structure</li> </ul>	<ul style="list-style-type: none"> <li>* No age limits</li> <li>* Inflow of mostly young individuals</li> </ul>
<b>THROUGHFLOW</b>  <b>Mobility</b>  <b>Training and education</b>  <b>Career development</b>  <b>Remuneration</b>	<ul style="list-style-type: none"> <li>* Horizontal and vertical mobility</li> <li>* Task adaptation</li> <li>* Broad spectrum of courses</li> <li>* Courses adapted to all age groups</li> <li>* Individual career planning and organizational career policy</li> <li>* Continuous gearing of needs of organization and individual to one another</li> <li>* Based on competences and performances</li> </ul>	<ul style="list-style-type: none"> <li>* Three ways of internal mobility</li> <li>* Low number of candidates and vacancies</li> <li>* Broad spectrum of courses</li> <li>* Only young individuals participate</li> <li>* PLOEG as a management cycle</li> <li>* Very bureaucratic way of planning, follow up, evaluation and appreciation</li> <li>* Traditional system based on seniority and diplomas</li> </ul>
<b>OUTFLOW</b>	<ul style="list-style-type: none"> <li>* Outplacement</li> <li>* Offering bridge jobs</li> </ul>	<ul style="list-style-type: none"> <li>* An outplacement centre, but hardly used</li> <li>* Ad hoc bridge jobs</li> <li>* Retirement age : 61 years</li> </ul>
<b>CRITICAL SUCCESSION FACTORS</b>	<ul style="list-style-type: none"> <li>* Communication and information</li> <li>* Competence and performance management</li> <li>* Organizational culture</li> <li>* Working conditions</li> <li>* Key role of the line manager</li> </ul>	<ul style="list-style-type: none"> <li>* Little awareness and information</li> <li>* Start of competence management</li> <li>* Development of civil servant prevails, but age-dimension is missing</li> <li>* Stimulating working hours and working conditions</li> <li>* No support for line managers in managing an ageing workforce</li> </ul>

Figure 6: Comparison of the conceptual model with the personnel policy in the Flemish government

## 5. Conclusions

The Flemish government is confronted with a greying workforce. This evolution puts big challenges on the organisation, especially on the personnel policy. The empirical research made clear that the personnel policy of the Flemish government contains important corner stones to build an age-related personnel policy, although there are also some serious bottlenecks. The Flemish government has an extended HR-policy, but the age-dimension is often missing. When the age-dimension is present, the integration and systematic approach of the different elements are missing. The measures and initiatives exist on their own but are not linked to each other. Beside the in-, through and outflow, a lot of attention must also be paid to some critical success factors such as communication and information. Measures are necessary in order to discourage early retirement and prolonge working life by reducing push and pull factors for retirement.

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<sup>i</sup> The ministry of the Flemish government counts approximately 13 000 civil servants; 29% of them are employed at level A (university degree or equivalent), 13% at level B (non-university higher degree), 27% at level C (secondary school degree) and 31% at level D (lower than secondary school degree); 58,5% are men and 41,5% are women. In 2005, the Ministry of the Flemish government consists of 8 departments. The largest one is the department of Environment and infrastructure.

## **10. Retention or Retirement: the Relevance of Line Managers' Characteristics to their Activities towards Older Workers**

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### **Abstract**

This paper examines supervisors' support for older workers and the managerial characteristics that are related to supervisors' support activities. While previous research concentrated mainly on the influence of age-related stereotypical attitudes of older workers on supervisors' activities, this paper argues that supervisor abilities and discretionary opportunities should be included in research of antecedents of supervisors' support for older workers. Findings of a survey of managers confirm that these antecedents are significantly correlated with supervisors' support. The paper discusses the relevance of these findings and proposes a quick scan to assist organisations with an assessment of the conditions they have in place for age-related policies.

### **1. Introduction**

This paper addresses the question which managerial characteristics are related to supervisors' activities towards the older workers they supervise, and more specifically which personal attributes and situational characteristics are related to supervisors' support for older workers. There are two reasons to concentrate on supervisors and their activities. First, managers are of particular importance as many organisations seek to assign responsibility for human resource management (HRM) to line managers, driven by various considerations (Budhwar, 2000; Hall & Torrington, 1998; Larsen & Brewster, 2003). The degree of actual devolvment of HRM responsibilities appears to vary between European countries, but the Netherlands occupy a position in the top category of 'most devolved' countries (Larsen & Brewster, 2003). Secondly, there is a specific reason for studying supervisors' support for older workers. Research in the Netherlands has shown that most work organizations do not have formalized policies towards older workers (Leisink, Thijssen & Walter, 2004; Remery et al., 2001), while collective labour agreements offer provisions in only a few areas. Thus, in the absence of formalized policies organizational practices consist largely of what supervisors do, and therefore it is of interest to examine the managerial characteristics that are related to their support activities.

Managers have featured in research of policies towards older workers, but only in a limited way. Earlier interest in managers has concentrated on the influence of age related (stereotypical) attitudes (Boerlijst, Van der Heijden & Van Assen, 1993; Thijssen & Van der Heijden, 2002; Visser, Henkens & Schippers, 2003). Other personal attributes such as their competences, and the situational characteristics which are part of their activities, such as information, support and discretionary space, have scarcely been examined.

The paper elaborates the theoretical framework and the design of the research project, including the operationalization of the central concepts of managerial characteristics and support for older workers. The results section will begin by presenting some descriptive statistics of managerial support for older workers, and then examine the correlations with a number of managerial characteristics. The relevance of these findings is discussed in the final section of the paper.



## **2. Theoretical framework**

Focusing on supervisors' support for older workers presumes that relevant HR-responsibilities have been devolved to line management. Before concentrating on supervisors' activities, we will therefore first examine this presumption.

### *2.1. Line management responsibility for HRM*

Early publications of some of the leading authors on HRM in Europe (Guest, 1987; Sisson, 1994; Storey, 1992) identified the management of human resources by the line as distinctive to HRM. According to Larsen and Brewster (2003, p. 228), 'the notion of line management accepting greater responsibility for human resource management within employing organisations is now received wisdom', the most common pattern involving a sharing of responsibilities between line managers and HR specialists (see also Hall & Torrington, 1998).

While the former claim was basically part of a programmatic analysis, the latter comes from researchers who have been involved in empirical research of the development of HR-practices for more than a decade. From their series of surveys covering a large number of European countries Larsen and Brewster (2003) draw the conclusion that the overall trend is that in each country significantly more organisations are increasing than decreasing line management responsibility in areas such as pay, training and industrial relations. There are differences in the assignment of responsibility to line managers in the various HR areas and there are also clear variations between European countries. Overall the Netherlands belongs to the top category of countries, together with Denmark and Finland, which have devolved most HR responsibilities to the line (Larsen & Brewster, 2003, p. 239-240). However, their findings do not specify in which ways the various levels of management share in these responsibilities.

It is interesting to note that in the top category of 'most devolved' countries more than two thirds of the organisations indicate that the primary responsibility for major policy decisions on training and development rests with line management (alone or together with the HR department) (Larsen & Brewster, 2003, p. 237). Obviously training and development is of major importance to our interest in the employability and retention of older workers (Thijssen & Van der Heijden 2002; Van der Heijden, 2005).

Larsen and Brewster raise another point, which is relevant for our discussion of supervisors' support for older workers. They note that there are several practical problems associated with the devolvement of HR responsibilities to the line. These include: line managers' resistance to accepting this responsibility, lack of time, lack of ability, ignorance about recent developments in HRM, lack of a comprehensive organisational or longer term view of HRM topics, and poor policy making in HRM areas (Larsen & Brewster, 2003, p. 229). In addition, numerous casestudies report evidence of these problems and of the consequences of the ongoing trend of devolving HR responsibilities to line managers (cf. Cunningham & Hyman, 1999; McConville & Holden, 1999; Thornhill & Saunders, 1998; Whittaker & Marchington, 2003). We may expect that these practical problems which hinder line managers taking up HR responsibilities in general, will also impact on the extent to which supervisors undertake activities on behalf of the retention of older workers they supervise.

### *2.2. Supervisor's activities and older workers*

The importance of supervisors' support for the functioning of older workers and for policies aimed at the retention of older workers was the object of a number of studies. Boerlijst, Van der Heijden and Van Assen (1993) demonstrated the importance of supervisors' activities aimed at promoting the learning value of the job, the quality of functioning of (older) employees, the participation in various sorts of social networks and job mobility. Thijssen

(1996) studied the influence of supervisors on their employees' participation in training. Van der Heijden (1998; 2001) examined the contribution of supervisor support and attention to the development of knowledge of professional employees and their employability. The effect of the absence of supervisor's involvement in their older employees' decision process to opt for early retirement was established by Henkens and Van Solinge (2003).

The determinants of supervisor's activities examined by these studies consist mainly of managerial attitudes and age related stereotypes, thereby following insights from British and American research (e.g. Hassel & Perrewe, 1995; Walker & Taylor, 1994, 1998). In their recent study of employers' opinion about policies aimed at retention of older workers, Visser, Henkens and Schippers (2003) found that employers who subscribe to negative stereotypes associating older employees with a lack of flexibility/ innovativeness and with less productivity, give less support to retention policies. This suggests that the earlier findings of Boerlijst, Van der Heijden and Van Assen (1993), who found that most managers prefer a majority of younger employees working in their department and legitimize this by negative stereotypes about older workers' lack of flexibility, creativity, ambitions and performance, basically still hold. The effect of such negative stereotypes is demonstrated by the fact that workers over 50 years of age benefit far less than younger workers from a range of managerial activities that support their employees' participation in training, job mobility and job performance in general (Boerlijst, Van der Heijden & Van Assen, 1993).

Until recently other managerial characteristics have not been studied as determinants of supervisors' support for older workers. This is curious as the studies about the devolvement of HRM responsibilities to the line come up with various other factors that appear to influence line managers' take up of their responsibilities. Following these studies (notably Larsen & Brewster, 2003; McConville & Holden, 1999; Whittaker & Marchington, 2003), supervisors' 'people management' abilities – understood as their competences to coach older workers and their willingness to do so - and their opportunities for engaging in practices aimed at the retention of older workers should be considered as relevant antecedents in addition to their attitudes about older employees.

Partly drawing on the studies mentioned above and partly drawing on our own explorative research, we suggest a number of hypotheses regarding the relationship between managerial characteristics and supervisors' support for older employees. These are:

- H1: There is a negative relationship between supervisors' subscription to negative stereotypes about older employees and their support for older workers.
- H2: There is a negative relationship between supervisors' preference for their personnel consisting of a majority of younger workers and their support for older workers.
- H3: There is a positive relationship between supervisors' abilities to coach (older) workers and their support for older workers.
- H4: There is a positive relationship between supervisors' willingness to coach (older) workers and their support for older workers.
- H5: There is a positive relationship between the degree of managerial discretion which supervisors perceive they have and their support for older workers.
- H6: There is a positive relationship between the degree of support which supervisors experience themselves and their support for older workers.

### **3. Research design**

#### *3.1. Aim of the research, data collection and analysis*

This paper aims at proposing hypotheses concerning some managerial characteristics that are presumably related to supervisors' support for older workers.

Our study of organizational policies and practices towards older workers, targeted supervisors and their older workers in 12 public and private sector organisations, and began with a pilot phase. For the purpose of this paper's question the questionnaires can be used of supervisors of 3 small companies in the printing industry, 1 small and 1 large company in the wholesale business in food, and 1 large company in the financial services sector. The selection of organisations was based on the aim to spread cases over various sectors of industry, and to include both manufacturing and clerical/service activities. The sampling of organisations was selective in the sense that the HR-manager's willingness to participate in the research was obtained through personal networks of the researchers or through trade union networks. The selection process and the number of supervisors' questionnaires (45) are limitations of this study. Because of the limited number of questionnaires the analysis will be restricted to correlation analysis in order to come up with an initial test of the hypotheses concerning the relationship between managerial characteristics and supervisors' support for older workers.

#### *3.2. Operationalization*

The dependent variable 'supervisors' support for older workers' consists of two subvariables which have been established on the basis of factor analysis. The subvariables are:

##### *a. stimulation of older workers' commitment*

This variable is based on four items asking managers to indicate on a 5-point scale their support for statements about their interest in their older workers' work performance and demonstrating praise of work performance; a 5 score meaning very strong support.

Cronbach's Alpha for reliability of the scale is good: .85.

##### *b. support of career development*

This variable is based on three items asking managers to indicate on a 5-point scale their support for statements about facilitating their older workers' participation in training and use of career opportunities in the organisation; a 5 score meaning very strong support. Cronbach's Alpha for reliability of the scale is acceptable: .65.

The independent variables consist of seven managerial characteristics. These include supervisor abilities (c-d), stereotypical attitudes (e-g), and supervisor discretionary opportunities (h-i):

##### *c. competences to coach older workers*

This variable is based on five items asking managers to indicate on a 5-point scale their support for statements about their competences to coach their older workers in various respects. Cronbach's Alpha is good: .78.

##### *d. willingness to coach older workers*

This variable is based on six items asking managers to indicate on a 5-point scale their support for statements about their willingness to coach their older workers in various respects. Cronbach's Alpha is good: .83.

##### *e. stereotypical attitudes about older workers' presumed lack of performance*

This variable is based on five items asking managers to indicate on a 5-point scale their support for statements about older workers' performance at work in comparison with younger workers; a 5 score meaning very strong support for the presumption of older workers' lack of performance. Cronbach's Alpha is good: .80.

*f. stereotypical attitudes about older workers' presumed lack of flexibility*

This variable is based on seven items asking managers to indicate on a 5-point scale their support for statements about older workers' adaptation to new technology and new work routines in comparison with younger workers; a 5 score meaning very strong support for the presumption of older workers' lack of flexibility. Cronbach's Alpha is good: .87.

*g. preference for a majority of younger workers in the unit*

This variable is based on one item asking the managers to indicate on a 5-point scale their support for the statement "There should be a majority of younger workers in my unit".

*h. discretionary room*

This variable is based on five items asking managers to indicate on a 5-point scale their support for statements about the autonomy they perceive in deciding about arrangements for their older workers. Cronbach's Alpha is acceptable: .67.

*i. support from HR-specialists and other managers*

This variable is based on two items asking managers to indicate on a 5-point scale their support for statements about the support they perceive from HR-specialists and other line managers. Cronbach's Alpha is acceptable: .69.

#### **4. Results**

The research found no companies with formalized comprehensive age-related policies. Age-related measures that were available, such as the reduction of the number of working hours for older workers from a certain age onwards and the right to early retirement, were mostly the result of compliance with collective labour agreements for the sector.

Distinguishing between two retention-oriented policy-measures and two retirement-oriented policy-measures, none of these had a notable significance according to line managers. Retention-oriented measures dealing with development and job mobility, and measures facilitating early retirement were relatively less insignificant than other types of measures (Leisink, Thijssen, & Walter, 2004, pp. 132-135). This implies that supervisors' shopfloor activities supporting older workers were basically the result of supervisors' own initiatives.

Supervisors are strongly focused on stimulating older workers' commitment and slightly less strongly on supporting older workers' career development. Mean scores were 3.9 (Std.Dev. .60) and 3.6 (Std.Dev. .75) respectively.

Moving to the descriptive statistics of managerial characteristics, supervisors rated their competences to coach older workers as good (Mean 3.9; Std.Dev. .60) as well as their willingness to coach (Mean 3.8; Std.Dev. .63). Supervisors reported neutral on the stereotypical presumption of older workers' lack of performance (Mean 2.7; Std.Dev. .77) and lack of flexibility (Mean 3.1; Std.Dev. .89) and gave moderate support for the ideal of a majority of younger workers in their unit (Mean 3.0; Std.Dev. 1.27). Finally they evaluated their discretionary room as good (Mean 4.0; Std.Dev. .86) and the support they get as slightly less good (Mean 3.6; Std.Dev. .98).

Table 1 presents the results of the correlation analyses. We will summarize the results and assess our hypotheses.

Table 1. Correlations between managerial characteristics and supervisors' support for older workers.

		a. stimulation of older workers' commitment	b. support of career development	sumscore dependent variable: managerial support for older workers
<b>c. competences to coach older workers</b>	Pearson Correlation	.480(**)	.354(**)	.479(**)
	Sig. (1-tailed)	.000	.008	.000
	N	45	45	45
<b>d. willingness to coach older workers</b>	Pearson Correlation	.599(**)	.396(**)	.568(**)
	Sig. (1-tailed)	.000	.004	.000
	N	45	45	45
<b>e. stereotypical attitudes about older workers' lack of performance</b>	Pearson Correlation	-.237	-.044	-.151
	Sig. (1-tailed)	.058	.388	.161
	N	45	45	45
<b>f. stereotypical attitudes about older workers' lack of flexibility</b>	Pearson Correlation	-.016	.157	.094
	Sig. (1-tailed)	.460	.151	.269
	N	45	45	45
<b>g. preference for a majority of younger workers in the unit</b>	Pearson Correlation	-.144	-.173	-.187
	Sig. (1-tailed)	.172	.128	.109
	N	45	45	45
<b>h. discretionary room</b>	Pearson Correlation	.374(**)	.016	.210
	Sig. (1-tailed)	.006	.459	.085
	N	44	44	44
<b>i. managerial support</b>	Pearson Correlation	.249(*)	.227	.277(*)
	Sig. (1-tailed)	.049	.067	.033
	N	45	45	45

\* Correlation is significant at the 0.05 level (1-tailed).

\*\* Correlation is significant at the 0.01 level (1-tailed).

H1 cannot be confirmed. The correlations between supervisors' subscription to negative stereotypes (variables e and f) and their support for older workers are very weak and not significant.

H2 is not confirmed. As hypothesized there is a negative relationship between supervisors' preference for a majority of younger workers in their unit and their support for older workers, but the correlation is very weak and not significant.

H3 and H4 are confirmed. There is a moderately positive relationship between supervisors' abilities to coach older workers and their support for older workers, and this holds also for their willingness to coach older workers. The correlations are significant for the two dependent subvariables separately and for the sumscore of the dependent variable.

H5 is found to be partly confirmed. There is a moderately positive relationship between the degree of discretionary room which supervisors perceive and their support for older workers, but this correlation is significant in the case of the dependent subvariable of stimulation of older workers' commitment only.

H6 is also found to be partly confirmed. There is a weak positive relationship between the degree of support which supervisors get themselves and their support for older workers, but this correlation is significant in the case of the subvariable stimulation of older workers' commitment and in the case of the sumscore dependent variable, but not in the case of the subvariable support of career development.

## **5. Conclusions and discussion**

None of the companies in our research has formalized age-related policies. Obviously the devolvement of primary responsibility for policy decisions on training and development, reported by Larsen and Brewster (2003), has not gone along with a notable significance for measures dealing with development and job mobility for older workers. However, our research indicates that supervisors' people management abilities and their discretionary opportunities are clearly related to supervisors' actual support for older workers. These variables and the hypotheses regarding their correlation with support for older workers, deserve more attention in future research.

Although our research could not establish that existing stereotypes of older workers are related significantly to supervisors' activities, there are two reasons for us not to conclude that stereotypical attitudes of older workers are of no importance to supervisors' activities. First, a recent survey of employers' personnel policies (Visser, Henkens & Schippers, 2003) found that employers subscribing to three negatively oriented dimensions of stereotypical attitudes of older workers are less inclined to support retention of older workers. The two stereotypical attitudes that we included in our study, that is lack of flexibility and lack of performance, are quite similar to two of these negatively oriented dimensions. Indeed, we have no reasons to assume from the larger study we did (Leisink, Thijssen & Walter, 2004) that stereotypical attitudes are not related to managerial activities, while noting that less managers seem to subscribe to them or seem more aware of the political correctness involved and prefer neutral scores on the survey items. Secondly, it could be that we did not find a correlation with stereotypical attitudes in the study reported here because of the limited number of respondents (45), which entails that correlations must be quite strong (around .30) in order to be significant.

Apart from the limited number of respondents, this study has some other limitations which affect our conclusions. The data reported here are based on self-report by supervisors.

It is well-known that self-report involves a positive bias. Indeed, using slightly different operationalizations in our larger study, we found that older workers rated their supervisors' support activities between 0.5 to 1.0 lower on the 1-5 scale than their supervisors did, the exception being stimulation of older workers' commitment, which was rated quite similarly. However, the positive bias in supervisor ratings is less problematic because this study is interested in the correlations between managerial characteristics and supervisors' support. Another limitation of this study is the statistical analysis to establish correlation. We would have preferred to use multivariate regression analysis in order to come up with a more robust answer to our research question, but we have limited ourselves to simple correlations because of the number of respondents. Finally, there can also be a concern regarding the operationalization of the independent variables. Supervisor's age should be considered as an independent variable as supervisors seem to be less willing to act the greater the age difference with their older workers. In addition, although the scale reliabilities are acceptable to good, the validity of some variables such as 'competences to coach older workers', 'discretionary room' and 'managerial support' deserves further attention. Since these variables have not been included in previous research we have been forced to rely on ourselves for their operationalization.

An important finding in this study is the significance of supervisors' people management abilities that is their competences to coach older workers and their willingness to do so. This finding resonates with the studies of the devolvement of HR-responsibilities to line managers, which concluded that lack of ability and ignorance about recent developments in HRM are among the problems that hinder line managers taking up HR responsibilities. Another way of framing this conclusion is that policies that wish to give priority to retention of older workers should pay attention to training and development of supervisors who are in the shopfloor frontline where they interact with older workers.

Interestingly, the managerial characteristics of 'discretionary room' and 'support from HR-specialists and other managers' are significantly correlated with stimulation of older workers' commitment but not with support of career development. We suppose that the difference could originate from the fact that supervisors are autonomous in taking an interest in how their older workers perform and in other activities that stimulate their commitment, while support of career development involves such activities as the use of job mobility opportunities within the organisation that are likely to require supervisors to bring in other supervisors or HR-staff. For the latter sort of activities supervisors' own discretionary opportunities are not enough; a dedicated policy at organisational level and the support of line and staff throughout the organisation are required. Indeed, supervisors' discretionary opportunities should not be understood as meaning the absence of age-related policies at organisational level, supposing that such absence would maximize freedom of activities for managers. The presence of a varied bundle of age-related policy measures at organisational level does not so much hinder managerial activity as define the space within which supervisors are free and encouraged to consult with their older workers to arrive at tailor-made arrangements. Such tailor-made arrangements are called for because of the individual differences between older workers, and creating such arrangements requires both a clearly articulated policy framework at organisational level and the abilities and discretionary opportunities for managers to make good use of them. However, such conditions are rare in organisations; that is what we conclude from our research and from others (Henkens & Van Solinge, 2003).

This research has demonstrated the importance of managerial activities towards older workers and has argued that managers should have recourse to a bundle of varied age-related measures

with a view to tailor-made arrangements that cater for differences between older workers. However, varied age-related measures do not appear to be standard actual HRM repertoire. In addition, this research has demonstrated the importance of adequate management conditions such as relevant HRM-information and support for managers. Based on these two findings we have devised a quick scan in order to assist organisations with an assessment of what conditions they have in place for age-related policies. We will briefly describe this scan by way of drawing up the HR-policy implications of our research.

Acknowledging the important role of supervisors in age-related policies, the first dimension of the quick scan assesses the basis for supervisors to orientate their activities for older workers. Six questions deal with the availability of quantitative management information, such as the average age of the workers in the supervisor's unit, the job mobility and outflow ratios and the percentage of older workers who have participated in training over the previous year. Six other questions deal with the support offered to supervisors, including the availability of age-related policy measures, information and guidelines for supervisors about these measures, support from HR-specialists, information about age-related stereotypes, and training for supervisors in coaching older workers.

Acknowledging the importance of the availability of a range of policy measures, in order to cater for individual differences between older workers, the second dimension assesses the actual use of measures dealing with (early) retirement and the actual use of measures dealing with retention of older workers. Six questions deal with the elaboration of concrete policy plans for and actual consultations about facilitating or blocking (early) retirement, and six questions deal with the elaboration of concrete policy plans for and actual consultations about human resource development (training, job rotation, job mobility) and adaptation of the job to the older worker's abilities.

By answering these four blocks of six questions, the organization is able to get a survey of the conditions for a well-founded and differentiated age-related policy. The more blanks turn up in one of the four basic conditions the more reason there is for a further inspection of this domain, because it is up to the organization's managers and HR-specialists to evaluate the results and to decide on what sort of action is needed.

We are happy to report that initial tests of this quick scan instrument by HR-specialists resulted in a positive judgement about its relevance and user-friendliness (*IntermediairPW*, 5 November 2005). We hope that this quick scan will help organizations to install age-related policies that are needed if older workers are to work until the age of 65 or longer in a healthy and motivated way, because fiscal measures alone will not be sufficient to reach that goal.

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## **11. Management Perceptions of Older Employees in America's Restaurant Industry**

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### **Abstract**

The quick service restaurant industry has had a consistent problem finding well qualified employees for its growing sales trends over the past decade. The traditional employee for this segment of the restaurant industry is often young and inexperienced (DiPietro & Milman, 2004). As the largest portion of the population in the United States (U.S.) ages, the quick service restaurant industry needs to expand its perspective on potential employees to look to this aging workforce as a viable part of its labor supply for the future. The current study is exploratory research into the quick service restaurant industry staffing practices and procedures done by analyzing the perceptions of 20 managers from quick service restaurant chains in the Southeastern part of the U.S. regarding older workers. The study finds that the positive perception held by the management regarding older workers does not translate into a stated desire to actually hire a larger percentage of older workers to staff the quick service restaurants. Suggestions and implications for practitioners are presented.

### **1. Introduction**

The foodservice industry represents \$476 billion in revenue and over 4% of the gross domestic product of the United States (U.S.) (National Restaurant Association, 2005). There are currently more than 12 million workers employed in the U.S. foodservice industry (National Restaurant Association, 2005). This makes the foodservice industry the number one private sector employer in the U.S. by employing over 9 percent of the total population (National Restaurant Association, 2003; Spielberg, 2004). Restaurant industry sales have been steadily increasing for the past 13 years and it is projected that they will continue increasing (National Restaurant Association, 2005). Due to this continuing growth, effective recruiting and retention of hourly employees has been considered one of the major challenges that restaurant managers have faced over recent years and this challenge is likely to continue as restaurant sales continue to grow (National Restaurant Association, 2003).

The demographics of the world have changed so significantly that businesses of all types will soon have to rely heavily upon "older" workers to staff their vacant positions. According to the U.S. Department of Labor (2005), in 2003, older workers represented 15.4% of the total workforce. This represents a paradigm shift that will require many businesses to make significant changes in the way they do things related to recruiting and hiring of employees (Wade, 2003). This paradigm shift will require proactive implementation of policies and procedures to attract older workers and ensure that organizational development processes are in place to help with the change in the culture of many organizations (Daft, 1998).

The fastest growing segment of the workforce is 55- to 64- year olds. By 2020, 37% of the U.S. population will be over the age of 50 (AARP, 2001). The talent pool is getting significantly older as the baby boomers approach the traditional ages of retirement. The workers needed to

replace those aging workers, as they exit the workforce, clearly are not sufficient. There were decades of low birth rates which are now leading to a shortage of younger workers (Burtless, 1998). Younger workers have been the traditional workforce of the quick service restaurant industry (DiPietro & Milman, 2004). With the increasing shortage of younger workers available, businesses in the restaurant industry will simply have no choice but to turn to older workers to staff their positions.

Management perceptions of this soon to be large cadre of older workers are important in driving organizational development practices and change in organizations as top management has to drive the paradigm shift in the organization (Burke, 1994). Learning about older workers and subsequently assimilating them into the workplace is one of the most pressing issues faced by business today (Doverspike, 2000). The aging workforce creates unique challenges to the business world in general and to the restaurant industry specifically.

The current study will determine the perceptions of management regarding the hiring and use of older workers in the quick service restaurant industry. The management perceptions are important to know because they will in turn drive the organizational policies and practices in organizations of the future. Organizational development focuses on the development and fulfillment of people in organizations to bring about improved performance (Daft, 1998). Human resource development (HRD) professionals have amassed an impressive body of knowledge on how to assemble, train, and sustain a competent workforce, but they face a daunting challenge over the next ten years, as the talent pool gets significantly older (Strate & Torraco, 2005). The perceptions of management regarding older workers will influence the policies and actual practices that occur in organizations related to the employment of older workers. In order for fundamental organizational change to occur, management must set the tone in bringing about change and efficiency in the organization.

## **2. Background literature**

### *Quick Service Restaurant Industry*

According to the National Restaurant Association, in 2004 the quick service segment of the U.S. restaurant industry will account for almost half of all commercial restaurant “eating place” sales, accounting for revenues in excess of \$119 billion (Spielberg, 2004). Quick service restaurants, also known as fast food restaurants, are defined by the U.S. National Adult Tracking Surveys Service (2001) as foodservice establishments that have limited service and menu items. Increasing sales and continued high turnover in this segment of the restaurant industry has made staffing in the quick service restaurant segment a challenge (National Restaurant Association, 2005).

One of the primary concerns regarding staffing in the foodservice industry is that as the industry grows, the turnover rate has continued to be over 100% for hourly employees, even during times of economic downturn (Ricci & Milman, 2002). This leaves many organizations short handed and in need of new recruits to hire on a consistent basis. According to the 2001 Quickservice Operator Survey, it was indicated by 50% of the respondents that hourly employees were difficult to find and 60% indicated that it was difficult to find managers and assistant managers (National Restaurant Association, 2005). With the problem of employee turnover comes the expense of turnover costs that can vary from \$500 to \$10,000 for each hourly employee depending on the position that the employee held in the organization (Hassell, 1991).

Despite the fact that there is an increasing need for labor and an increasingly older workforce, older workers have not typically been viewed as the “labor source” for quick service

restaurants. The quick service restaurant industry has demographics that reflect a younger and less experienced employee and manager. According to the Bureau of Labor Statistics (2000), less than 8% of employees and managers in foodservice operations are over 55 years of age. The primary age group of foodservice employees is 18-24 years old. The largest age group of managers in foodservice jobs is 35-44 years old (National Restaurant Association, 2003). There is distinct gap between the need for hourly employees and managers, and the recruitment efforts and use of an aging workforce in the U.S. by the foodservice industry.

Employers in the restaurant industry have hired a seemingly inexhaustible supply of younger workers in years past. The supply has now evaporated and baby boomers are just beginning to reach retirement age. Moreover, they will not be retiring en masse but rather over the course of many years. Employers have been complaining for several years about the difficulties they face when it comes to finding and hiring skilled workers. For example, two thirds of the 1,800 large and small employers surveyed recently by the Center for Workforce Preparation reported severe problems in finding qualified workers (Cheney, 2001).

### *Older Workers*

The effects of the aging workforce have already been felt in the industrial nations of the world. Japan, the U.S., and Western Europe are all rapidly aging societies (Schwartz, 2003). In the U.S., the demographers at the Social Security Administration expect the number of elderly people to double by 2035. Currently, there are five Americans in their prime working years (20 to 64) for every individual over 65. Assuming no massive changes in immigration policy, that ratio will change to three-to-one in 2025. By 2075 the two groups will be virtually the same size (Schwartz, 2003). This radical change in the demographics of the workforce has never been experienced and there is little research to guide organizations in addressing this relevant issue in the workplace.

As worldwide demographic trends continue to show declining fertility rates and a steady increase in life expectancy, the issues of older workers come to the forefront. It is critical that governments, employers and communities become more aware of the effect of the aging population on society in general and in particular on the anticipated continued labor shortages in many segments of the workforce (Bates, 2005). Eighty percent of baby boomers say they expect to work in retirement, but we know little beyond that (AARP, 1998). Available research provides only limited insights.

Haider and Loughran (2001) observe that workers age 65 and older, whom they call “elder” workers, tend to be healthier, better educated, and more affluent than their non-working peers. But the researchers also observe that elder workers are working for relatively low wages. This situation appears to be the result of “selecting into low wages” as an exchange for flexibility in their jobs. If this is true, work may be close to leisure for the majority of older workers, suggesting the need for improving opportunities for older workers returning to work (Haider & Loughran, 2001). Older workers have a strong desire and/or need to continue working (Bolch, 2000; Magd, 2003). This possibility certainly calls for more research in order to change the current paradigm regarding recruiting and staffing of employees in most businesses (Rix, 2002).

There have not been many large scale studies done on employers’ perceptions of programs and policies for the hiring and use of older workers in the hospitality industry. Nevertheless, the consistency of results across studies over the years indicated that certain employer opinions of older workers are widespread and entrenched. Employers regard older workers as mature, experienced, loyal, and dependable. However, they harbor reservations about older workers’

technological competence, ability to learn, flexibility, adaptability, and cost, which seem to offset any positive perceptions held by these organizations. For these and perhaps other reasons, older workers still face formidable and often insurmountable barriers to finding work (Magd, 2003; Rix, 2002).

#### *Past Research on Older Workers*

Barth and McNaught (1991) argued that future demographic shifts will alter the supply of older workers and the demand for their services. Research conducted by the authors, showed that a significant percentage of older workers not currently working would like to work and that older workers can be as cost effective and capable as younger workers. Recommendations for facilitating the greater employment of older workers conclude their research (Barth & McNaught, 1991). The research by Barth and McNaught on older workers was first published in 1991 and was published again almost nine years later with equal interest and relevance (Barth, 2000). Barth and McNaught (1991) identify and quantify major trends affecting the supply of and demand for older workers. Included was an analysis of the incentives for workers to retire and the incentives for them to continue working. Barth and McNaught use credible statistical sources to document their points regarding the demographic shifts. They used statistics effectively to show the major trends in changes in the job composition from “Brawn to Brains,” gender composition of the workforce, and increased ethnicity. These statistics provided the basis to demonstrate the trends in the changes in labor force participants.

Barth and McNaught (1991) also offered supporting evidence from surveys that they conducted, however; there was no mention of content or methodology used for these surveys. Surveys were cited from the Harris organization that effectively described the waste of the productive potential for workers over 55. Expert opinions were cited to help develop the trend in retirement incomes (Fierman, 1991).

Barth and McNaught (1991) applied logic to the work disabilities statistics to infer that better medical knowledge, medical technology, and healthy diets and lifestyles will increase the numbers of physically able older workers. Barth and McNaught’s contention that corporations will view older workers more as assets, however, was not supported with any evidence or statistics. They found older workers are clearly not prepared either for full retirement or for working during retirement. They also suggested retirement policies be changed to replace early retirements with early retraining opportunities for older workers.

The literature that specifically examines the topics of “career development,” “older workers” and “research” concurrently is fairly brief. With the “Impending Crisis” and its labor shortage described by Herman et al. (2003) occurring in this decade, the research on just exactly what is happening with older workers and the area of career development would be drawn to the forefront. Such is not the case. Rocco, Stein, and Lee (2003) conducted an exploratory examination of the literature on age and HRD policy development that showed that only 10% of the articles that they found on the subject included career development and older workers since 1980. Several emergent trends were identified in their study. There is considerable variation in the literature in the concept of the older worker. The term older worker included workers from 40 years to 75 years of age. There is a trend to move the definition of who is an older worker from chronological age to a more subjective definition of age across the lifespan based on individual capabilities and organizational needs. Retirement for future older workers was identified as an outdated notion. There is a trend toward older workers making the decision to remain, return, or retire from the workplace. Career development for older workers was

identified as an investment strategy. Investments in developing new skills for older workers are seen as a strategy for improving financial results for the organizations as well as the quality of life for older adults. Helping older workers to consider second or even third careers, adjust to new technologies, and modify workplace ecology are issues that affect the contributions that returning and remaining older workers can make in the workplace. HRD practitioners and adult educators might explore learning strategies adapted for older adults, that is delivery systems for providing career development to older workers making transitions to part-time work, returning from periods of retirement, or contemplating leaving the workforce (Rocco et al., 2003). The focus of this research study highlights the absence of studies focusing on the abilities for older workers in adapting to the new demands of the future workplace.

Flores, Scott, Wang, and Yukushko (2003) presented a review of literature for the year of 2002. The literature review was of particular relevance, not by what it contained, but by what was missing. Their review revealed an almost total absence of literature focusing on older workers. The only references that were made were to adult populations that did not include older workers. They concluded that more research was needed to include a more diverse population of workers, even so, this did not include older workers (Flores et al., 2003).

Savickas (1997) highlighted the need for more research on life-space constructs among middle and older working adults. To date the absence of studies focusing in this area is clearly evident.

Morrison and Hall (2003) contend that more qualitative research on the stories of people making career changes would be extremely helpful at this point. This is especially applicable to the careers of older workers. The study done by Arthur, Inkson, and Pringle (1999) is a good example. This study interviewed 75 New Zealanders, a country whose economy has undergone fundamental transformation since the 1980s from a socialized to a market economy. This has not been an easy process, and many individuals have experienced significant career disruptions. Thus, the country is a sort of natural laboratory for protean career processes. Morrison and Hall (2003) found that their research documents some of the paradoxes of the new career environment in which relative stability in performing one job over a long period of time is followed by mobility into a new job with a different employer, often involving a lateral move into a different function. This research focused primarily on the “external” career (the jobs and roles), and a next step would be to see how these career changes in turn affect the “internal” career (the way the person sees his or her identity, how he or she makes sense of the change processes) (Arthur et al., 1999). The opportunity for additional research targeting older workers in New Zealand who have experienced the protean career process in late career could prove to be beneficial in its application to the population of older workers in the United States.

Robson (2000) examined the relationships between age, developmental and maintenance strategies, and potential moderators. The results indicated that older workers were not likely to use less developmental strategies compared to younger workers. However, older workers were more likely to use maintenance strategies compared to their younger counterparts, although the relationship was fairly weak. Several moderators were included in the study in an attempt to identify why some older workers continue to excel into late ages whereas others lose their motivation to learn new skills, become more productive, and develop new relationships at work. Robson (2000) found that older workers who are provided multiple opportunities for development, learning, and growth as they age may become less likely to perceive threats to their intellectual abilities, personal security, and work relationships. On the other hand, older workers who are not in a supportive work environment may feel more vulnerable compared to younger

workers. As a result, older workers may exert more focus on maintaining important work areas, especially as they age (Robson, 2000).

Smola and Sutton (2002) found in their study on generational differences in work values that the Baby Boomers were found to be more loyal to the company and less “me” oriented than their younger counterparts. They also found that work values are more influenced by generational experiences than by age and maturation. Their findings also identified a trend that employees have become less convinced that work should be an important part of one’s life or that working harder makes one a better person. Companies that make modifications to benefits and business practices are more likely to attract and retain the best and the brightest of today’s (Baby Boomers) and tomorrow’s (Millennials) workforce (Smola & Sutton, 2002).

The future workplace will be molded by the demographics of the baby boom according to a study by Stein, Rocco, and Goldenetz (2000). They reported that although some HRD literature investigates the effects of workplace programs on new employees, little attention is focused on the older adult in the work setting. They emphasize that it make sense for employers and government to start now to promote those measures that ensure the continued utilization of older workers in the workforce. Their study concluded that an aging and changing workforce may cause us to reexamine and revalue the meaning and necessity of work for older workers. Older workers represent a rich source of experience, accumulated knowledge, and wisdom. The quality and sensitivity of a workplace’s HRD program might be measured by the extent to which older workers receive the support necessary to maintain challenging, responsible, and meaningful work. An aging workforce might influence workplace cultures and values in ways that change our notions of the meaning and necessity of work. Notions of full-time, part-time, and career work usually applied to the 18- to 65-year old workforce may need to be reexamined in light of employees working beyond the eighth decade of life (Stein et al., 2000). This takes us back to our description of the working life of Margaret Bricker as described in the introduction. At some point older workers of her age will not be the “exception” in the workplace, but much more common.

In a case study conducted at a large Midwestern University, Stein et al. (2000) presented an HRD policy framework that suggested ways to create a workplace that is supportive of older workers. They found that the workplace was becoming a dynamic place for older workers rather than a unidirectional journey leading toward retirement. A workplace that blends training opportunities, flexible employment patterns, and policies supportive of the life needs of an ageing workforce may become a workplace that embraces older workers as capable, productive, and knowledgeable lifelong workers. As our population ages, the workplaces will be faced with designing strategies for embracing older workers as capable, productive, and knowledgeable lifelong workers. HRD practitioners and scholars will be challenged to develop employment and training and development experiences for the third stage of work life. An aging workforce might influence workplace cultures and values in ways that change our notions of the meaning and necessity of work. An investigation into the meaning of work and career is fertile ground for future research (Stein et al., 2000).

Past attitudes by employers and managers may be a reason why businesses know so little about older workers and why they are so ill equipped to deal with older workers. Myths notwithstanding, the differences between older and younger workers’ productivity are small and often can be addressed successfully (Wade, 2003). There are studies that suggest attitudes toward older workers are a cultural issue. In a study by Gibson, Zerbe and Franken (1993), they found that American, as well as most other modern societies, are generally negative in attitudes toward

older individuals. The range of management attitudes toward older workers is quite broad. A study by Sargeant (2001) found that 43% of managers believed older workers are hard to train; 22% felt them to lack creativity; 38% believed them too cautious, 40% believed them to have difficulty adapting to new technology; and 27% perceived them to be inflexible. On the other hand, 74% believed them to be more reliable than younger workers (Sargeant, 2001). One researcher described a virtual life cycle of attitudes in which people are not hired after they are 40, not trained after they are 50, and offered incentives to leave by the time they are 55 (Hignite, 2000).

Other negative attitudes and perceptions have indicated that older workers are unable to learn and understand new technologies (AARP, 2000). Older workers were also perceived by management as having income that fell below or just at the poverty line and were lonely (Dennis, 1988; Doering, Rhodes & Schuster, 1983; Hassell, 1991; Tomb, 1984). In a study done by Singer and Sewell (1989), when given the choice between an older or younger candidate for the same job, managers tended to place the older worker in a low-status job. In addition, very few companies have programs or policies specifically designed for full utilization of older workers (AARP, 2000).

Some industries have taken steps to appreciate older workers and to make older workers' jobs more attractive (Yeates, Folts, & Knapp, 2001). Research on the change in the level of appreciation or perception of older workers by owners and top management in the quick service restaurant industry is lacking or incomplete at this point.

Past research has been done by Meyer and Meyer (1988), Tayler & Walker (1993), and Magd (2003) regarding hospitality managers' attitudes and perceptions of older employees in hospitality organizations. These studies have shown that managers perceive that the image of the hotel or hospitality workplace would be negatively impacted by the presence of older workers in the service areas of the hotel, and have therefore kept older employees away from front line positions because of these fears (Meyer & Meyer, 1988). It has been shown through the literature and past studies that most hospitality employers hold some negative perceptions and negative attitudes toward the employment of older workers regarding employees' flexibility, adaptability to change and productivity (Magd, 2003; Meyer & Meyer, 1988; Tayler & Walker, 1993).

DeMicco & Reid (1988) specifically analyzed the use of older workers in the restaurant industry and found distinct attributes regarding the use of older workers in this industry. DeMicco (1989) studied the use and perceptions of the use of older workers in institutional foodservice organizations. Older workers were found to be more dependable, have fewer absences, fewer on the job injuries and were more satisfied with their jobs than their younger counterparts. Older workers also encountered decreased job-related stress, and in the quick service restaurant industry, this could be a very positive trait to have. These studies did not specifically address management's perceptions of the use of older workers in the staffing of quick service restaurant operations, which rely more heavily on a younger workforce.

Several studies have shown that one of the most important perceived benefits that older workers brought to the company was that they were less accident prone and more cautious than their younger counterparts (Dibden & Hibbert, 1996; Magd, 2003; Thatcher, 1996). Older workers also have lower turnover and take less time off (Perry, 2005). In addition, the National Council on Aging (NCOA) has found that older workers had a higher level of commitment to their companies than younger workers. Older workers are also more valuable to their companies with respect to work ethic, accuracy and stability (Catrina, 1999; Kaeter, 1995; Stein & Rocco, 2001). In fact, some older workers are able to mentor the younger workers in problem solving.



In return, the younger workers can assist the older workers with newer technology skills (Perry, 2005). Furthermore, it has been found that older workers tend to better relate to and spend time building good rapport with customers than younger workers (*Caterer and Housekeeper*, 1992; Hassell, 1991; Hogarth & Barth, 1991; Magd, 2003).

As the workforce ages and it becomes imperative that the quick service restaurant industry explores ways to increase the size of the workforce, it is important for the perceptions of managers to be determined in order to help to ensure that the tone is welcoming to older workers. If there are age stereotypes in the quick service restaurant industry, this will negatively impact the recruiting and retention efforts in this industry (Magd, 2003). As the workforce continues to age and sales in the quick service restaurant industry continues to rise, the quick service restaurant industry needs to look to older workers as a larger portion of the population to actively recruit and employ.

The hiring and prolonged employment of an appreciable number of older workers in the restaurant industry could go a long way toward dispelling the pervasive stereotype of older workers, to the extent that these older workers prove themselves adaptable, flexible, capable of learning, and technologically current (Rix, 2002). The restaurant industry will be relying on the use of older workers as the available workforce continues to age, and it will be critical to analyze the perceptions of managers regarding this segment of the workforce in order to help influence change in the way that potential employees are recruited and hired.

#### *Purpose of Study*

The proposed research has been developed in order to respond to the following research question:

*What are the perceptions of managers regarding the advantages and disadvantages of hiring older employees in the U.S. restaurant industry?*

This question can determine the perceptions of managers regarding the potential of quick service restaurants to hire older workers and the implications that this could have on the organizational development policies and practices regarding recruiting and retention in this fast growing and labor intensive industry.

### **3. Methodology**

The current study was exploratory in nature and gathered and analyzed data from a convenience sample of 55 small to medium sized quick service restaurant organizations in large metropolitan areas in the southeastern U.S. The survey was administered to the management of small to medium sized quick service restaurant chains and franchise groups of quick service restaurant chains. The sample was used in order to determine the perceptions and attitudes of the top management in the organization related to the hiring and employment of older workers in the organization. A survey was designed and adapted from the Magd (2003) study done in Scotland with small to medium hospitality organizations. The survey asked managers for their perceptions regarding specific characteristics of older workers using a Likert scale of 1=strongly disagree to 5=strongly agree.

The items for the survey contained statements such as: older workers have fewer accidents on the job; older workers are harder to train on the job; I feel that older workers are more dependable. The items were comparable to the survey items used in Magd (2003) in a study that was done in Scotland with small and medium sized hospitality organizations. The items were

reviewed by 10 managers in the quick service restaurant industry to ensure their relevance in the industry.

The data was analyzed using SPSS software (version 13.0) and suggestions were made regarding the findings of the current study relative to the perceptions of managers in these organizations.

#### 4. Results

The surveys were sent out to 55 restaurant general managers and multi-unit managers of quick service restaurant organizations in metropolitan areas of the southeastern U.S. Of the 55 surveys administered, 21 were returned with one having incomplete data, resulting in 20 useable surveys or a response rate of 36.36%. The results of the study show that there are many preconceived perceptions regarding the hiring and employment of older employees held by management of quick service restaurant organizations.

The characteristics of the respondent organizations are as follows: the organizations ranged in size from one unit to 31 units, with the average organization comprised of 5.40 units. The number of hourly employees in the organizations ranged from a minimum of six to a maximum of 600, with an average of 139.8 hourly employees. The organizations ranged in the number of managers employed from a minimum of 0 to a maximum of 90, with an average of 18.5 managers. The number of hourly employees over the age of 55 ranged from a minimum of 0 to a maximum of 60 with a mean of 10.5, and the number of managers over the age of 55 ranged from 0 to a maximum of 5 with a mean of .6 (see Table 1).

*Table 1: Characteristics of Respondent Organizations*

	Minimum	Maximum	Mean	Standard Deviation
<b>Number of Units</b>	1	31	5.4	8.27
<b>Number of Managers</b>	0	90	18.5	26.22
<b>Number of Hourly Employees</b>	6	600	139.8	191.87
<b>Managers over 55</b>	0	5	.6	17.92
<b>Hourly Employees over 55</b>	0	60	10.5	1.39

n=20

The managers were asked a question regarding their expectation of the number of older workers they would be employing in the future. Seventy-five percent of managers surveyed believed that they were going to be employing the same percentage of older employees in the future as they currently employed. Only 10% of the respondents believed that they were going to be employing a larger percentage of older workers in the future than what they were employing now. There were also 15 percent of the respondents that believed that they were going to be employing a smaller percentage of their workforce with older employees in the future than what they currently employed.

The survey was comprised of a total of 23 items. The first four questions related to the employment characteristics of the organization itself and the other 19 items related to the managers' perceptions of older workers relative to specified characteristics. Managers rated the survey items on a Likert-type scale where 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree. These items rated the perceptions held by the managers regarding older employees in their quick service restaurants. Some examples of these items were: older employees have fewer accidents on the job; older workers are harder to train on the job; older

workers are absent more often than younger employees. The results of these item ratings are shown in Table 2.

*Table 2: Frequency Distribution of Management Perceptions of Older Workers*

<b>Characteristics of Older Workers</b>	<b>Agree and Strongly Agree %</b>	<b>Neutral %</b>	<b>Strongly Disagree and Disagree %</b>	<b>Mean</b>	<b>Standard Deviation</b>
<b>Self motivated, disciplined and respect</b>	80.0	15.0	5.0	4.00	.795
<b>Good communication skills and credibility</b>	75.0	25.0	0.0	3.90	.641
<b>More dependable</b>	75.0	15.0	10.0	3.85	.875
<b>More loyal</b>	70.0	20.0	10.0	3.80	.894
<b>Positive image</b>	75.0	25.0	0.0	3.80	.523
<b>Equal ability to learn</b>	65.0	20.0	15.0	3.70	.979
<b>Have higher quality</b>	60.0	25.0	15.0	3.65	1.137
<b>Cooperate more</b>	57.9	36.8	5.3	3.63	.955
<b>Happier/more satisfied on the job</b>	55.0	45.0	0.0	3.60	.598
<b>Better employees</b>	30.0	65.0	5.0	3.30	.657
<b>More serious accidents</b>	35.0	45.0	20.0	3.15	.933
<b>Hard time adopting new technology</b>	35.0	40.0	25.0	3.15	1.309
<b>Fewer accidents</b>	30.0	55.0	15.0	3.05	.887
<b>Prefer older worker</b>	25.0	50.0	25.0	2.95	.999
<b>Can't keep up with the pace</b>	25.0	40.0	35.0	2.80	.951
<b>High costs</b>	15.0	45.0	40.0	2.80	1.005
<b>Inflexible and reluctant to change</b>	15.8	47.4	36.9	2.79	.918
<b>Harder to train</b>	20.0	25.0	55.0	2.50	1.000
<b>Absent more than younger workers</b>	0.0	5.0	95.0	1.70	.571

n=20; 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, and 5=Strongly Agree

When comparing the results of the current study to the Magd (2003) study done in Scotland with 21 managing directors of small and medium hospitality organizations rather than specifically with quick service restaurant organizations, there are differences in the perceptions of the two sets of managers related to the following characteristics: older workers have fewer accidents, preference for older workers, older workers are happier/more satisfied on the job, older workers make better employees, and there are higher costs associated with the employment of older workers (see Table 3). These differences in the results may be a direct result of the cultural differences due to the locations of the studies (Scotland and the U.S.) and also due to the differences in the hospitality organizations surveyed (various types of hospitality organizations and quick service restaurants).

Table 3: Comparison of Current Study and Magd (2003)

Characteristic	Agree and Strongly Agree %	Magd (2003)	Neutral %	Magd (2003)	Strongly Disagree and Disagree %	Magd (2003)
Happier/More Satisfied on the Job	55.0	80.8	45.0	4.8	0.0	14.4
Better Employees	30.0	80.6	45.0	19.2	20.0	4.5
Fewer Accidents	30.0	90.4	55.0	0.0	15.0	9.6
Prefer older worker	25.0	76.2	50.0	4.6	25.0	19.2
High costs	15.0	66.6	45.0	14.2	40.0	19.2

Current study (n=20); Magd (2003) study (n=21)

The Magd (2003) study found that managers agreed and strongly agreed to a much larger extent (80.8%) that older workers were happier and more satisfied on the job than the current study (55.0%). The Magd (2003) study also found that the managers perceived that older workers had fewer accidents and were better employees than the current study found. The current study agreed or strongly agreed that older workers had higher costs associated with them at a fairly low level (15.0%) when compared with the previous Magd (2003) study (66.6%). Overall the Magd (2003) study found that the managers agreed or strongly agreed at a much higher level (76.2%) that they would prefer older workers in their organizations when compared to the current study (25.0%).

## 5. Discussion

The current study shows that overall management perception is favorable regarding characteristics of older workers. The respondents perceived that older workers were self-motivated, disciplined and showed respect for authority. The respondents also agreed or strongly agreed (75%) that older workers had good communication skills and credibility with customers in the quick service restaurant industry. They believed that older workers were more dependable and that they were absent less frequently than younger workers in quick service restaurant jobs.

Despite the fact that the respondents tended to believe that older workers were more loyal, dependable and that they had equal ability to learn the job as younger workers had, only 25% of respondents stated that they would prefer to have older workers working for them in the quick service restaurants. Fifty percent of the respondents stated that they were neutral when asked if they preferred employing older workers in their organizations. This result implies that despite the fact that older workers possess characteristics that are viewed positively for management, there are perceived barriers in the organizational culture, policies and procedures when it comes to actually hiring older workers.

The majority of respondents believe that they will be hiring older workers in the same numbers as they currently do. With the change of the demographics of the country aging, the quick service restaurants in the future will need to ensure that they are looking for ways to change perceptions and encourage the employment of greater numbers of older workers in the industry.

The study shows that there are many positive characteristics that older workers possess. The characteristics of older workers that were viewed as positive by the respondents were that older workers are: self-motivated, disciplined and have respect for authority; they have good

communication skills and credibility with customers; they are dependable, loyal and create a positive image for the restaurant; they have equal ability to learn skills and tasks, and their work is of higher quality.

## **6. Implications for practitioners**

The current study explores the perceptions of the people in quick service restaurant organizations that make policy and set the tone for the culture of the organizations that they own and/or operate. The perceptions regarding older workers show that there are not many employment characteristics that are perceived to be negative or that are done more thoroughly by younger employees. It is believed by the respondents in the current study that older workers are more loyal and dependable, they have an equal ability to learn in the industry and they have credibility with customers. Why don't organizations act on these perceptions and actively recruit and attract older workers to their organizations?

The quick service industry as a whole will continue to experience sales increases and increases in the demand for labor and hourly employees (National Restaurant Association, 2005). There will also be an increase in the number of older workers looking for part-time and full-time jobs to supplement the social security or retirement funds that they have accumulated that are not stretching to fill all of the financial needs that they may have (Prewitt, 2005). It seems to be a natural fit between the need for labor and the need for jobs, but there is a concern that the quick service restaurant industry will continue to search for staff that are younger, have good health and "the body beautiful" in order to staff the restaurants (Prewitt, 2005, p. 123).

The restaurant industry has not incorporated their positive perceptions into positive actions quite yet regarding actively recruiting older workers and looking at how the work is done in order to make it positive for both the organization and the older workers. The implications from the current study are that managers need to look at their current practices regarding recruiting and hiring older workers and work to change the culture in their organizations in order to make it more accepting of older employees. There is a disconnect between the perceptions of managers regarding older employees and the actual practices in actively trying to hire them. With the struggle of the quick service restaurant industry in finding employees, the managers need to work toward changing paradigms of the past.

## **7. Limitations of current study**

The current study is not without limitations and requires future studies in order to ensure that the results can be generalized to other organizations. One of the biggest limitations of the current study is the small sample size of the number of quick service restaurant managers and organizations. It is very limiting due to the small geographical area represented as well.

Another limitation is that it is asking managers about their perceptions regarding older workers and the hiring of older workers, but it is not longitudinal in nature and therefore the actual hiring practices were not observed. The possibility exists that the managers interviewed do not realize the extent of the labor issues and do not know for certain how many older employees will be hired in the future.

## **8. Conclusion**

The current study looks at quick service restaurant organization management perceptions of a select group of small to medium restaurant companies. It presents the findings as well as some implications for practitioners regarding ways that quick service restaurants can take the increase

in the number of older workers in the workforce and try to fill the gap left by the decrease in the number of younger workers. The younger worker has been the traditional employment mainstay of the quick service restaurant industry and in the perception of the respondents of the current study, younger workers will continue to be the employment and recruiting focus. The responses of the current study show that there are many perceived benefits of the older worker, but the traditional mindset has been to ignore this growing segment of the workforce.

The human resources policies and practices of organizations need to ensure that older workers as a segment of the labor market is not ignored when creating policies for recruiting and staffing. The quick service restaurant industry appears to be a segment that is continuing to try to staff the restaurants the same way that they have since the inception of the industry in the 1950's. In the current study, the average percentage of older employees and older managers working for the organizations is approximately 7.5% and 3.24% of the employment ranks respectively. These numbers do not reflect the current age demographics of the U.S. Organizational development programs need to ensure that there are various ways to support the growth in the industry by looking to a segment of the population that has been previously untapped.

In order for the quick service restaurant industry to be able to continue to work toward full employment in the restaurants in a productive way, and to take advantage of the perceived benefits of older worker characteristics, as shown in the current study, organizations need to be proactive. There needs to be some thought and planning for how older workers can add some dependability and maturity into the restaurants, and can possibly change part of the image of quick service restaurants. Traditionally, quick service restaurants have been staffed with younger employees and have been desperately seeking more employees for years. Working to actively recruit and hire older employees could add a new dimension and some new markets for quick service restaurants.

The current study revealed many important findings for restaurant owners and management practitioners alike. The number of the "traditional" workers for quick service restaurants continues to decrease as the population in the U.S. continues to age and other job opportunities continue to expand for younger workers. The quick service restaurant industry needs to examine their culture in order to determine why they find older workers less desirable to hire despite their positive perceptions of the characteristics of older workers. As shown in the current study, there are many organizations who perceive older workers to have strong characteristics, but they are not actively pursuing hiring and recruiting an older employee base.

Future research should be directed at the expanding the current exploratory research to explore a wider cross section of the quick service restaurant industry, as well as to look at the restaurant industry as a whole. Older people are a willing and able part of the labor pool that is expanding and not receiving the credit due them in this segment of the hospitality industry.

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## 12. Age Stereotyping among Managers

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### Abstract

This article reports characteristics and competences that were ascribed to managers of different ages to younger and older managers. Based on the social psychology of intergroup relations and on the existing research findings on age stereotyping, it was predicted that (1) the content of stereotypes of younger and older managers differ, (2) stereotypes of younger and older managers contain both positive and negative characteristics, (3) managers exhibit a group-serving bias in their stereotyping in such a way that younger managers are relatively more positive about younger managers and older managers are relatively more positive about older managers, and (4) the latter is more outspoken among managers who identify themselves as a younger manager or as an older manager. Based on a pilot study a questionnaire was developed that tapped characteristics and competences of younger and older managers. 120 managers younger than forty years of age and 133 managers of forty years or older completed the questionnaire. Hypotheses one and two were confirmed, yet no support was obtained for hypotheses three and four. The findings are discussed from a social psychological perspective on intergroup relations and age identity.

### 1. Introduction

*“... heat and vivacity in age is an excellent composition for business. Young men are fitter to invent than to judge; fitter for execution than for counsel; and fitter for new projects than for settled business. For the experience of age, in things that fall within the compass of it, directeth them; but in new things abuseth them. The errors of young men are the ruin of business; but the errors of aged men amount but to this, that more might have been done, or sooner. Young men, in the conduct and manage of actions, embrace more than they can hold; stir more than they can quiet; fly to the end, without consideration of the means and degrees; pursue some few principles, which they have chanced upon, absurdly; care not to innovate, which draws unknown inconveniences; use extreme remedies at first; and, that which doubleth all errors, will not acknowledge or retract them: like an unready horse, that will neither stop nor turn. Men of age object too much, consult too long, adventure too little, repent too soon, and seldom drive business home to the full period; but content themselves with a mediocrity of success. Certainly it is good to compound employments of both; for that will be good for the present, because the virtues of either age may correct the defects of both: and good for succession, that young men may be learners, while men in age are actors: and lastly, good for extern accidents, because authority followeth old men, and favour and popularity youth ...” (Bacon, 1612).*

Employees' age and its (alleged) effect upon performance has received a lot of attention by managers and academics; 'the older worker and 'age discrimination' for example, have become well-accepted notions in the management literature. In The Netherlands, some organizations advocate an ideal age composition of their workforce (Boerlijst, Van der Heijden & Van Assen, 1993).

Outspoken preferences (or demands) are often expressed concerning the age of employees in job advertisements (a practice that would be considered ageist and illegal in the United States of America). Research has shown that younger people are seen as performance oriented, intelligent, physically attractive, active, creative, independent, flexible, broadminded, tolerant, assertive, impatient, inexperienced and egoistic, whereas older people are seen as old-fashioned, passive, sickly, inflexible, unhappy, unattractive, lonely, dependent but also as experienced, patient, modest, intelligent, reliable and well-mannered (Dekker & Ester, 1989; Kite, Deaux & Miele, 1991; (Rothbaum, 1983).

Early studies on older and younger workers have demonstrated that students at a business school perceived younger workers to be more productive, efficient, motivated, innovative and creative than older workers (Rosen & Jerdee, 1976a). Moreover, a younger worker was seen to be more future-oriented, open to new ideas and better capable of adjustment. The older worker was seen to be more rigid and dogmatic. Nevertheless, the older worker was judged to be more reliable, honest and, it was deemed less likely that he would resign or be absent for personal reasons. Further, subscribers to the Harvard Business Review were less willing to promote older workers as compared to younger ones, and, that older workers obtained less feedback and opportunities to improve their performance (Rosen & Jerdee, 1976b).

It was moreover less likely for an older worker to be sent to a training program. Craft, Doctors, Shkop and Benecki (1979) drew similar conclusions: older job applicants were seen as more self-conceited, less serious and less ambitious than younger job applicants. Willingness to hire a candidate dropped considerably once the age of fifty had been reached. A more negative appraisal for older people has been noted as well as supervisors explaining bad performance by older workers more in terms of lack of capabilities as compared to younger workers whose bad performance was attributed to other factors (Ferris, Yates, Gilmore & Rowland, 1985).

Subsequent research on age stereotyping and the relationship between age and personnel decisions have generally confirmed this picture despite the outcomes of studies that show the discrepancy between the content of stereotypes and actual behavior of those being stereotyped, in this case younger and older workers (e.g. Warnes & John, 2005).

The phenomenon of age stereotyping can be understood by looking at the value that group membership may have for individuals. Categorizing individuals into groups not only imposes a cognitive structure on the social environment; it also defines someone's position in society. Individuals define and evaluate themselves to a smaller or larger extent in terms of the group(s) to which they belong. Via comparison processes between groups the value of one's group membership can be determined (Rijsman, 1983).

People are assumed to strive for a positive social identity (Tajfel & Turner, 1979); an identity which group members derive from a positive distinctiveness of their own group vis-à-vis a relevant outgroup. A positive social identity in turn contributes to a positive self-concept. These dynamics explain the occurrence of 'ingroup biases' or 'group-serving biases' (Taylor & Doria, 1981).

Negative stereotyping of an outgroup vis-à-vis an ingroup may help building a positive ingroup identity. Thus, Gibson, Zerbe and Franken (1993) demonstrated that older employees had a more

positive view of older employees than younger employers had, and, that younger employees had a more positive view of younger employees in comparison to older employees.

Likewise, Dekker and Ester (1989) demonstrated that older respondents (65-80 years) were more positive of the category 'older people' than of 'younger people'. Sometimes an outgroup is judged more favorably than the ingroup: the young respondents in the study of Dekker and Ester (16-30 years) exhibited a group-serving bias on only a few dimensions; on others they were very positive of the category of older people. A more positive evaluation of the outgroup as compared to the ingroup can occur in situations where one wants to belong to the outgroup because the outgroup is expected to contribute more strongly to a positive self-concept. Likewise, when the relationship between in- and outgroup is judged to be stable and legitimate it may be that the ingroup internalizes negative stereotypes about itself and exhibits 'outgroup biases' or 'outgroup favoritism' (Hewstone, Rubin & Willis, 2002).

This study investigates the stereotyping among managers varying in age, of younger and older managers. Research into the stereotypes of younger and older managers is practically non-existent. One study looked into the stereotyping of older managers among MBA students with management experience, showing that these respondents were more negative of older managers than personnel managers were of older workers (Lyon & Pollard, 1997).

The scarcity of studies on age stereotyping among managers may be explained by the fact that managers are a less accessible population to investigate; managers are more likely to define 'older workers' as a problem category rather than 'older managers', the latter being reinforced by the fact that older managers normally occupy more senior positions in the organization.

Below it is investigated which stereotypes of younger and older managers exist, and, whether a relationship is obtained between the observer's age and age identity on the one hand and age stereotyping on the other.

It is hypothesized that

- (1) the content of stereotypes of younger and older managers differ,
- (2) stereotypes of younger and older managers contain both positive and negative characteristics,
- (3) managers exhibit a group-serving bias in their stereotyping in such a way that the older the observer the more positive the stereotypes of older managers and the younger the age of the observer the more positive the stereotypes of younger managers, and
- (4) the group serving bias is more outspoken among managers who identify themselves as a younger manager or as an older manager.

## **2. Method**

### *2.1 Pilot study*

Purpose of the pilot study was to create an inventory of characteristics that are associated with younger and older managers so as to be able to use them in constructing a questionnaire for a larger, subsequent study.

Thirty-seven managers (mean age was 47.4 years with the youngest being twenty-nine and the oldest seventy-six years of age) took part in the pilot study and answered two open questions: "Which image comes to your mind when thinking of a younger manager" and "Which image comes to your mind when thinking of an older manager".

The concepts of 'younger manager' and 'older manager' were not defined for the respondents so that they could follow their own representations. Some examples:

A 'younger manager': *"The image of the young man or women who would like to become a manager. Success is not always guaranteed, because one can master the theory of management perfectly, and still fail in practice, in other words, one cannot study for it, one also needs the personality characteristics to become a good manager"*. An 'older manager': *"The 'older manager' is someone who has demonstrated to be a good manager in his career through a selection-process. In other words he can listen well to his high- and low-ranking staff, and subsequently take measures to bring organizational goal achievement closer"* (respondent born in 1916).

A 'younger manager': *"Leader/policy maker who clearly finds himself more in a learning process than an older manager. Mostly hard worker with future opportunities. Willing to invest in future development possibilities. Age 25-40 years. Career oriented"*. An 'older manager': *"+40 years, possibly somewhat more sedated/well-considered through experience. Mostly general management roles. Time for other things than just work?"* (respondent born in 1963).

A 'younger manager': *"Slender, taller than 1.75 m, fresh and young appearance, well-groomed, easy, BMW/Japanese (top), polytechnic-academic, aloof-aggressive, 'lots of money' (as status), tends towards egoism, smoothly dressed, mineral water"*. An 'older manager': *"Sturdy(corpulent), 1.70 - 1.80 m, fresh, very well-groomed, Mercedes-Volvo-BMW top, middle to higher technical education (sometimes academic), engaged, puts things in perspective, 'goods of value' (as status), conservative, is irritated by egoism, striped gray, wine"* (respondent born in 1931).

A 'younger manager': *"Cunning 'boy' in expensive car who sells mere nothings"*. An 'older manager': *"5-10 years to go and I can retire. All change is bad"*. (respondent born in 1956).

The following characteristics were used most commonly in describing younger managers: flexible, creative, broad-minded, reckless, ambitious, impatient, aggressive, specialist, well-educated, short term thinking, career-oriented. Characteristics which were associated with older managers were: experienced, conservative, strategic thinking, loyal to authority, autocratic, has overview. Two characteristics were used to describe both younger and older managers namely self-conceited and intelligent. Some characteristics were sometimes associated with younger and sometimes with older managers (individualistic, power oriented, can delegate).

Other results from the pilot study indicated that younger managers are considered to be suitable for roles in the domain of marketing, development and 'public relations', while older managers are seen to be more suited for maintaining external contacts, finance, maintaining the organizational culture, long term planning, and general management. Some respondents found older managers more apt for personnel management, while others considered younger managers more fit for this function.

## *2.2 Main questionnaire*

For the final questionnaire, which did not define the concepts of ‘younger manager’ and ‘older manager’ either, the following characteristics were selected: experienced, flexible, conservative, creative, broad-minded, reckless, ambitious, impatient, aggressive, specialist, well educated, short term thinking, strategic thinking, career oriented, loyal to authority, autocratic, has overview, self-conceited, intelligent, individualistic, power oriented, can delegate.

These characteristics were supplemented with another one for which no a priori difference between young and old was assumed, namely ‘successful’. Respondents had to determine to what extent each was typical for younger managers, older managers and for the respondent him- or herself. Answers could be provided on a seven-point scale varying from 1 (not at all typical) to 7 (very typical). Respondents were also asked to indicate to what extent the characteristic itself was positive or negative (1 = very negative; 7= very positive).

Next the work domains for which the suitability of younger and older managers were expected to differ were presented to the respondents (development, finance, general management, development, public relations, maintaining organizational culture, maintaining external contacts, long term planning, marketing) complemented with production, project management and interim management. The perceived suitability of younger and older managers for these work domains could be indicated on a seven point scale varying from 1 (very unsuitable) to 7 (very suitable).

Finally, some background questions were included, among which age, gender, years of working experience, years of management experience, whether they have had a senior manager as a coach (yes/no), whether they have served/serve as a coach for a younger manager (yes/no), whether they work with predominantly with younger or with older people (five point scale varying from: predominantly with younger people, to predominantly with older people), whether they consider themselves as a younger or older manager (dichotomous variable), and completed education level.

## *2.3 Respondents*

750 Members of the Dutch Association of Young Managers and 750 members of a Dutch employers’ organization were sent a questionnaire. The questionnaire was accompanied by a letter of the president of the Dutch Association of Young Managers. Seventeen percent responded amounting to 253 completed questionnaires. 133 were managers of forty years and older (from the Dutch employers’ organization) and 120 managers were younger than forty (from the Dutch Association of Younger Managers). Their age varied from twenty-six to sixty-nine years of age with a mean age of 41.3 years. 184 classified themselves as a younger manager; 58 as an older manager. The mean age of those considering themselves as a younger manager was 37.4 years while the mean age of those considering themselves as an older manager 52.8 years. Of the 253 respondents 237 were male and nine female. A clear majority of those over and below forty years completed a polytechnic or university education.

### 3. Results

The characteristics ascribed to younger and older managers are presented in Table 1.

*Table 1:* Ascribed characteristics of younger and older managers (1 = not at all typical; 7 = very typical). (Different superscripts per row indicate statistically significant differences (t-test for dependent samples,  $p < .05$ )).

<b>characteristic</b>	<b>younger managers</b>	<b>older managers</b>
experienced	2.73 <sup>a</sup>	6.06 <sup>b</sup>
flexible	5.22 <sup>a</sup>	3.98 <sup>b</sup>
intelligent	5.12 <sup>a</sup>	4.91 <sup>b</sup>
conservative	2.82 <sup>a</sup>	5.08 <sup>b</sup>
creative	5.08 <sup>a</sup>	4.23 <sup>b</sup>
broad-minded	4.82 <sup>a</sup>	4.49 <sup>b</sup>
reckless	5.05 <sup>a</sup>	2.87 <sup>b</sup>
ambitious	5.92 <sup>a</sup>	4.07 <sup>b</sup>
self-conceited	4.91 <sup>a</sup>	4.63 <sup>b</sup>
impatient	5.29 <sup>a</sup>	3.62 <sup>b</sup>
aggressive	4.60 <sup>a</sup>	3.31 <sup>b</sup>
specialist	4.45 <sup>a</sup>	4.06 <sup>b</sup>
well-educated	5.59 <sup>a</sup>	4.34 <sup>b</sup>
short term thinking	4.69 <sup>a</sup>	3.70 <sup>b</sup>
strategic thinking	4.00 <sup>a</sup>	5.14 <sup>b</sup>
individualistic	4.70 <sup>a</sup>	4.16 <sup>b</sup>
career oriented	5.93 <sup>a</sup>	3.72 <sup>b</sup>
loyal to authority	3.64 <sup>a</sup>	5.02 <sup>b</sup>
successful	4.48 <sup>a</sup>	4.88 <sup>b</sup>
autocratic	3.50 <sup>a</sup>	4.73 <sup>b</sup>
can delegate	4.03 <sup>a</sup>	4.89 <sup>b</sup>
power oriented	4.33 <sup>a</sup>	4.47 <sup>a</sup>
has overview	3.90 <sup>a</sup>	5.47 <sup>b</sup>

Older managers were seen as more experienced, conservative, strategic thinking, loyal to authority, successful and autocratic than younger managers. They were furthermore perceived to be able to delegate better and to have more overview than younger managers.

Younger managers were seen to be more flexible, intelligent, self-conceited, impatient, aggressive, specialist, better educated, short term thinking, individualistic and more career oriented than older managers.

Table 2 describes the perceived suitability of younger and older managers for various work domains.

*Table 2:* Perceived suitability of younger and older managers for various work domains (1 = not at all suitable; 7 = very suitable). (Different superscripts per row indicate statistically significant differences (t-test for dependent samples,  $p < .05$ )).

<b>work domain</b>	<b>younger managers</b>	<b>older managers</b>
marketing	5.67 <sup>a</sup>	3.98 <sup>b</sup>
development	5.27 <sup>a</sup>	4.36 <sup>b</sup>
personnel management	3.79 <sup>a</sup>	5.44 <sup>b</sup>
maintaining organizational culture	3.62 <sup>a</sup>	5.59 <sup>b</sup>
production	5.03 <sup>a</sup>	4.67 <sup>b</sup>
interim management	3.47 <sup>a</sup>	5.67 <sup>b</sup>
general management	3.95 <sup>a</sup>	5.72 <sup>b</sup>
public relations	5.26 <sup>a</sup>	4.41 <sup>b</sup>
project management	5.32 <sup>a</sup>	4.55 <sup>b</sup>
external contacts	4.63 <sup>a</sup>	5.41 <sup>b</sup>
long term planning	4.41 <sup>a</sup>	5.45 <sup>b</sup>
finance	4.78 <sup>a</sup>	5.37 <sup>b</sup>

Younger managers were seen to be more suitable for marketing, development, production, public relations and project management than older managers. Older managers were judged to be more suited for personnel management, maintaining the organizational culture, interim management, general management, maintaining external contacts, long term planning and finance.

Next, hypotheses three and four were addressed. To this end some new variables were created. First, a dichotomous variable ‘young/old’ was created by grouping respondents under forty as young and those of forty and older as old. This is an arbitrary dividing line but in line with literature on the older worker. Many researchers and managers consider forty a critical boundary; some organizations consciously strive for an average age of their workforce below forty (Boerlijst et al., 1993); some researchers label the age of forty and above as the second half of someone’s career (e.g. Thijssen, 1992); some researchers studying ‘the older worker’ only have respondents over the age of forty participating (Boerlijst et al. 1993), or alternatively, to focus only on employees under forty when highlighting ‘the young top guns’ (Target Marketing, 1990). Further, forty is the age at which members of the Dutch Association of Young Managers (an association that took the initiative for this study) have to leave the association.

Second, we computed a score reflecting overall evaluation of the younger managers, older managers and of self. The overall evaluation of older managers was calculated per respondent by first multiplying the extent to which a characteristic is seen as typical of older managers with the evaluation of that particular characteristic (varying from very negative to very positive), and then adding the twenty-three newly computed scores. Before multiplying, the evaluation score was subtracted with 4 so that the overall evaluation score can vary between -69 (very negative overall evaluation) and +60 (very positive overall evaluation) (cf. Schruijer, 1992).



A similar procedure was followed in the computation of the overall evaluation score of young managers and that of self. In order to arrive at a total suitability score for older managers, the suitability for older managers was added per respondent over the twelve domains. The same was done to establish an overall suitability score for younger managers. The means of the newly created variables overall evaluation of younger managers, of older managers and the overall suitability of younger managers and that of older managers are reflected in Table 3:

*Table 3:* Overall evaluation and overall suitability of younger and older managers (1 = very low; 7 = very high). (Different superscripts per row indicate statistically significant differences (t-test for dependent samples,  $p < .05$ )).

<b>variable</b>	<b>younger managers</b>	<b>older managers</b>
overall evaluation	67.39 <sup>a</sup>	77.96 <sup>b</sup>
overall suitability	55.30 <sup>a</sup>	60.61 <sup>b</sup>

The mean overall evaluation of the older managers was significantly higher than that of younger managers. The overall evaluation of self was significantly higher than that of older managers ( $M = 92.78$ ). The overall suitability of older managers was considered significantly higher than that of younger managers.

Then we performed stepwise regression analyses with dependent variables overall evaluation of younger managers, overall evaluation of older managers, overall evaluation of self, overall suitability of younger managers and overall suitability of older managers and as independent variables age, young/old (coded as a dummy variable), self-categorization as younger or older managers (dummy), working experience (in years), management experience (in years), having been a coach to a younger manager (dummy), having been coached by a senior manager as a coach (dummy), working with predominantly younger or older people. Self-categorization as an older or younger manager was taken as an approximation of the respondent's age identity. Working and management experience were included because they are likely to covary with age. The latter four questions were included as contact can be related to stereotyping (Pettigrew, 1998). The results of the regression analyses are depicted in Table 4.

Age predicted three variables and so did management experience – albeit with different signs! The higher the age the lower the overall evaluation of younger managers, of older managers, and of self. Yet the more management experience the more positive the three evaluation scores (with one  $\beta$  only approaching significance ( $p < .10$ )). Working experience too predicted the overall evaluation significantly, namely that of younger and of older managers. Further, respondents identifying themselves as a younger manager gave younger managers a higher overall suitability score ( $M = 56.30$ ) than that those identifying as an older manager did ( $M = 52.00$ ). Moreover, those with a younger age identity tended to evaluate themselves higher ( $M = 93.58$ ) than those with a older age identity ( $M = 87.28$ ;  $p < .10$ ). Being under or over forty years of age had no impact on evaluation or suitability. Contact predicted these variables neither. It must be noted that the explained variances are very low.

Table 4: Predicting overall evaluation and overall suitability with age-related variables, experience and contact ( $\beta$ ).

independent dependent	evaluation younger managers	evaluation older managers	evaluation self	suitability younger managers	suitability older managers
age	-.52**	-.58***	-.56**		
young-old					
self- categorization			-.19*	-.28***	
working experience	.40**	.42**			
management experience	.25*	.34***	.38***		
having been a coach					
having been coached					
working with young/old					
<b>Adjusted R<sup>2</sup></b>	.03	.05	.05	.02	

\*  $p < .10$ ; \*\*  $p < .05$ ; \*\*\*  $p < .01$

#### 4. Discussion

It can be concluded that hypotheses one and two were confirmed. The results showed the existence of stereotypes of younger and older managers, in terms of ascribed characteristics and competences. The ascribed characteristics and competences of younger managers were different than those ascribed to older managers. Stereotypes of younger and older managers contained both positive and negative characteristics. The content of the age stereotypes is in line with former research (e.g. Craft et al., 1979; Rosen & Jerdee, 1976a, 1976b; Rothbaum, 1983). Hypotheses three and four received only very limited support. The stereotypes of younger and older managers were largely shared by observers of varying age. No strong relationships between age stereotyping and observer's age or age identity were found: only those who identified themselves as a younger manager gave younger managers a higher suitability score as compared to those who identified themselves as an older manager. Older managers however, were seen as more suitable overall by those with either a young or old age identity. Hypotheses three and four therefore need to be rejected.

A consensus among young and old people concerning the positive and negative qualities of

younger and older managers may point to an underlying strategy of social creativity (Tajfel & Turner, 1979), through which both parties can derive a positive social identity from their mutual comparison: older managers feel superior to younger managers on a number of comparison dimensions and this superiority is validated (Rijsman, 1983) by younger managers, while younger managers feel superior to older managers on other dimensions (which is likewise confirmed by older managers).

An explanation for the finding that older managers were on the whole evaluated more positively than younger managers and were generally seen to be more suitable for a combination of work domains may be related to the institutional link between the Dutch Association of Young Managers and the Dutch employers' organization. Members of the former who turned forty would normally then join the latter. It may well be that members of the Dutch Young Association showed respect for the older managers who were likely to have more senior positions which they hoped to occupy one day themselves.

The overall evaluation of self was more positive than the overall evaluation of both younger and older managers. Perhaps the age categories and age identities are of little value for building a positive self-concept among managers. Striving towards a positive personal identity can be more dominant than striving for a positive social (age) identity (Ng, 1986). Even so, the possible consequences of stereotyping should not be underestimated. A generalization of characteristics that are associated with certain (age) categories to individuals is not only likely to be unjustified but may also lead to self-fulfilling prophecies. Quite a number of managers and academics indicate that the transition between young and old is at the age of forty. The majority of managers which took part in the current study did not feel to be an older manager at forty: the mean age of those who described themselves as an older manager was considerably higher, namely 52.8 years! To use the age of forty as a demarcation between being young and being old is arbitrary as well as dangerous as people may behave in line with how they are perceived by society.

Interestingly, age was systematically negatively related to evaluation and perceived suitability, while management experience and work experience were systematically positively related to these variables. The explanation for exactly these relationships cannot be derived from this study but the pattern of relationships does show that age and experience covary yet are different variables. Stereotypes are quickly formed around observable characteristics. Age can be estimated via visual information while management experience cannot. The dangers of stereotyping based on age are obvious.

Whether the stereotypes found in this study may contain a 'kernel of truth' is hard to determine due to a lack of systematic research into the performance differences between younger and older managers. Recently, Kabacoff and Peters (2005) compared 767 matched pairs of older (45-55) and younger managers (25-35) who were evaluated on twenty dimensions of leadership behavior on a 360° basis. Their database confirms that indeed older managers delegate more, are less reckless and less individualistic than younger managers, while younger managers are more power-oriented, ambitious and short term thinking than the older managers. Another relevant study is conducted by Streufert (1987). On the basis of simulations he concludes that there are only a few differences between young managers (28-35) and middle-aged managers (45-55) in terms of speed in decision-making, strategy-development and planning. Younger managers were

less capable to think strategically at a high level of abstraction; moreover, they sometimes acted impulsively. Nevertheless, both groups were overall equally effective. The age cohort 65-75 thought they had done well but that was only partly true: they discussed a lot about what to do but took little action. They focused on only a few aspects of the situation and were quite insensitive to new information. Their interpretation of new information was limited too. Strategy development and planning were weak. In a crisis situation however, they responded quickly and adequately. Streufert noted that individual differences were large and some older managers performed very well; an observation which is supported by research into the performance of older people (Stagner, 1985).

Bacon described the qualities of old and young in a way we can still identify with. The data presented in this article were collected in the early nineties of the last century (and only partly reported in Dutch (Schruijer, 1995)). Does this 'age' make the findings obsolete? That can be doubted. Not only is hardly anything known about age stereotyping among managers, the theme itself remains very topical as illustrated by a recent article in one of the largest Dutch newspapers entitled "The forgotten person of forty: 'Critical, demanding, status preserving, inflexible' and unemployed" (NRC, 4<sup>th</sup> of January 2006) on the initiative of the Rotary in The Netherlands to help those in their forties to a job.

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### 13. Working Late: Exploring the Workplaces, Motivations, and Barriers of Working Seniors

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#### Abstract

This phenomenological research explored the nature of seniors' employment, motivations for working, barriers to training and advancement opportunities, and means of coping with what they perceived as discriminatory practices in their workplaces. Twelve senior women and men, ages 59-86, currently working in communication, retail and service industries, proprietary education and training, government, and social services, participated in conversational in-depth interviews and focus groups. Data were analyzed according to constant comparative methods consistent with phenomenological research strategies. Findings focused on five major areas: (a) seniors' motivations for continuing employment; (b) barriers experienced in the workplace and coping mechanisms used; (c) generational differences in communication and interpersonal dynamics among seniors and their colleagues; (d) the role of self-directed learning for senior employees; and (e) the effect of age, status, and experience on security and capital in the workplace.

#### 1. Introduction

In the opening session of the U.S. Senate hearing before the Special Committee on Aging, presiding Senator John Breaux spoke of older Americans breaking the *silver ceiling* in our nation's workplace. Since 1985, there has been an upturn in the number of older Americans who are choosing to work past the age of 65. These people are better educated, they are healthier, they are living longer than previous generations. (Breaking the Silver Ceiling, 2004, p.1)

Senator Breaux and others have referred to this phenomenon as a "sleeper issue" since little of corporate America has previously thought much about older workers. In fact, a 2002 survey by the Society for Human Resource Management suggested that as many as two-thirds of U.S. employers do nothing to actively recruit or retain older workers (Breaking, 2004).

While discrimination of older workers is illegal in the United States, seniors nonetheless frequently find themselves the target of more subtle forms of bias, discrimination, and inequity in the workplace. Seniors are often given more difficult or less advantageous work assignments or schedules, restricted from training that could lead to advancement, or terminated under the guise of economic downsizing. In other circumstances, seniors in today's workplaces experience resistance or out-right hostility from co-workers who feel their own advancement or security threatened by senior colleagues.

Other research has sought to understand seniors in the workplace – including what their training needs might be, seniors' ease (or difficulty) in learning new skills, the differential costs and return on investment in training older workers, or needed adaptation of training materials.

Anecdotal, if not empirical, data surface routinely that focus on the "high but necessary costs to businesses and industries to transfer and capture knowledge" (personal communication, September 17, 2005) held by seniors in the workplaces. In contrast, little has been written about the benefits to both organizations and employees who invest in training – benefits such as enhanced safety, increased quality assurance, greater employee loyalty, and improved cross-training and mentoring programs. Most of the available research in either case reflects an

organizational perspective. This study, on the other hand, sought to understand the nature of seniors' employment experiences from the perspectives of the older workers themselves. Among the factors explored were reasons that seniors remained in the workplace, impediments to their training and advancement, perceived discrimination in the workplace, and coping mechanisms used to manage such inequities.

## **2. Conceptual Framework**

Due to the original baby boom of the 1940s, '50s and '60s and increased life expectancy, the number of seniors in the workforce is substantial. In 2003, over 21 million workers 55 and older accounted for 15% percent of the total working population (Parker, 2005). That percentage is expected to increase to more than 20% by 2008 when more than 24 million workers will be over the age of 55 (Older Workers, 2001; U.S. Bureau of the Census, 2002). Seniors report several reasons for remaining in the workforce including financial concerns and the need for health care benefits, career changes, social interaction, and the desire to remain active (Breaking, 2004; Parkinson, 2002). According to Noonan (2005), working in one's later years "provides opportunities to confirm one's identity after breaks in work relationships, to return to one's true identity, or to redefine oneself via the world of work" (p. 238). In addition to their desire to remain vibrant and productive in their jobs, the majority of seniors in the workforce also want additional training and leadership development opportunities, and would welcome additional advancement (Beatty & Visser, 2005; Goldberg, 2000; Mott, 1998; Parkinson, 2002). Instead, many seniors stand back and watch as recruiting, training and leadership development dollars, as well as promotion opportunities are overwhelmingly directed at younger employees, with little thought to the skills and experience that the over-55 crowd can bring to bear on almost any business problem. (Dychtawld, Erickson, & Morrison, 2004, p.31)

Seniors experience a variety of barriers and discriminatory practices, however, as they continue to work. Even though discrimination on the basis of age is illegal, in 2000 more than 16,000 complaints of age discrimination were made, with more than \$45million awarded in damages (Older Workers, 2001). Many others do not feel respected by their employers and 25% believe that co-workers harbor negative perceptions about older workers, their safety records, and ability to learn (Parkinson, 2002). These fears are born out by positions that there is "only limited value to training older workers" (Goldberg, 2000, p. 164) due to difficulty in learning and the shortened time for use of new skills. Other assumptions about older workers abound, including the perceptions that they are less creative and productive, are more often ill or injured on the job, and resent working for those younger than they (Beatty & Visser, 2005; Brooke & Taylor, 2005; Goldberg, 2002). In reality, older adults learn just as well (in some cases better) since memory and intellectual capacity is preserved well into late life, with deficiencies noted only where speed is a factor (Beatty & Visser, 2005; Bee, 2004). Other negative assumptions about older workers are similarly debatable.

Age discrimination is subtle and reflects larger societal issues. According to Ken Dychtawld, "ours is a culture that glorifies youth, in our language, in the way we talk to each other, in the models that we see on television.... It is so much a part of our society, we hardly even notice it" (Breaking, 2004, p. 17). Such unexamined attitudes and resulting human resource practices bias older workers, not only affecting those currently working but often keeping seniors from reentering the workforce. Older workers who lose jobs are less likely to return to full-time paid employment and post-displacement duration is much longer for seniors than any other age group

(Chan & Stevens, 2001; Older Workers, 2001). Those who do return to work typically face larger losses in earnings and health benefits.

Two primary examples of age discrimination in the workplace relate to safety issues and the use of technology. Studies conducted in Australia, United Kingdom, and United States revealed that older workers were excluded from training with new technology due to the perception that older workers were less capable, resistant to technological advances, slower to learn (Brooke & Taylor, 2005), and more accident prone (Parker, 2005). Older and more experienced workers were also often denied raises and promotions due to these and other negative perceptions, given more difficult or less advantageous work assignments or schedules, or restricted from training that could lead to advancement.

Though the challenges of age discrimination are nearly universal, women face particular challenges where training and advancement in the workplace are concerned. While numbers of senior men employed full-time has decreased in recent years, the number of working women over the age of 55 continues to increase (Parker, 2005) and is expected to reach 61% of the American labor force by 2015 (Older Workers, 2001). Among the reasons for these increasing numbers are that women live longer and more often find themselves in vulnerable financial situations due to interrupted careers, inadequate pensions and retirement, and the need for health insurance (Mott, 1998). Older women are especially likely to be denied even informal training, with advancement-oriented training most often targeted to upper-level professional male employees (Beatty & Visser, 2005; Goldberg, 2000; Mott, 1998).

### **3. Methodology**

The purpose of this qualitative research was to explore the nature of seniors' employment, including their motivations for continued employment, barriers encountered on the job in terms of training and advancement opportunities, and their means of coping with what they perceived as discriminatory practices in their workplaces. Since the goal of the research project was to gain the subjective insights of the participating seniors, phenomenological inquiry – an interpretative and inductive process of inquiry and analysis – was a particularly salient and powerful form of qualitative research (Patton, 2002; Mott, 1994; van Manen, 1990). Phenomenology utilizes the key principles of *epochè* (suspended personal judgment and the questioning of one's assumptions), reduction and bracketing of the data (removing the incidental in order to examine the essence of the experience being studied), and the creation of a structural synthesis of emerging themes, all of which allow for a deeper understanding of any human experience from the participants' perspective (Mott, 1994).

A multi-site case study approach was conducted in an urban area of the southeastern United States. The participants included 12 senior women (7) and men (5), ages 59-86, whose average age was 68.9 years. With only two of the women younger than 70 and one of them beyond 80 years of age, the women were, for the most part, older than the men; the women's average age was 72.7 and the men's average age 63.6 years. These individuals were technicians, held managerial or supervisory capacities, or worked in retail in a variety of paid positions in communications, retail and service industries, proprietary education and training, government, and social services. None of the participants was the owner of their organization or family member of the owner. All of the individuals had worked for their current employers for more than 10 years (one as long as 35 years); their average length of employment with their current employers was 18.6 years. The participants were in part a sample of convenience since the organizations represented were known to and geographically accessible to the researcher.



Criteria for inclusion in the research included a minimum age of 55 years and full-time, long-term employment in organizations with a stated commitment to the training of their employees. The first three participants were personally known to the researcher and one, in fact, had originally suggested the topic of inquiry. Others then joined the research project through recommendation of these first individuals, colleagues, or employers. Table 1 depicts the demographics and relevant employment details of the participants.

**Table 1. Demographics of Study Participants**

NAME	GENDER	AGE	YRS EMPLOYED	BUSINESS/INDUSTRY	POSITION
Andy	M	66	22	Government	Technician
Bob	M	60	24	Social Services	Supervisor
Carol	F	71	35	Construction Equipment	Sales
Edward	M	59	12	Communications	Technician
Florence	F	79	16	Education & Training	Manager
Helen	F	80	12	Communications	Sales
Joan	F	68	12	Real Estate	Sales
Laura	F	66	26	Social Services	Supervisor
Mike	M	64	10	Communications	Technician
Pauline	F	74	18	Education & Training	Sales
Thomas	M	69	11	Communications	Supervisor
Wanda	F	71	25	Government	Manager

Of particular interest in the inquiry were the nature of their positions (including specific tasks and related professional relationships), motivations for continued employment, training or continuing professional education opportunities, advancement prospects, and means of coping with what they perceived as discriminatory practices in their workplaces. Data to answer these queries were collected through conversational in-depth interviews and focus groups. After explaining the nature of the research and ensuring the full and informed consent of the participants, the 12 women and men participated in conversational in-depth interviews either in person or by telephone. Each interview began with the same initial scripted questions dealing with the central question of the nature of their workplace experiences and subsequent three sub-questions. These scripted questions were then followed by or interspersed with probing and clarifying questions as necessary and opportunity for the participants to add anything they felt significant to the inquiry. These initial interviews lasted approximately 90 minutes in length, were audio-taped, and transcribed verbatim for subsequent analysis.

<sup>1</sup> While participants were offered the use of pseudonyms, all of them preferred that their given names be used.

Following the interviews, participants were invited to take part in one of three focus groups lasting approximately 2½ hours each. These focus groups were conducted within six weeks of the first interview and within one week of the last interview to ensure the participants' memory of their interviews would be as current as possible. The focus groups were conducted on Friday afternoon, Saturday morning, and Sunday afternoon in public libraries geographically convenient to the participants' places of employment. Ten of the 12 participants attended at least one of the focus groups; four of them (three women and one male) attended two of the groups, and two women attended all three. The focus groups were led by the researcher, observed by a trained research assistant, and audio-taped for subsequent verbatim transcription. Each focus group began with a summary reminder of the purpose of the research project and an overview of emerging themes tentatively drawn from the interview data (Krueger & Casey, 2000). Participants then needed little encouragement in adding to the dialogue, clarifying their own and others' comments, and asking pertinent questions of their own, all of which not only served to validate the initial thematic synthesis but provided further data as well.

Beginning immediately after the first interview, data were analyzed using constant comparative methods with particular attention given phenomenological research strategies of suspended judgment and the reduction and bracketing of data. These strategies allow for concurrent collection, categorization, and synthesis of data throughout the research process. The reiterative interplay of collection and constant comparison of data continued through each interview and focus group until a point of saturation was reached with no new themes or subcategories emerging, and all data fit well into existing categories.

#### **4. Discussion of Essential Themes**

Some of the knowledge gained from the seniors in this research project followed closely the questions posed at the initiation of the study. Other funny, profound, and valuable information was gained as well as the seniors spoke candidly and philosophically about their workplace experiences, aging in general, and attributes they felt were shared among them relative to coping mechanisms, the extent of their lifelong learning, and possible differences between themselves and their younger co-workers. Findings focused on five major areas: (a) seniors' motivations for continuing employment; (b) barriers experienced in the workplace and coping mechanisms used; (c) generational differences in communication and interpersonal dynamics among seniors and their colleagues; (d) the role of self-directed learning by senior employees; and (e) the effect of age, status, and experience on security and capital in the workplace. Following is a brief discussion of these findings, primarily in the words of the 12 women and men participating in the study.

##### *Seniors' Motivations for Continuing Employment*

While there were common themes among them, the seniors' motivations for remaining in paid employment were as varied as they were. Only three among the 12 were financially secure enough to feel they didn't actually need to work. Even among these three, however, the health care and prescription drug benefits were important. As Thomas commented, "at my age, if I didn't have these health benefits, I couldn't get coverage; my prescriptions alone are reason enough for me to work!" Carol and Laura, both cancer survivors, shared the need to continue working in order to afford the expensive catastrophic illness coverage provided by their long-term employers. While not all of the 12 were covered by their employers' health care and

prescription drug benefits, all of them stressed that the salaries, benefits, and (in some cases) continued retirement contributions were among the primary reasons they continued to work.

The other uniformly significant benefit to working was the seniors' desire to remain active, both intellectually and physically. They spoke of "having someone to talk to about 'real' issues," enjoying "getting up and doing something important each morning," and "exercising my brain on a daily basis." With a hearty laugh, Florence mentioned that "at nearly 80 in a group of kids young enough to be my great-grandchildren, if they have to explain some of their new buzz words in our conversations, that's good for me – and for them. But I don't have any trouble keeping up with them!"

These two primary motivations – salary/benefits and the desire to remain active and intellectually stimulated – were shared by all the participants to varying degrees. Among the other reasons cited for their continued paid employment were interactions with younger individuals, the desire to contribute to society, the "habit and love of working," and the "need to stay out of the house and out of my children's way at home." Andy said he thought he was setting a good example for his grandchildren by continuing to work hard and that he "might even go back to school when he retired to show them you can work and learn no matter what your age."

### *Barriers in the Workplace*

Each of the 12 felt he or she had been subjected to various forms of discrimination in the workplace. Generally, such biased behavior or attitude was subtle and "hard to document; they could always call it something else if you charged them with it." Carol gave one example related to her company's attempt to move her out of sales and into a lower-paying office job after many years of outside sales in the construction business. "After I had a knee replacement, the owner tried to tell me he was worried about me falling off a roof. I asked him if he had ever known me to fall a roof or anything else before I threatened to sue him." Bob, Joan, and Mike had all experienced lay-offs in their late 40s or 50s due to down-sizing in previous positions. One company actually changed its entire benefit package to avoid paying what was considered more expensive benefits to older workers. And, seven of the participants felt they had been denied equitable salary increases and bonuses due to their age.

Other issues dealing with perceived barriers in the workplace had to do with training opportunities and subsequent advancement. Andy and Wanda, both of whom worked in government service, tried "never to mention previous military service or my age" due to the bias against both in their working environments. This was far more difficult for Wanda, who at 71 had worked in civil service for more than 20 years following her military retirement, than for Andy who looked much younger than his 66 years and was also retired from military service. Both cited examples of being "passed over for training that will help me stay employed, do my job better, and advance" and felt it was only a matter of time before some "they use some subtle, but unfair issue to force me out."

### *Coping Mechanisms*

Since all of the seniors felt some degree of bias and prejudice in the workplace, each of them had devised a variety of coping mechanisms to deal with what they perceived as discrimination. Some of the seniors were quite creative and deliberate in their use of coping mechanisms to deal with on-the-job discrimination; others were merely resigned to such treatment and chose to "try

to shrug it off like a nagging cough or pesky mosquito.” As Helen quipped, “I’ve got too little time left to let it bother me any longer. When I go, it’s their loss, isn’t it?”

Among their coping strategies were rigorous familiarity with company policy and regulatory statutes regarding equity in the workplace, knowledge of networks and activist groups with whom they could consult and ask questions, support groups of friends and family who served as “sounding boards when we need to complain,” taking initiative and even organizing learning opportunities for skill building and improving their performance, and even the creation of a website where seniors could find links to helpful resources. While one participant suggested “do your job and don’t let it get to you,” others encouraged more activist approaches to challenging discriminatory practices. Carol maintained the more “vocal and active they know you are against age discrimination, the better. They know who they can mess with and who they can’t.” And, in even stronger protective and activist language, Florence and Pauline shared that they knew “so much they don’t dare try to get rid of us!”

### *Generational Differences*

The theme of generational differences – particularly in terms of competition, interpersonal dynamics, and communication style – was first observed among the seniors in the first of the focus groups. Without fail and very soon after meeting, the participants were cooperative, respectful, communicative, and supportive of one another, interested in one another’s stories and experiences. When I mentioned how collegial and talkative their group seemed to be, Edward noted that he saw “this as one of the best ways we cope with what we put up with in the workplace.” He went on to explain that:

This sense of competition we feel when we’re younger, we’ve learned that doesn’t really get you anywhere. Now you take those 10, 20 or more years younger than us in all of our companies, they’re fighting and scrapping among themselves and using energy just to get ahead of one another. We’ve learned that cooperation, talking [about the workplace and age issues], and support of one another is more useful. It’s harder to get rid of three or four of us sticking together and talking about it.

In response to my questions about these attitudes and characteristics in the workplace, there was general agreement that seniors in the workplace tended to “stick together,” discuss their experiences, and work together far more than younger employees.

Other generational differences between seniors and their younger co-workers were also noted and, according to the participants, helped them cope with the inequities on the job. Those in management or supervisory roles spoke of being more open about work-related issues with their subordinates than younger managers or supervisors. And the four women in sales positions told of sharing customer leads, training information, inventory, and other resources with co-workers in ways that “just befuddles our younger salesmen.” So, while the generational differences might have been thought to merely reflect working style differences, they were perceived by the seniors as means that also helped them cope with the age discrimination and mediate some of the missed opportunities.

### *Role of Self-directed Learning*

Self-directed learning was lauded as an activity that not only made the seniors more valuable to their employers, but served distinct benefits to them as well. It was Pauline who first mentioned this characteristic and process of learning. Pauline had brokered educational programs and training for a proprietary continuing education firm for nearly 20 years; she explained to others in the group what it meant to be self-directed learners in their workplaces and helped them see how the concept applied to them. In her role of sales for her educational firm, she noted how she frequently instructed employees to “learn on your own to make you more valuable to your boss.” Others in the group added that learning on their “own time and initiative should show our companies that we’re more valued, not less.... Let them see how many younger ones take it on themselves to learn more about their jobs.”

After Pauline’s explanation of self-directed learning, Bob commented on how the concept was related to the work he does in his social service agency and could be of benefit to him as well:

I sometimes try to get the families I work with to learn something together on their own – anything, math, reading, how to cook a better meal on their limited incomes. I tell them it makes them more resourceful. I never thought about it until now, but the same goes for us. Learning can help keep our brains young, you know.

### *Effect of Age, Status, and Experience*

More than any other coping mechanism, the seniors in this research project recognized the value of their age, status, and experience in the workplace. While they realized they were “frequently held back from training and moving up because age” they also knew that their advanced years, expertise, and experience on the job provided an additional degree of job security in some cases. Laura and Thomas, with their experience in supervision spoke of the various types of resources in any company and added, “we are part of that human resource, and part of our capital is that we’ve been here long enough and know enough to be too valuable to let go.” Florence and Wanda, the two female managers with greater leadership and authority in their organizations, also suggested that this “status may threaten some of our younger counterparts, but it can also protect us if we use it to our advantage.”

### *Capitalizing on the Research: “What Will You Do with What We’ve Told You?”*

After the research concluded, several of the participants suggested an additional gathering – they didn’t want to call it a focus group. Their desire was to “host another meeting, one of our own, so we can tell you what should do with what we’ve shared with you!” It was during this informal gathering in one of their homes that many of the men and women asked: “What will you do with what we told you?” They wanted to know: Who will see the data? Would it make a difference for others? How could their experiences be of benefit? They ultimately offered three suggestions. First, they urged the creation of opportunities for workplace dialogue, “spaces where employees can talk and get to know what’s different about us and what we can learn about one another and our jobs, but that we’re not slow, dangerous, or a threat.” Second, they wanted to remind both organizations and educators of the value of peer-instruction by those who have the most experience and expertise in our workplaces. Third, these seniors stressed the value and cost-savings of self-directed learning for all employees and suggested ways in which organizations could support self-directed learning in the workplace. Finally, they encouraged the

creation of intergenerational work teams – teams that would not only “point out the value of older workers in America’s workplaces and protect us,” but also mentor younger employees, support cross-training on essential skills, facilitate effective succession planning, and preserve the knowledge capital of their organizations.

### **5. Conclusions and Implications for Theory and Practice**

The implications of this research are significant for both theory and practice in adult and continuing education, as well as human resource management. From a theoretical perspective, little has been written from the seniors’ perspectives about their reasons for remaining in the workplace, the training or other professional development opportunities received (or withheld), barriers perceived while employed, or coping mechanisms utilized. Thus, implications exist for additions and enhancements to the literature in human resources, adult learning and psychosocial development, and gerontology.

From a practical perspective, this research offers noteworthy, practical, and relevant suggestions for the use of workplace discussion centers, peer-instructed skills training, self-directed learning by all employees, and inter-generational work teams. The comments of the participants in this research make clear the value of capitalizing on the significant numbers of skilled, experienced older workers in today’s dynamic and complex workplace. Further opportunities for research exist as well that may cast more light on the significant issues raised by these and other seniors in America’s workplaces.

Given the “rapidly changing nature of the workplace, increasing dependence on technology, and quickening obsolescence” (Mott, 1998, pp.28-29) of knowledge and skills in today’s workplace, organizations must make every effort to not only protect the knowledge capital of their senior workers, but find ways to share this form of human and organizational capital. In doing so, seniors in our workplaces will be honored and our workplaces will be more equitable and intellectually stimulating.

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## 14. The Experiences of Retirees and their Decision to Return to the Workforce: Implications for Organizations

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### Abstract

This qualitative study was an interpretive phenomenological analysis of the meaning twelve retirees (seven men and five women) experienced the phenomenon of retiring and then returning to paid work. The essence of how the participants experienced the phenomenon which emerged from the thematic analysis of participant responses was *I am not ready to fully retire because I have more to contribute, and I want to continue to work but under less stressful and more flexible work arrangements*. The findings of the study suggest that additional research needs to be conducted on post-retirement gender differences in the barriers to returning to work, reasons to choose a particular type of work, importance of social interaction in the workplace, value conflict in intergenerational workforces, and former supervisors and managers who no longer wish to supervise or manage in post-retirement employment.

### 1. Introduction

*One hundred and four years old Ray Crist stood up yesterday morning before a crowd of applauding college students and waved, the big hand of the one-time farm boy slicing the air with gusto. It was farewell. Crist was retiring from Messiah College as probably the oldest working professor in the nation. He joined Messiah College at the age of 70, after a career in science (Turner, 2004).*

Ray Christ is an obvious exception to the current norm of the worker in the United States in terms of returning to work at an age when many people are retired, and continuing working well beyond that age. However, while 104 year old workers may not be commonplace in the next few decades, the population and the workforce of the United States and several other developed countries are continuing to age. Also, in the United States there is a “trough” in the general population and the workforce. The large cohort of *Baby Boomers* makes up the bulk of the current workforce. The Boomers are followed by a much smaller generational cohort, *Generation X*, born in the years 1965 to 1979. In many other developed countries, births are dropping below replacement rates resulting in fewer younger workers to replace those who are older (Herman, Olivo & Gioia, 2003) and exiting the workforce. In addition, the trend in the United States toward increasingly earlier retirement by men, which began in the early 1970s, has leveled off and may be reversing (Toossi, 2004).

These changes in the age of the workforce and the possible lack of necessary younger workers may cause organizations in the United States to reconsider their policies which affect retaining older workers and rehiring those who have retired from the workforce.

The purpose of this study was to discover and describe the meaning retirees ascribe to the experience of retiring and then returning to paid work, and to suggest implications for organizations and areas for further research on older workers.



## 2. Research Questions

From the perspective of the retiree, what is the essential nature of the experience of retiring and returning to paid work from retirement?

- Are there underlying structural meanings of the experience and, if so, what are they?
- What are the underlying themes and contexts that account for the experience?
- What are the universal structures that precipitate feelings and thoughts about the experience?
- What are the structural themes that facilitate the description of the retiree's experience?
- Are there implications from the experiences of these retirees that could inform organizations about the potential for hiring retirees to fill their workforce needs?

## 3. Methodology

The study followed a qualitative research design of interpretive phenomenological analysis. In order to effectively answer the research questions for this study, there needs to be an in depth exploration of the uniqueness of the experience of retirees with both retirement and the return to paid work.

### *Criterion Sampling*

Twelve retirees (seven men and five women) who had returned to paid work participated in the study. The criteria of being retired and also having returned to work were chosen based on the limited or lack of research on this particular population with respect to the decision to return to work after retirement (Rocco, Stein & Lee, 2003).

The specific criteria for participant selection were that;

- the participant has fully retired from an organization or his or her own business and is receiving income from a pension or annuity, social security or other government provided benefit, from personal assets or from a previously owned business (the participant may still have full or partial ownership of the business but not be working in the business) and,
- the participant has returned to working for pay on a full or part-time basis, either in their pre-retirement type of work and/or organization or another organization or type of work, or is operating their own business.

### *Data Collection*

The primary form of data collection was through in-depth interviews of participants, using the open-ended *grand tour* question "What has been your experience with retiring and then returning to paid work or to operating your own business?", with appropriate follow up questions, to elicit non-directed responses (Seidman, 1998; Willig, 2001). All interviews were conducted between October 2004 and January 2005.

### *Analysis*

The measures for this study were themes and the *essence* of the phenomenon of retiring and returning to work (Creswell, 1998; Moustakas, 1994; Willig, 2001) which emerged from an analysis of the text of interview transcripts of the participants.

#### 4. Findings

Two sets of themes emerged from this study. The major themes provided the context of the findings of the study; *reasons for retiring*, *reasons for returning to work*, *barriers or challenges to returning to work* and why they *chose to work for the particular organization or do the particular type of work* in their post-retirement employment. Within the context themes, specific constituent themes emerged from the participants' experience with the phenomenon (see Table 1).

Not every participant shared every constituent theme within each theme cluster. Also, there were some differences in the pattern of constituent themes shared between the men and the women who participated. The constituent themes within the major themes and the participants shared these constituent themes are shown in Table 1, with the constituent themes for the male participants in the first seven columns and the constituent themes for the female participants in the last five columns (shaded).

The essence of the participants' experience with retiring and then returning to work which emerged was *I am not ready to fully retire because I have more to contribute, and I want to continue to work but under less stressful and more flexible work arrangements*.

#### 5. Conclusion and Recommendations for Further Research

Some of the findings in this study were consistent with this prior research on older workers. This was particularly true for what retirees desired in a post-retirement job. Some of these desires were; flexibility in work schedules, the opportunity to gain or regain a feeling of making a contribution, the opportunity for challenge and mental stimulation, a transition or bridge job to retirement and the opportunity to gain extra income.

Other findings, however, raised issues which merit further research. These findings were in the areas of gender differences among retirees who return to work, no feeling of age bias in re-employment, organizational acceptance of retirees' ability to contribute, the importance of additional post-retirement income, the need to adjust to a new role or status and/or build a new reputation, the opportunity to mentor or help others, and the importance of having no supervisory responsibilities or promotion pressure in a post-retirement job.

##### *Gender Differences in Decision to Retire and Barriers or Challenges to Returning to Work*

All five of the women in this study, including the four who had *planned for their retirement*, had worked in jobs which provided them with a defined benefit annuity. This group may thus differ from the norm noted in other studies. Schulz (2001) for example noted that women have often had more irregular work patterns and therefore are dependent for retirement on benefits from a spouse or a limited amount of Social Security payments. Other studies have also found that a gap in the level of pensions between men and women, while closing somewhat, still remains (Even & Macpherson, 1994) and that there is continued segregation of women into gendered lower paying professions with lower access to training (Schulz, 2001; Simpson & Stroh, 2002; Tomaskovic-Devey & Skaggs, 2002).

The women in this study may also presage the results of the 2004 Retirement Confidence Survey by the Employee Benefits Research Institute (EBRI) that currently employed women and men are about equal in their level of confidence that they will have adequate income and assets in retirement to support a comfortable lifestyle. One exception cited in the EBRI study is that women are slightly less likely than men to feel that they will have adequate health care, long-

term care or not outlive their savings. In this study, two of the women who had planned for retirement cited the continuation of health insurance benefits at a reasonable cost as important to their retirement planning.

Table-1 Themes of Participants' Experiences with Retiring and Returning to Work by Gender

Participant Essence	P-3 M	P-4 M	P-5 M	P-6 M	P-7 M	P-8 M	P-9 M	P-1 F	P-2 F	P-10 F	P-11 F	P-12 F
<b>Reasons for Retiring</b>												
Planned - Financially or Mentally Prepared	X	X				X	X	X	X		X	X
Did Not Plan - Event or Opportunity			X		X				X		X	
Spouse Retired, Family, other things					X			X			X	X
Job Stress or Conflict			X	X	X	X	X	X			X	X
<b>Return to Work</b>												
More to Contribute	X	X		X	X		X		X	X		
Spouse Working						X		X	X			X
Social Interaction, Mental Stimulation	X		X	X			X			X	X	X
Identity tied to Work			X	X		X				X	X	
Stay Engaged/In Touch with Field	X	X			X	X	X			X	X	
Extra Income	X		X	X	X			X		X	X	X
Transition to Retirement		X	X		X	X			X			X
<b>Barriers/Challenges</b>												
Some Orgs. do Not Understand Needs of Retiree Employees	X		X		X	X						
New Role/Status, Salary Level	X		X	X		X		X	X			
Need to Build New Reputation	X	X										
Working with Younger Colleagues or Supervisors	X	X	X									
Need for New Knowledge or Skills								X	X		X	X
New Network and Interview Skills		X							X		X	
Work-Life Balance			X						X	X	X	
<b>Why This Org. or Work</b>												
Knew Org./People and they Solicited Me	X	X	X	X	X		X	X		X		X
Org. Uses my Experience, Knowledge, Contacts	X	X	X	X	X	X		X		X		X
Enjoy Work, People, Teamwork	X		X	X	X	X	X	X	X	X		X
Mentor/Help Others			X				X	X		X	X	X
No Supv. Duties, Promotion Pressure	X	X	X	X	X	X	X					
Part time, Flexible Schedule/Assignment	X		X	X	X	X	X	X	X		X	X
Pay and Benefits	X						X	X		X		X

Three of the women and one of the men were influenced in their decision to retire by the fact that their spouse had or soon would retire from their job or career. This is consistent with some of the recent studies on the marital status impact on the retirement decision (Szinovacz & DeViney, 2000), spousal influence on retirement decisions (Smith & Moen, 1998), and the retirement decision in dual career families (Gustman & Steinmeir, 2000), all of which suggested the linkage of spouses' decisions.

In the area of *barriers or challenges to returning to work* four of the women, but none of the men, cited a need to gain *new knowledge and skills* as a challenge to returning to work. Notably, these three women shifted to a different, if related, type of job where new technology or processes were in use compared their pre-retirement jobs. In contrast, all of the men in the study returned to doing work that was similar to their pre-retirement jobs so they may have had or at least acknowledged less need for skill and knowledge development. Also, three of the women, but only one of the men felt that the need to maintain their *work-life balance* was a barrier or challenge to returning to work.

Research on gender differences in the decision to retire has focused on the relative disadvantage of women in retirement due to traditionally lower income levels and less regular work patterns than men (Calasanti & Slevin, 2001; Canetto, 2001; Dailey, 1998; Even & Macpherson, 1994; Hershey, Jacobs-Lawson & Neukam, 2002; Honig, 1985; Muller, 1999; Simpson & Stroh, 2002; Tomaskovic-Devy & Skaggs, 2002). The reasons that influence men and women, particularly Baby Boomer women who have previously worked and retired, to return to the workforce have not yet been researched in detail (Calasanti & Slevin, 2001; Dailey, 1998; Rocco, Stein & Lee, 2003). Further research is needed to determine if there is or will be a shift in the future where the reasons to return to work after retirement and the barriers to returning to work become more alike or differ between men and women.

#### *No Feeling of Age Bias in the Decision to Retire or Return to Working*

None of the participants felt that that they were encouraged to retire from their organizations because of their age. Also, none felt that age was a barrier to returning to work or to the organization or type of work they chose after retiring. This may be considered unusual given the studies that reflect that a youth culture in the United States weighs against organizations valuing older workers (Auerbach & Welsh, 1994; Goldberg, 2000) and that outright age discrimination exists in the workplace (Johnson & Neumark, 1997; Montenegro, Fisher & Remez, 2002; Seagrave, 2001).

#### *Challenges of the Intergenerational Workplace*

There was some division among the men in the study over whether or not working with younger colleagues and for younger managers was an issue for them. None of the women raised this issue.

Research in intergenerational teams and the challenges of working in an intergenerational workplace has begun to be treated in the literature as the baby Boomers age and the two following generations (Generations X and Y) are moving into positions of responsibility in organizations (Karp, Fuller & Sirias, 2002; Lancaster & Stillman, 2002; Zempke, Raines & Filipczek, 2000). Most of this literature, however, is not based on empirical studies and some of the information is anecdotal. Therefore, a more concerted research effort should be undertaken to develop findings on how intergenerational teams actually work, how differences in generational

values impact work and how training and development programs and activities can be designed to be effective for all age groups in the workplace.

#### *Adjustment to a New Role or Status and the Need to Build a New Reputation in a Post-Retirement Job or Organization*

Four men in the study cited a need to make a *role or status adjustment* in their post-retirement job and organization as a challenge in returning to work. Two men further found that they had to build a new reputation in their new organization since their prior reputation did not carry over. For all of these men, this role and status and reputation adjustment was one of moving from being a manager or leader to being a worker, and from being a customer in charge of a program or organization to one of being the provider of a service.

Two of the women also cited a status adjustment, but they differed from the men. One woman, who had been a manager in a large hospital prior to retirement, did not find the shift to a non-managerial position difficult but did have some concern with having to *adjust from a higher to a lower salary* level. Another woman had not been a manager or supervisor before retiring, but she had to adjust to a change in role from being the person in the office who provided advice and knowledge on the processes and program of the office, to being in a subordinate position in the same office. Research has been done on the role of retirees (Atchley & Barusch, 2004). However, little research has been done on the role or status adjustment faced by retirees who return to work.

#### *The Move from Leader to Follower*

Another issue raised in the study that warrants further research is that the men in this study who have led organizations and supervised people in their careers were no longer interested in being supervisors, managers and leaders after they retired. In addition, they did not wish to treat their post-retirement jobs as a second career but as a means to continued satisfaction with work. They were also, however, challenged to adjust to their new role and status of not being in charge as in their post-retirement jobs. Delving further into what these former leaders and managers are looking for in post-retirement employment may provide insights into this issue.

#### *Acceptance that they Have More to Contribute*

Two of the women in the study and five of the men were not ready to fully retire from work because they felt that they had more to contribute in the way of experience, knowledge and skill to an organization or their field of work. Also, all of them felt that their organization accepted them as being able to fully contribute to organizational goals and objectives.

The research to date on the employment and/or re-employment of older workers has focused largely on the negative view by organizations of older workers as having less to contribute to organizations in an era of rapid change (Dychtwald, 1999; Goldberg, 2000). However, some organizations are beginning to recognize that older workers still have much to contribute to organizational performance and accomplishment (Feudenheim, 2005; O'Sullivan, 2003).

#### *Opportunity to Mentor or Help Others*

Four of the women and two of the men cited the opportunity for mentoring or helping others as one of the things they found to be satisfying about their post-retirement work. The capacity of older workers with experience and knowledge and strong organizational values to effectively mentor younger workers is not always recognized by organizations as an asset to be exploited

(Besl & Kale, 1996; Dess & Shaw, 2001; Geroy & Venneberg, 2003; Venneberg, Wilkinson & Geroy, 2004).

#### *Extra Income and Pay and Benefits*

Of the eight participants who cited extra income as a factor in their return to work decision, five of the eight saw the income as “nice to have” for vacations and other pursuits. In two of these three cases, the participants had income needs caused by circumstances that did not affect the others (one had a young child, and one was divorced).

Three of the women and two of the men said that the pay and benefits they received were a factor in their decision to work for their organizations or do the type of work they were doing after retirement. Of those, three cited extra income as a *need* in retirement; one to pay off some debts, one to cover his loss of assets in a divorce prior to retiring, and one for lower health benefit costs by returning to work.

The low ranking of the need for additional post-retirement income and benefits by these retirees is not consistent with the findings of others who have studied older employees who have remained in the workforce where some respondents ranked the lack of sufficient income to cover basic family needs as the primary factor influencing their decision to remain in paid employment (Fisher, Montenegro and Remez, 2002; Roper-Starch 2001). Other researchers, however, have found that there are wide variations on race, ethnicity, gender and marital status within age groups on the level of income which can support a comfortable lifestyle in retirement (Atchley & Barusch, 2004; Riggs, 2004, Schulz, 2001). The results of a study by Costa (1998) also shows that in recent years income has been less and less of a factor in the retirement decision, as both retirees’ relative wealth has increased along with their ability to migrate to lower-cost areas upon retirement.

#### *The Importance of Social Interaction in the Workplace*

Three of the men and three of the women said that they missed the social interaction aspect of work when they retired and that this factor was important in their decision to return to work. The feeling of loss of one’s social circle and other aspects of work after retirement has been treated in the literature on retirement and aging (Atchley & Barusch, 2004; Schulz, 2001). However, more research is needed on how the opportunity for social interaction may be a factor in both the choice to return to work and the choice of a post-retirement job and organization.

#### *Work-Family Balance Issues for Retiree Employees*

Considerable research has been conducted on work-family balance issues, particularly as more women have entered the workforce in the past two decades. The focus of this research has mainly been for women as the traditional family caregivers (Calasanti & Slevin, 2001; Canetto, 2001). Some research has been coming to the fore more recently on the challenge for older workers to care for elderly family members, grand parents, etc. Again this task has largely fallen to women. Little research, however, has been conducted on the specific issues facing retirees who return to work in balancing their work and family needs.

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## **15. Work: Explorations and Understandings of Human Development within Lifespan Perspectives and Ageing**

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### **Abstract**

How do principles of early life play out in the life course perspective of work and its meaning? This paper examines the psychosocial literature of early through late development with a focus on the challenges facing an aging society. It discusses what is known about work habits of older adults and explores the potential for new work roles in the second half of life. Based on survey and in-depth interview data (N=280), the presentation analyzes how older adults perceive of work as a life-long characteristic and might participate in the workforce in developmentally meaningful ways. It looks at how elders' participation in work can maximize the relationships between aging and learning, mental agility and physical well-being, survival and stagnation. It explores the life cycle development of change and work, initiates consideration of meaning-making and personal differentiation as a mode of development and gives suggestions for further reading about the potential for growth throughout the life course, specifically as it pertains to older workers.

### **1. Introduction**

Gerontological educators in the United States and abroad focus on lifespan well-being and aging, as well as responses to the demographic imperative of an aging society projected at 21.1% in 2030. We have seen an increase in research in gender, ethnic, and identity issues related to aging populations. Interest has peaked in adult learning, environmental and multidisciplinary approaches to meeting the educational needs of older adults.

This paper examines the potential for personal growth, development and learning with older adults who may have many productive years as workers. Up to now the field of gerontology has focused on policy, service delivery and health care. With the extended average lifespan of the coming cohort of elders, we will find an increase in older workers. What will this phenomenon mean to the U.S. workforce and to the workers themselves? What are the implications for the developmental processes of the life course? And what will be the response of the educational community to this phenomenon? This paper explores the world of older persons and their meaning-making in the world of work.

In the context of lifespan development, work (employment, civic engagement, and related workforce participation), plays a major role in personal identity and successful maturing. While the concept of retirement in the United States is currently undergoing reconstruction, many older individuals have been caught in a cohort-related paradox. They are living longer according to the U.S. Census data (2002) the average lifespan is 72 for men and 77 for women). Older adults are discovering that, in addition to concerns about health and finances, there are also new questions of personal identity. Sixty-five-year-olds experience themselves as late middle-aged and frequently have excellent health and cognitive abilities. They may identify themselves as supporters of grown children or grandchildren (NY Times, May 2005). There are many new roles to be fulfilled by coming generations of older Americans.

Other trends related to aging in the year 2005 include demographics. The older population is growing: currently about 13% of the population is over the age of 65. This phenomenon will

impact many levels of society: the health and social delivery systems, families, and the culture in general. Workforce participation in this population is growing. A recent headline proclaimed: "The percentage of older Americans in the workforce has risen" ("New era in help wanted: Older workers please apply," *New York Times*, March 23, 2005). Further, there is a need to shift skill-based workers into technological and caregiving positions, reconsider personal and economic status, and meet the changing patterns of a global work environment (Baltes & Carstensen, 2000; Beatty & Burroughs, 1999; Beatty & Visser, 2005; Carness & Schaie, 2003; Munnell & Jivan, 2005; Sterns & Sterns, 2005). These are the challenges we meet in 2006.

This paper explores the meaning of work within a lifespan developmental context. It looks at the literature of adult development, gender roles, and a model for change and differentiation. It examines implications of these theoretical perspectives for a construction of meaning within the workplace.

### *200 Angry Men*

*It was a quiet fall afternoon in New England. I was in my office getting ready for an evening class when the phone rang. "Hello," said the caller, "my name is Anne Dunn and I am the Director of Human Resources at W. & J. Aircraft. I was advised by the Counseling Department to call you. . . ." The essence of the call was that over 200 factory workers at W & J. had just received lay-off notices, all men over fifty years of age. Each had been given a stipend of \$3,000 to retrain for other work. Anne Dunn's job was to facilitate their retraining.*

*"Well," she said, "every time I come into the meeting room I am booed by 200 angry men. No one will make an appointment with me privately or with my colleague [a mid-20's African American woman]. I know there is something very wrong here and, since I have a master's in counseling from Saint Joseph College, I'm calling to say 'Help!' You were recommended to me because you teach lifespan development."*

What Anne wanted to know, as quickly as possible, was: What is going on in the world of the older male American worker? And how might she help him with the transition he's now facing?

## **2. Review of the Literature**

### *Lifespan Development*

What we know about the development of men in this culture is based on psychosocial research and theory of lifespan development, particularly in gender specific studies. The idea of "development" implies an understanding that human beings continue to change throughout the life cycle. Often changes are due to unfolding life events--adulthood, loss of spouse, children leaving home--and at other times to unforeseen events--downsizing of a corporation, an "off-time event," shifting demographics. (Amato & Booth, 1995; Beh, 1994; Neugarten, 1964). These changes are often stressful, requiring adaptation in life structure (Levinson, 1990, 1996).

Another view of development involves intrinsic shifting in response to environmental or biological events (Gutmann, 1987; Huyck, 1994; Jung, 1933; Levinson, Darrow, Klein, Levinson, & McKee, 1978; Levinson, 1996; Vaillant, 119, 2002.) This concept implies that we have many "selves" to play out in a lifetime and that aging or natural development provides opportunities to explore other dimensions of one's personality. In any case, adulthood does not mean that one has finished developing.

### *Gender Roles*

One area of adult development is “gender shift”: the transition from traditional life patterns or ways of making meaning that are associated with stereotypically male or female roles. We may experience unexplored parts of our personalities often associated with feminine or masculine constructs. If, for example, a woman has been raised in a traditional household, she may have imagined herself “at home,” raising children during early adulthood, and finds that this lifestyle does not suit her personality. She may wish, instead, to try working in traditionally male domains or to restructure the family experience. A man in his fifties is often observed exploring affiliative roles traditionally held by women. This is what is meant as “gender shift” and the phenomenon came to mind in my harried phone call with Anne Dunn. “Never mind factory work,” I thought, “those guys might find new developmental opportunities through exploring the care-giving roles that they may not have tried before.”

Although there is a new sense of options and choices available throughout the lifespan, and many traditional gender roles are now enjoyed by both sexes, ample research suggests that gender roles have instilled lifelong personality characteristics (Bee & Bjorklund, 2004; Huyck, 1994; Real, 1997; Turner & Turner, 1994). Feminist theorists (notably Bardwick, 1982; Gilligan, 1982, 1993; Jordan, Kaplan, Miller, Stiver, and Surrey, 1991) posit that women have been socialized in adolescence to adapt to others' expectations of femininity. Turner and Turner (1994) cite “communal” (expressive) traits as feminine. They practice caretaking, always cognizant of others' affiliative demands. However, the course of development brings with it some shifting of gender roles. In midlife, for example, women often reclaim earlier characteristics and assertiveness or, as Gilligan (1993) says, “their voices.” The shift, she observes, is the hopeful nature of development.

Margaret Huyck (1994) found that late middle-aged women described themselves as “feminine” and nearly “half of the women described some way that they had expanded on their basic feminine gender style to include aspects that they themselves had formerly regarded as ‘masculine’” (1994, p. 218):

*Younger women are seen as particularly concerned about preserving relationships and willing to trade compliance for maintenance of a valued relationship; older women are regarded as more assertive and feisty, willing to risk the rupture of a relationship in order to assert their own priorities. (p. 213)*

Men, on the other hand, are seen to develop gender-related characteristics that are identified as “thinking like a man” which includes training to be autonomous, separate, competitive, rational, instrumental (agentic) (Bee & Bjorklund, 2004; Real, 1997). Gutmann (1987) proposes that the male characteristics are especially relevant in traditional marriages where men see themselves as concerned with economics and women see themselves as nurturers. Despite an ongoing public sense that sex-role stereotypes have become antiquated, this construct is prevalent, (Huyck, 1994; Levinson, 1990, 1996; Levinson, Darrow, Klein, Levinson, & McKee, 1978; Turner & Turner, 1994; Wethington, McLeod, & Kessler, 1987). Bee and Bjorklund (2004) observe:

*It is useful to distinguish between gender roles and gender stereotypes. The former term describes what men and women actually do in a given culture in a given historical era; the latter usually refers to sets of shared, often quite inflexible, beliefs about what men and women ought to do, how they should behave, what traits they have. (p. 186)*

Researchers point to gender differences in the way adults make meaning. Williams and Best (in Bee & Bjorklund, 2004, p. 187) state that research from 25 countries found similarities in gender roles. In analyzing how men and women experience stress, Wethington, McLeod, & Kessler (1987) cite that women experience themselves as connected to “networks” of friends, neighbors, and relatives. Losses and stress of individuals in these networks (e.g., a divorce, loss of a job, medical problem) have a profound effect on women’s lives. In turn, women receive support from these networks when they have stressful events. Men, however, are different according to Wethington, McLeod, & Kessler who observe:

*Despite their involvement as helpers in a substantial minority of cases, men are apparently somehow able to avoid the personal distress that women experience from network events. One possible explanation for this male advantage is that men are less able to empathize with the distress of other people. . . we suspect that men, despite their ability to empathize, live lives that are less involved with the emotional concerns of others. (1987, p. 149)*

The authors conclude that:

1. Network events have a much greater effect on women than men.
2. Sex difference in vulnerability to events is considerably more pronounced at the edges of caring networks than at their centers.
3. Women seem to cast a wider net of concern and so are affected emotionally. . .
4. Men. . .are less affected emotionally by events occurring to people outside their immediate family. (Wethington, et. al, 1987, pp. 146-151)

Gutmann (1987) found that new roles are adopted by both older men and older women: as men age and with the passing of the “parental emergency,” men become more affiliative and women become more dominant. The androgyny of earlier life returns. Gender, in this view, is seen as related to time and place in life, and not to innate qualities distributed to men or to women (Rossi, 1985). This could mean that post-50-year-old men are inclined to embrace new kinds of work-related activities. Older men do tend to engage in affiliative and nurturing roles (Hyde, Krajnik, & Skuldt-Niederberger, 1991). When they explore esthetics, participate in family caretaking roles, and engage in other activities previously considered as “feminine domains,” they are not losing their masculinity. Rather, they are developing the unused sides of their personalities (Cooper & Gutmann, 1987)..

And the women? Gutmann (1987) Cooper and Gutmann (1987) and Huyck (1994) propose that gender stereotypes are reduced in late middle age and that men and women are challenged by the benefits: some are threatened, others liberated. Women, suggests Carol Gilligan (1993), may begin to “reexperience their own voices,” a process that allows them to become more authentic and less alienated.

How do adults experience the challenge of new “personalities” related to playing out the gender shifts? How might Anne Dunn introduce this developmental concept to 200 angry men who, when she took out her appointment book, bristled at her and her young colleague?

### *Adult Development and the Process of Differentiation*

A theoretical framework which is useful in talking about emotional identity is constructive developmentalism. Based on the work of Robert Kegan and Jean Piaget, it proposes that growth consists of discoveries and new awarenesses; that is, “emerging realities.”

Piaget (1968, 1969) described how psychological structures inform one’s understanding of the world. The structures change through assimilation and accommodation to new environmental

phenomena, causing one to understand the world differently. This ongoing cognitive process involves differentiation or “making object” of previously held assumptions as one is confronted with emerging realities. An interactive process, making object is essential to cognitive and affective functioning; it is the basis of constructive developmentalism (Kegan, 1996). Piaget observed:

*The balancing of the processes of assimilation and accommodation may be called “adaptation.” Such is the general form of psychological equilibrium, and the progressive organization of mental development appears to be simply an ever more precise adaptation to reality. (1968, p. 8)*

### **3. Implications for the Workplace**

#### *An Emerging Reality*

We all know that when we are 22 the world has settled in for us and we feel we have made sense of how things work. Why, then, at 32 should the world look so different? How *has* it changed? In fact, it has not; *we* are the ones who have changed. That is the nature of the emerging reality: *We* reconstruct reality based on new information. We adapt to the environment, continually moving toward higher and previously unknown perceptual levels. Adulthood is dynamic. The process of differentiation is lifelong. Differentiation is the means by which we grow, shift our emphasis, construct new meaning, and take on new challenges. It is central to development. Grabinski (2005) addresses change and adult learning modes based on Kegan’s model:

*It is essential that the adult development desired is development of the whole person. In addition to cognitive development for adults, it is necessary to facilitate emotional, social, and spiritual development. As adults experience changes and losses across the life course, it may be assistance with these three realms that is more helpful as they cope, adjust, and restructure their lives. (pp. 87-88)*

Grabinski suggests use of cohort groups as a support system. She quotes an example given by Kegan and his associates: “A good holding environment [i.e., support group] ‘sticks around,’ providing continuity, stability, and availability to the person in the process of growth.” (p. 82)

Workers play many roles in a lifetime: Transitions from one role to another involve social and psychological transition. Merriam (2005) describes the process used by Bridges: “a transition begins with an *ending*. We separate from an old routine, role, relationship, assumption, or view of one’s self. Endings lead to the second phase which he calls *neutral zones*. The third phase, *beginnings*, comes ‘when the endings and the time of fallow neutrality are finished’ (Bridges in Merriam, 2005, p. 92).” The developmental facilitator can provide support to challenge the worker’s way of making meaning. Support for older workers to discover themselves during and after middle age may come as learning activities, new directions, and increased opportunities to try new ventures.

Another example of differentiation in adulthood relates to the work of Robert Peck (in Neugarten, 1964). who described the “work” of the second half of life. He wrote of the tasks of middle age, one of which is found in the balance between “cathectic flexibility” and “cathectic impoverishment” (p. 89). He wrote of “the capacity to shift emotional investments from one person to another, and from one activity to another” ( 89). The struggle, he observed, is for the mature adult to shift objects, to find new meaning and new interests. Kegan and Lahey (2001) provide pragmatic suggestions for the shifting of assumptions for growth and transformation within the workplace. Interestingly, they address the language that we use in the workplace as the means to integrate growth-enhancing differentiation.

Robert Havighurst (1972) declared that life patterns should include mixtures of work, learning and leisure. Further, traditional ordering--adult gets education, finds job, marries, raises family, retires, dies--must give way to longer life cycles with several sequential careers or transitions. Included in the new tradition are shifts from gender role characteristics. One aspect of the shift is that *not all men* "think like men," and *not all women* experience themselves as caregivers. Specific gender role characteristics require "reinvention of" areas that are highly personal and developmental. These will require adaptation to changes such as the longer lifespan of women, changes in health care, shifting patterns of achievement and success in groups of older adults, and lifelong characteristics of work. Other issues may include older workers' individual experience of: reworking notions of intimacy and autonomy; redefining characteristics of care (Gilligan, 1982) as an ethic of women's meaning-making; experiencing of relationship as orientation, including new and sometimes uncomfortable shifts in dependence; accepting the continual dilemmas of separation and attachment, particularly in terms of role reversals related to work identity. Further enhancement will include shifting views of moral problems (male vs. female based on masculine patterns of instrumentalism vs. female patterns of expressive response), and refocusing issues related to achievement and success. We know that older people have a tremendous capacity to learn (Baltes & Carstensen, 2000; Beatty & Wolf, 1996; Jarvis & Parker, 2005; Wolf 1994; among others).

Finally, workplace identity is pivotal in self-concept, particularly for an older cohort (Levinson, 1990; Riggs, 2005; Riley, 2000; Schaie & Hendricks, 2000; Westerhof & Dittmann-Kohli, 2000). As historical and cultural patterns shift, coming generations will experience new kinds of work-related expectations (Beatty & Visser, 2005; Edmondson, 2005; Kleyman, P., 2005; Sterns, Sterns, & Hansson, 2005). A recent report from the Center for Retirement Research at Boston College entitled, "What Makes Older Women Work?" takes a bleak look at the financial incentives for older women which may upstage developmental mandates in the end (Munnell & Jivan, 2005).

#### **4. Conclusion**

This paper has focused on a developmental perspective of the life course and reviewed the psychosocial literature of early and later life development. It looked at the process of change inherent in the lifespan with a view to construction of the self. One last component remains: to look at the phenomenon of work from the perspective of the older worker.

In ethnographic research on the lives of older adults (N=280) it was found that the workplace identity is particularly significant to older men. However, older women, too, have had positive associations with workplace identity, particularly in the later stages of their lives when they had greater authority in the workplace. Both genders felt that they had contributed to the community through connections to the workforce and had experienced a sense of "purpose in life" and environmental mastery. It is clear, then, that older adult males and females care deeply about work. These findings are consistent with the theoretical perspective of Westerhof and Dittmann-Kohli (2002) who declare:

*Work plays a central role in this institutionalization of the life course: The triad of education, work, and retirement is the central core around which it has taken place. On a societal level, the life course has become an institutional pattern that structures social relations among persons in Western societies. On an individual level, society provides a standard biography, particularly for men: education, work, and retirement. Adults in our society define and interpret themselves and their lives generally in relation to this standard biography. Work plays an important role in*

one's subjective theory about aspects of self and life that may impede or facilitate the quest for a meaningful existence. (p. 123)

Individual aging patterns now afford for increased longevity and continued well-being well into the seventh decade. Research on older persons points to an increase in the potential workforce as well as enhanced strengths and capabilities of older persons *who remain in the workforce* (Riley, 2000). These capabilities include improvement in intellectual functioning with stimulating environments, increased learning in later life, improvement of memory and shortening of reaction time (Riley, 2000, p. 468). With motivation to contribute and opportunities for stimulation, older workers might find incentives to seek new positions (Beatty & Visser, 2005; Beatty & Burroughs, 1999; Cox, Parks, Hamonds & Sekhon, 2005/6; Edmondson, 2005; Kegan, 1994; Kleyman, 2005). Lifespan development is just that: continued growing, using "sides of oneself" that have yet to be tapped. With new options, rewarding changes in opportunities, continuing differentiation, and educational support, the older worker might "reinvent" him or herself and yet explore untraveled paths.

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