THE ROLE OF LINE MANAGERS IN RETIREMENT MANAGEMENT AND THEIR PERCEPTIONS OF THEIR ROLE OF THE TIMING OF EMPLOYEE RETIREMENT

Eleanor Davies, John Stephenson and Katie Dhingra

The Business School, University of Huddersfield

Recognising the role of the employer in retirement

- Government policies towards older workers generally seek to extend working life
  - Abolition of the default retirement age in 2011
  - Planned increase of State Pension Age

- Research in social policy and vocational behaviour literatures suggest factors 'push' older workers out of the workforce (age discrimination and stereotyping, skills deficits, work pressure, inflexible work schedules)

- Employers, as institutional actors, therefore have a role in shaping the working environment and choice structures open to employees.

Retirement management

- Bundle of HR practices which target older workers and influence the timing and manner of employees' end of career behaviours
- Pre-, during and post- retirement
- Hard HR policies (policies, age appropriate health and safety, performance management, flexible retirement practices)
- Soft HR (good interpersonal relations, supportive culture, challenging stereotyped norms)

How can line managers affect retirement?

Discretionary influence of line managers over alterative retirement configurations

- Direct supervisor approval is normally needed to take up flexible working arrangements
- Evidence indicates that supervisors are often reluctant to permit workplace flexibility due to fears of negative impact on workplace performance (Jaoko, 2012, Sladek & Hollander, 2009)
- Supervisors are responsible for the advice, support, motivation and encouragement of staff (Henkens and van Dalen, 2011)
- Supervisors are responsible for the type of work allocated to an employee
- Supervisory behaviour requires individuals to exercise their own judgements and decision making

Implementation

Supervisor support is critical to successful implementation of workplace flexibility

Achieving workplace flexibility requires a supportive workplace culture; unsupportive supervisors may undermine the effectiveness of flexibility policies

General climate

Managerial staff are important in perceptions of feelings of work / respect

Line managers as agents of the organisation

- Mandatory retirement ages minimised role of HR and line managers

- Early retirement schemes could by-pass line managers

- Without mandatory retirement the emergence culture of extending working, the potential influence of line managers is much greater

Key questions

1) Who is responsible for retirement management (HR / Line Managers / Both)

2) How much training / support have line managers had for managing retirement?

3) Do line managers think they should be involved in retirement management?

4) What are the determinants of managers' perceptions of their role in employee retirement decisions.

Theoretical framework
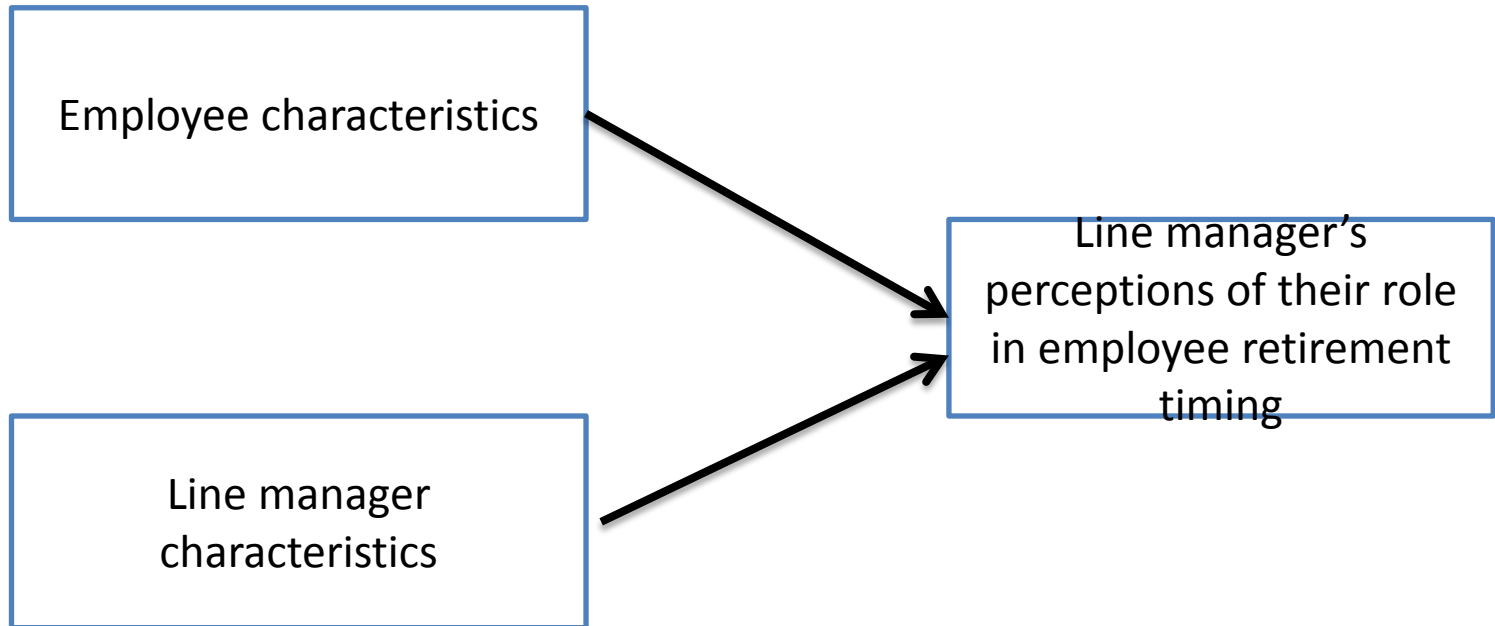
Level 1 employee characteristics

Task considerations
- Align operational leadership to the broader institutional mission (determining work groups, allocating task, allocation of resources)
- Implications for retirement: LMs are mindful of the influence of retirement on the organisational, for example, knowledge loss, contribution of staff member to organisational goes, succession planning, retention of highly performing staff
- *Variables: employee performance, ease of* employee *replacement*

Welfare considerations (guardians of employee welfare)
- Assist employees achieve their own goal – even when at odds with the organisation, managing employees as humans instead of resources
- Implications for retirement: LMs may be mindful of an employee's own retirement preferences (desirable / undesirable), employees' work related attitudes
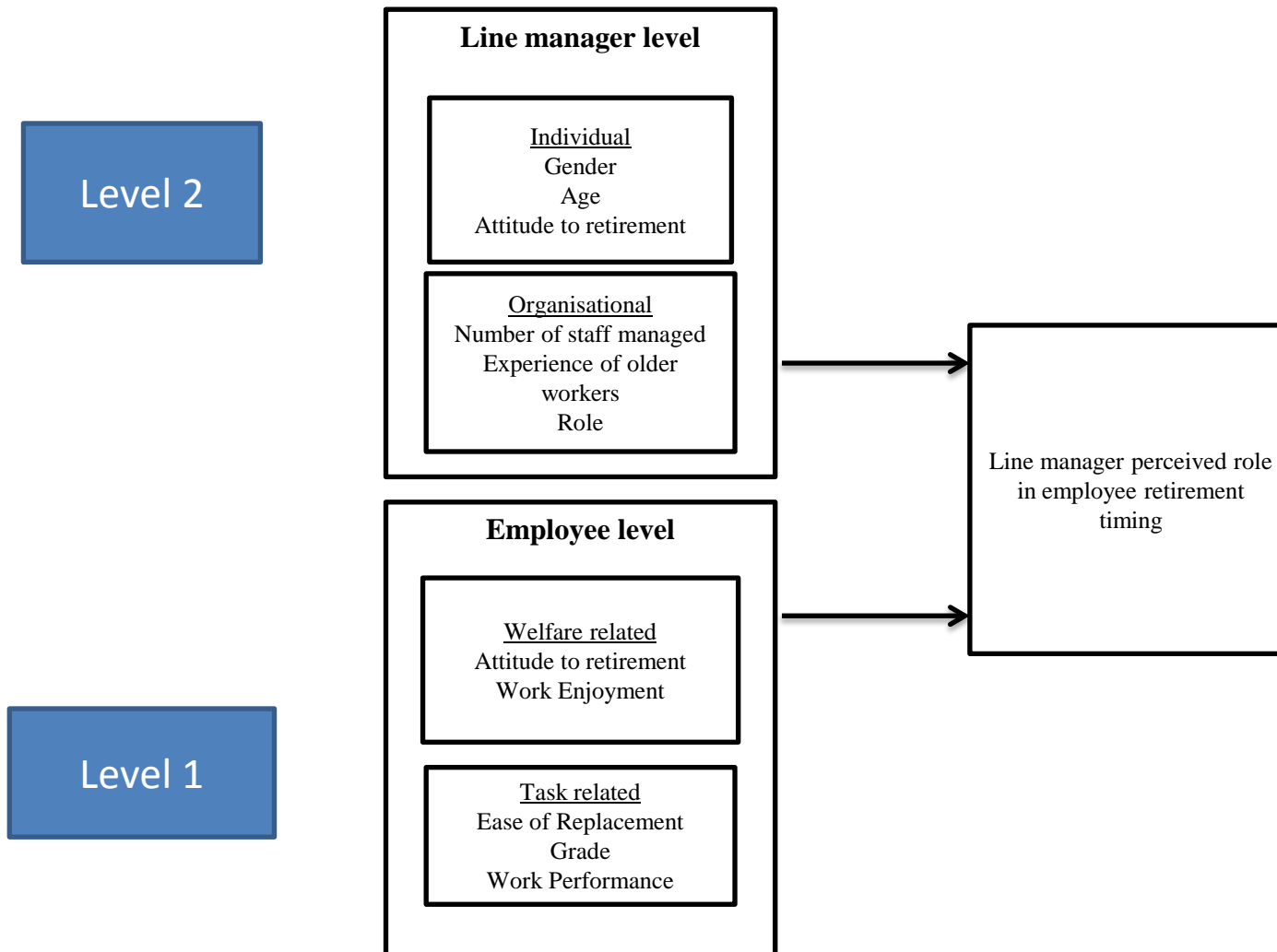- *Variables: employee attitude to retirement , employee attitude to work*

Line manager characteristics

Individual differences influence line managers' values and decisions

Selected variables derived from earlier studies:
- Retirement experience
- LM own expectations of retirement
- Gender
- Age

Theoretical framework

Level 2

Level 1

Line manager level

Individual
Gender
Age
Attitude to retirement

Organisational
Number of staff managed
Experience of older workers
Role

Employee level

Welfare related
Attitude to retirement
Work Enjoyment

Task related
Ease of Replacement
Grade
Work Performance

Line manager perceived role in employee retirement timing

Study

Academic line managers (N=129) from UK universities (73% male, 27% female)

Study 1: Survey questions
-   Demographics (age, management experience, gender)
-   Line manager attitude to own retirement
-   Who is responsible for retirement management (derived from content analysis of guidance documents)
-   Training for retirement management
-   Retirement management self-efficacy

Study 2: Data collected:

Vignettes (Hypothetical scenarios of older workers). Each line manager responded to 8 vignettes

Whose responsibility?

Line manager	Human resources	Both	Neither	
				Older workforce friendly environment
24.0%	3.1%	72.1%	0.8%	Maintain equity and fairness between staff members ensuring that there is not more favourable treatment of an employee because of their age
42.6%	9.3%	46.5%	1.6%	Allow flexible working options around retirement (i.e., part-time or reduced hours, working from home)
38.0%	3.9%	52.7%	5.4%	Encourage older workers to take up training / development opportunities
20.9%	8.5%	69.0%	1.6%	Ensure older workers are aware of the training opportunities that are relevant to them
14.7%	14.7%	59.7%	10.9%	Challenge stereotypes about older workers
18.6%	17.1%	55.8%	8.5%	Reduce the potential cultural barriers to flexible retirement (e.g., lack of awareness amongst other employees, attitudes and beliefs of colleagues)
30.2%	9.3%	38.8%	21.7%	Take proactive steps to engage and retain older workers
22.5%	25.6%	48.8%	3.1%	Review health and safety policies and promote sensible working practices for older workers
28.7%	24.0%	34.1%	13.2%	Carry out health and safety workplace assessments and take account of the needs of older workers
				Work performance
94.6%	0.0%	3.9%	1.6%	Have regular conversations with all employees about your expectations of them and their work performance
48.1%	5.4%	44.2%	2.3%	Use performance management systems to manage any under-performance
				Workforce planning
32.6%	9.3%	55.0%	3.1%	Monitor who is leaving your department and why
83.0%	0.0%	16.3%	0.8%	Prepare succession plans
86.8%	0.0%	11.6%	1.6%	Plan the transfer of key knowledge, skills and experience back into your department
20.2%	12.4%	4.9%	32.6%	Determine when employees are likely to retire

Is this a legitimate function of management?

Whose responsibility?

Line manager	Human resources	Both	Neither	
				Individual communication and support
44.2%	10.9%	37.2%	7.8%	Encourage employees to discuss their options for working on and for retirement
25.6%	10.1%	58.9%	5.4%	Accommodate an older worker's individual circumstances (e.g. financial, health and skills) through personalised working arrangements
21.7%	17.8%	55.8%	4.7%	Explore with an older worker any potential barriers to taking up flexible retirement (e.g., fears over loss of status, concerns about financial implications)
17.8%	21.7%	56.6%	3.9%	Offer older workers support in their choices around the timing of their retirement
92.2%	0.0%	4.7%	3.1%	Initiate discussions with employees about where they see themselves in the next few years
				Information provision
9.3%	55.0%	33.3%	2.3%	Provide, or direct employees to sources of information and advice on retirement options/extending working life
9.3%	26.4%	59.7%	4.7%	Inform older workers of the availability of flexible working or retirement arrangements (e.g., part-time or reduced hours)

*Line managers do not see themselves as information providers*

Self efficacy

Line manager	Human resources	Both	Neither		Self efficacy	
				Older workforce friendly environment	M (1-5)	SD
24.0%	3.1%	72.1%	0.8%	Maintain equity and fairness between staff members ensuring that there is not more favourable treatment of an employee because of their age	3.84	.84
42.6%	9.3%	46.5%	1.6%	Allow flexible working options around retirement (i.e., part-time or reduced hours, working from home)	3.56	.10
38.0%	3.9%	52.7%	5.4%	Encourage older workers to take up training / development opportunities	3.47	.88
20.9%	8.5%	69.0%	1.6%	Ensure older workers are aware of the training opportunities that are relevant to them	3.40	.91
14.7%	14.7%	59.7%	10.9%	Challenge stereotypes about older workers	3.36	1.13
18.6%	17.1%	55.8%	8.5%	Reduce the potential cultural barriers to flexible retirement (e.g., lack of awareness amongst other employees, attitudes and beliefs of colleagues)	3.10	.96
30.2%	9.3%	38.8%	21.7%	Take proactive steps to engage and retain older workers	3.16	1.17
22.5%	25.6%	48.8%	3.1%	Review health and safety policies and promote sensible working practices for older workers	3.09	1.09
28.7%	24.0%	34.1%	13.2%	Carry out health and safety workplace assessments and take account of the needs of older workers	2.98	1.87
				Work performance		
94.6%	0.0%	3.9%	1.6%	Have regular conversations with all employees about your expectations of them and their work performance	4.13	.75
48.1%	5.4%	44.2%	2.3%	Use performance management systems to manage any under-performance	3.60	.91
				Workforce planning		
32.6%	9.3%	55.0%	3.1%	Monitor who is leaving your department and why	3.89	.83
83.0%	0.0%	16.3%	0.8%	Prepare succession plans	3.87	.82
86.8%	0.0%	11.6%	1.6%	Plan the transfer of key knowledge, skills and experience back into your department	3.76	.86
20.2%	12.4%	4.9%	32.6%	Determine when employees are likely to retire	3.11	1.18

Self efficacy

| Line manager	Human resources	Both	Neither		Self efficacy	
				Individual communication and support	**M**	**SD**
44.2%	10.9%	37.2%	7.8%	Encourage employees to discuss their options for working on and for retirement	3.49	1.08
25.6%	10.1%	58.9%	5.4%	Accommodate an older worker's individual circumstances (e.g. financial, health and skills) through personalised working arrangements	3.34	.10
21.7%	17.8%	55.8%	4.7%	Explore with an older worker any potential barriers to taking up flexible retirement (e.g., fears over loss of status, concerns about financial implications)	3.29	1.03
17.8%	21.7%	56.6%	3.9%	Offer older workers support in their choices around the timing of their retirement		
92.2%	0.0%	4.7%	3.1%	Initiate discussions with employees about where they see themselves in the next few years		
				Information provision		
9.3%	55.0%	33.3%	2.3%	Provide, or direct employees to sources of information and advice on retirement options/extending working life	2.75	1.06
9.3%	26.4%	59.7%	4.7%	Inform older workers of the availability of flexible working or retirement arrangements (e.g., part-time or reduced hours)	3.19	1.08

Line managers perceive relatively high levels of discretion ...

How much **discretion** do you have over the way you manage the retirement process of your older workers?

Mean = 3.08
Std. Dev. = 1.077
N = 128
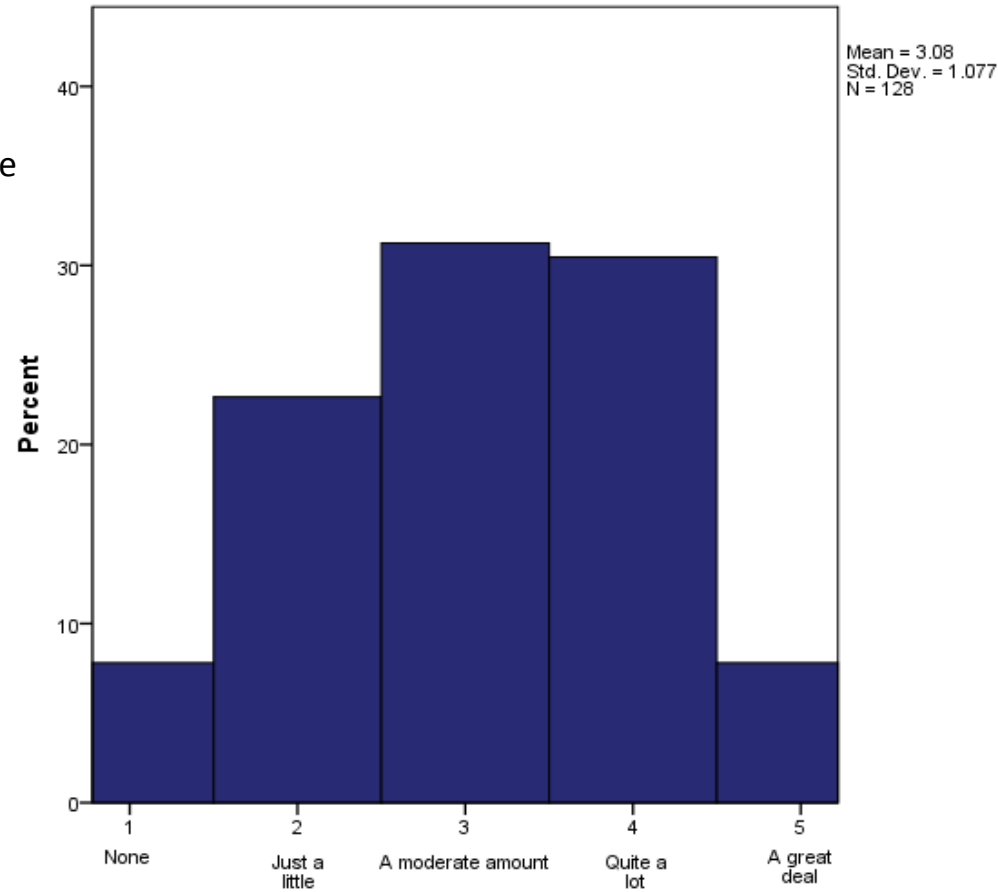
…and feel supported in their role

To what extent would your line manager support your decision-making over retirement timing and providing flexible working arrangements?
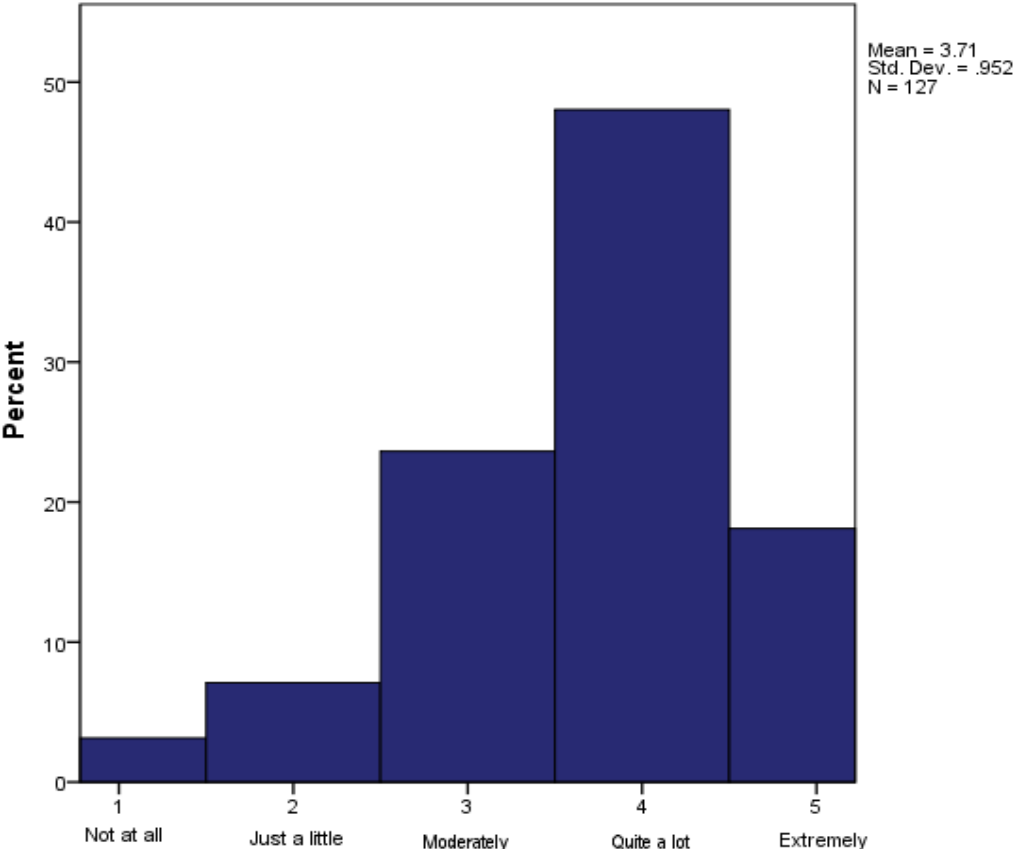
They have little training

Item	M (SD)
Operate/manage without a fixed retirement age	1.80 (0.92)
Organisational policies relating to managing retirement	1.80 (0.92)
Implications of the abolition of the default retirement age on HR practices (e.g., discrimination, performance management and succession planning)	1.93 (1.00)

|	N	Percent
Via the staff handbook	26	20.2
Management training	49	38.0
Staff Intranet	49	38.0
Communication from Human Resources	101	78.3
Via your line manager	31	24.0
During induction	7	5.4
In recruitment interviews	0	0.0
In your employee contract	0	0.0
In recruitment advertising	0	0.0
None of the above	21	16.3

Vignette study

- 192 unique vignettes were created, derived from the employee level independent variables
- Elicit the effects in a systematic way

Mary is a Professor. She enjoys work. She is in good health. You do not know how this staff member feels about retirement. Lately, Mary's work performance has been good. If she were to retire now, she would be relatively easy to replace.

As Mary's line manager, to what extent do you think you have a role to play in the timing of the retirement?

No role   1   2   3   4   5   Definitely have a role

Line managers have mixed views about their role in the timing of employee retirement
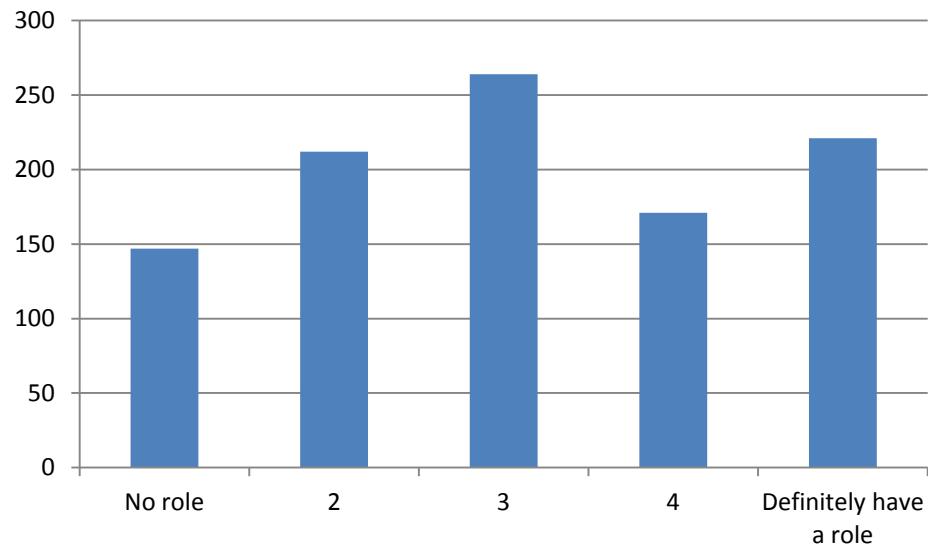
N=1029 vignettes

Model specification	Factor/Covariate	p-value	Odds ratio	
			Best estimate	95% CI
All Level 1 variables forced entry[1]	Gender	0.765	1.05	(0.77, 1.43)
	Attitude	0.470	1.13	(0.81, 1.56)
	Grade	0.569	1.09	(0.80, 1.49)
	Enjoyment	0.801	0.96	(0.71, 1.30)
	Health	0.809	1.04	(0.76, 1.41)
	Replace	0.606	1.08	(0.80, 1.47)
	Performance	0.556	0.91	(0.67, 1.24)
Level 1 variables substantively significant in multiple model only	-	-	-	-
All Level 2 variables forced entry	Continue	0.906	0.95	(0.42, 2.18)
	Gender-R	0.133	2.04	(0.80, 5.20)
	Age	0.015	2.95	(1.23, 7.07)
	Staff level	0.706	1.00	(1.00, 1.00)
	Experience	0.055	2.25	(0.98, 5.15)
	Role	0.620	0.76	(0.26, 2.25)
Level 2 variables substantively significant in multiple model only	Gender-R	0.102	2.09	(0.86, 5.06)
	Age	0.011	2.94	(1.29, 6.84)
	Experience	0.051	2.18	(1.00, 4.78)
Final model	Gender-R	0.102	2.09	(0.86, 5.06)
	Age	0.011	2.94	(1.29, 6.84)
	Experience	0.051	2.18	(1.00, 4.78)

Multiple logistic regression model: p-values, odds ratios and confidence intervals

Summary of results

- Line managers in this study perceive that they have a role to play in specific aspects of retirement management, they do have discretionary space and support

- They have limited training, but report moderately high levels of self-efficacy

- The majority of respondents did not consider they had a role

- There are individual differences between line managers in perceptions of role in retirement management: older and more experienced managers perceive they have a greater role in employee retirement management. Line managers' attitudes to their own retirement had no effect.

- No effects were found for employee related characteristics

Implications

- Individuals: although evidence suggests that employees respond to supervisor requests to work longer: employees can not rely on supervisors to be proactive.

- More broadly, it is important to recognise the role that supervisors play. They may downgrade their influence.
- Organisational policy:
    - neutralise the impact of supervisors - this is an inflexible option;
    - develop supervisors into assuming the role of being the of the organisation. Supervisors may need to 'buy-into' these concepts.
- Research design:
    - What is the influence of the way in which the dependent variable is framed?
    - To what extent are line managers aware of their roles – anecdotal evidence suggests that many respondents (or non-respondents) considered that RM was not high up their agenda
    - Limitations of academic sample

- Future research
    - Impact of leadership styles, in particular, LMX relationships between managers / employee