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Impact of Managers' Age Norms and Stereotypes

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Abstract

Delaying mandatory retirement age is one of the measures that governments across Europe propose to combat future labour force shortages. Although a growing number of older workers are willing to extend their working career, the evidence suggests that employers favour early retirement rather than retention of older workers. The current study examines how managers evaluate the desirability of postponing retirement of older workers and what is the impact of age norms and ageist stereotypes on managers' decisions. To investigate this question, a factorial study among 238 managers in Dutch organizations was conducted. Profiles of hypothetical older workers were presented to the employers, who evaluated the desirability of keeping them in the organization for a few more years. Information on age norms and age stereotypes, collected a month before the vignette study was administered, was consecutively combined in the analysis. The results indicate that keeping older workers until the mandatory retirement age is not essential for managers. Our study also shows that age norms positively affect managers' propensity to retain older workers.

Key words: retention, stereotypes, age norms, older workers.

Word count: 6882

Introduction

In many European countries pension reforms are implemented to restrict access to early exit schemes and promote longer working lives. The prolongation of working life is not only regarded as an important instrument to secure pensions in the future but also as an answer to both the expected demographically induced labour shortages as well as the changing age composition of the workforce. At the same time, survey results show that support for later retirement is relatively low among employers (van Dalen, Henkens and Schippers, 2010). This paper examines the factors that hamper the prolonged employment of older workers at the organizational level by looking at managers' support for older workers' retention and the factors that influence this support – or lack thereof.

The decision to retain older workers is always taken in the context of a dynamically changing organization. A basic tenet of organizational theory is that organizations are goal-oriented systems that strive towards profit maximization, continuity, and maintenance of a healthy market position (Kalleberg, Knoke, Marsden, and Spaeth, 1996). Managers are supposed to contribute to these goals by, among other things, maintaining qualified staff that contributes best to the organizational goals (Kalleberg et al., 1996). Within this context, managers' dispositions towards older workers can affect their retention in several ways: one way is directly, as older workers are more likely to delay retirement if they think their manager supports their employment (van Solinge and Henkens, 2007). Lack of managerial support, however, can push older workers into premature and involuntary retirement. Indirectly, managers' attitudes towards older workers' employment can determine a work environment and training possibilities that either support prolonged employment or channel workers into retirement (Chiu, Chan, Snape and Redman, 2001).

Dispositions towards older workers and their retention are not always very positive (Organisation for Economic Co-operation and Development (OECD), 2006; van Dalen et al., 2010). Stereotypical views of older workers are pervasive and portray them as inflexible, less productive, more expensive than their younger colleagues, and motivated to retire as soon as possible (Chiu et al., 2001; Finkelstein and Burke, 1998; Lee and Clemons, 1985; Loretto, Duncan, and White, 2000; McCann and H. Giles, 2003; Taylor and Walker, 1998)(McCann and H. Giles, 2003). Age norms at the workplace also illustrate attitudes towards older workers. Age-based timetables indicate the proper age of retirement, suggesting that employment beyond that age is not desirable (Settersten and Hagestad, 1996). Although studies offer insight into general attitudes towards older workers and age norms regarding retirement, little is known about their impact on specific employment decisions regarding individual older workers.

The evidence suggests that managers are more likely to retain older workers than to recruit them (Daniel and Heywood, 2007). Whereas the hiring decisions involve 'outsiders',

i.e. external applicants, retention deals with ‘insiders’ – current staff members whose strengths and weaknesses managers were able to evaluate during the employment history. Dealing with insiders lowers the uncertainty that is a part of the hiring process. Consequently, it may restrict application of general images that are assumed to lower the transaction costs when external applicants are hired (Phelps, 1972; van Dalen et al., 2010). Dealing with insiders also raises the issue of significance of individual characteristics. In this paper we investigate what aspects of older workers’ employability – defined in terms of e.g. human capital, health and occupation flexibility – influence older workers’ retention chances. Moreover, the question arises as to whether managers evaluate the same factors similarly for different categories of older workers. Hayward and Hardy (Hayward and Hardy, 1985) showed that determinants of early retirement vary substantially across occupational work contexts. This suggests that retention chances of low- and high-skilled workers may be determined by different factors.

To investigate what factors affect managers’ retention decisions, a combination of a survey and a vignette study was designed. A factorial design (vignette study) is a method that allows the exploration of actions in context and offers an opportunity to simulate retention decisions (Rossi and Anderson, 1982). The data for our study were collected in two stages. First we carried out the survey among managers and collected information on age norms and age-related stereotypes (Study 1). A vignette study among the same group of managers (Study 2) was conducted a month later. All managers were asked to make retention recommendations for five hypothetical workers who are eligible for early retirement. Those workers were on average 60 years old.

The study was conducted in the Netherlands, where labour market policies have recently changed substantially, from encouragement of early exit (supported by financially attractive early retirement programmes) to encouragement of working longer. A recent agreement between social partners aims at increasing the mandatory retirement age from 65 to 67. The Netherlands, however, is still characterized by a strong early exit culture and low job mobility among older workers (Koppes, De Vroome, Mol, Janssen and van den Bossche, 2008; OECD, 2006). Although access to premature exit from the labour force has been limited, only about 20 per cent of Dutch citizens remain employed until the statutory retirement age of 65. A substantial number of workers who retired before the mandatory retirement age consider their transition into retirement as involuntary (van Solinge and Henkens, 2007).

Theoretical background

Managers’ decisions to retain those older workers eligible for early retirement can be affected by various factors. Aspects of the organizational context, characteristics of older workers and

managers' own general dispositions towards older workers are assumed to contribute to such decisions. We elaborate on all of these factors below.

Organizational context

The context of an organization defines the opportunity structure for workers' retention. Macro-level developments (e.g. economic changes and labour force shortages) or changes in demand for output influence managers' strategies and consequently also employment decisions. During an economic downturn managers will need to shed jobs rather than encourage older workers to stay longer with organizations. Older workers are targeted when an organization downsizes because due to the seniority principle their wages are often higher than those of their younger counterparts (Lazear, 1981). Also, society finds it more acceptable to make older workers redundant than younger workers (Armstrong-Stassen and Cattaneo, 2010). By contrast, managers facing structural or incidental labour force shortages may be inclined to retain their older workers to deal with workforce shortages. We therefore expect that *managers will be more inclined to recommend retention of older workers who are eligible for early retirement when the organization faces labour force shortages.*

Attributes of employees

Next to the organizational forces, managers also evaluate workers' characteristics. Perceived contribution to organizational goals plays a crucial role in managers' recommendation. Workers' human capital, defined as a set of skills necessary to perform labour, is a direct measure of productivity (Becker, 1975). Although essential in the hiring process, human capital is also important when evaluating retention. In line with human capital theory (Becker, 1975), individuals' investments in human capital are made during the person's educational career. The skills and experience that are built over a long working career also have a strong influence on the individual's productivity in different roles (Eijs and Heijke, 2000; Thurow, 1975). Older workers have been accumulating their experience over the years and their specific human capital has grown considerably. Retirement of these employees would mean loss of that valuable organization capital. We therefore expect that *managers will be more inclined to recommend retention of older workers who possess knowledge that is difficult to replace.*

Occupational flexibility is another aspect of older workers' human capital. It reflects the versatility of workers' skills and their competencies. Occupational flexibility, in the form of technical and cognitive capabilities, is crucial for organizations to cope with different corporate needs (Michellone and Zollo, 2000). The current labour markets require workers to have a broad scope of competencies while discarding the task-oriented approach towards employment. This stresses the importance of occupational flexibility for successful

employment. We therefore expect that *managers will be more inclined to recommend retention of older workers who are occupationally flexible.*

Human capital may become outdated with workers' age. Updating human capital is an essential element of employee performance (OECD, 2006). Offering training possibilities for older workers is an often-neglected avenue of human resources policies in many companies, as the expected period that the organization can profit from the investment is relatively short in the case of workers approaching retirement (Bassanini, Booth, Brunello, De Paola, and Leuven, 2005; Bishop, 1997; OECD, 2006). And yet the evidence also suggests that older workers are not very eager to participate in skill-updating programs (Fouarge, Schils and de Grip, 2010). Workers who are not motivated to participate in training jeopardize their productivity, as they miss the opportunity to update their skills. Moreover, they are signalling low employment motivation to their employers. We therefore expect that *managers will be more inclined to recommend retention of older workers who are willing to participate in training.*

A factor not necessarily related is the health status of older workers. Poor health puts workers' productivity at risk and casts doubts on performance continuity. Although older persons are less likely to be absent due to illness, once ill they take more time to recover (Gellatly, 1995; McCann and Giles, 2003). For retention purposes, managers possess more information on the health condition of their staff than when hiring unknown applicants. Yet it is difficult to predict potential future deterioration. Managers aware of the health problems of their current staff will take this into consideration when recommending retention. We therefore predict that *managers will be more inclined to recommend retention of older workers in good health.*

Next to the human capital and health issues, workers' perceived motivation to retire also plays a role in their retention. Henkens et al. (2009) showed that workers' retirement plans are often (implicitly) taken into consideration. On the one hand, managers assess workers' personal circumstances and preferences, and often share an opinion that older workers have 'paid' their share and early retirement is a reward for their years of loyal service (Henkens, 2000). On the other hand, they perceive a desire to retire as a sign of low work motivation that can lead to less efficient contributions to organizational goals. We therefore expect that *managers will be less likely to recommend retention of older workers who are looking out for retirement.*

Retention of older workers will be also affected by their work-related behaviour and attitudes. Beehr and colleagues (Beehr, Weisbrodt and Zagumny, 1994) have described them as 'functional work relationships', i.e. behaviours that managers prefer or expect from their subordinates, which makes it easier to supervise them. A similar definition describes 'occupational citizenship behaviours' as behaviours that are not job-specific but which

support broader organizational environment (Ng and Feldman, 2008). Examples of these behaviours and attitudes can include (but are not limited to) cooperation, conscientiousness, respect for the supervisor, not complaining about trivial matters, helping colleagues, etc. (Beehr et al., 1994; Ng and Feldman, 2008). As such, they are broader in scope than performance alone and are assumed to make managers' life easier, help achieve their goals and facilitate management. Beehr and colleagues (Beehr et al., 1994) concluded that subordinates' work behaviours increased managers' satisfaction with them, which in turn may determine managers' propensity to retain older workers. We therefore expect that *managers will be more inclined to recommend retention of older workers who are easy to manage.*

Dispositions of managers

In their retention choices managers may also be affected by their dispositions towards older workers and their retention, reflected by age norms and stereotypes. Social norms are customary rules of behaviour that coordinate human interaction and can operate either as part of actors' environment or shape individuals' predispositions (Etzioni, 2000). Whatever the means of control (internal or external), sociologists, and recently also economists, claim that social norms are an important feature that influences individuals' behaviour (Coleman, 1990; Etzioni, 2000). In the current study we focused on age norms regarding employment transitions (Settersten and Hagestad, 1996). As indicated by Van Solinge and Henkens (2007), norms illustrate the appropriate time to retire. Older workers compare themselves to existing social timetables to decide if they should exit the labour force, and act accordingly. Managers' age norms towards older workers' retirement are assumed to affect retention of older workers similarly. Managers will encourage employment when they believe it is still appropriate. While age norms about the 'right time' to retire are formally expressed in age boundaries established by public and private pension schemes, the customary age norms held by managers do not necessarily follow that lead. We therefore hypothesize that *managers who have a higher age norm with respect to retirement timing will be more likely to recommend retention of older workers.*

Stereotypes are another aspect of managers' dispositions. Well-documented evidence suggests that employers often see older workers as inflexible, unwilling (or unable) to adapt to the changing work environment, and less productive than their younger colleagues. The same studies confirm, however, that older workers are valued for their trustworthiness, specific knowledge and interpersonal skills (Chiu et al., 2001; Finkelstein and Burke, 1998; Lee and Clemons, 1985; Loretto et al., 2000; McCann and Giles, 2003; Taylor and Walker, 1998). Van Dalen et al. (2010) have captured this dual aspect of stereotypes regarding older workers' productivity. They showed that employers' attitudes towards older workers reflect two dimensions: hard and soft skills. Soft skills are defined as qualities that can be

characterized as ‘organizational citizenship behaviour’ – pro-social behaviour that is not job-specific but which supports the broader organizational environment in which jobs are performed (Ng and Feldman, 2008; Van Dalen et al., 2010). Hard skills, on the contrary, reflect mental and physical capacity, willingness to learn new skills and to adapt to new technologies, and flexibility. One important aspect of stereotypes is that prevailing views may affect managers’ discriminatory attitudes and behaviour (Chiu et al., 2001). We therefore expect that *managers who have more positive perceptions of older workers’ hard and soft skills will be more inclined to recommend retention of older workers.*

Difference between low- and high-skilled workers

Demands from older workers depend greatly on their ability to meet job requirements, both mentally and physically. As different occupations require different skills in their daily routine, retention chances of different categories of older workers will also differ. Employer surveys indicate that managers are less likely to embrace older low-skilled workers than older professionals (Munnell, Sass and Soto, 2006). Low-skilled workers work disproportionately more in physically demanding jobs than those with more education (Eyster, Johnson and Toder, 2008). Consequently, a good health situation is assumed to be more important for low-skilled older workers’ productivity than for that of high-skilled workers. For high-skilled older workers, job-specific knowledge is assumed to be more important than for low-skilled workers. We therefore predict that *retention chances of low-skilled older workers will be more affected by their health than the chances of high-skilled workers.*

DATA AND METHODS

To answer the research questions, a combination of survey research (Study1) with a factorial study (Study 2) was designed. First a survey was administered to managers, and one month later the same managers were approached again to complete a vignette study. With this one-month gap between the studies we limited the risk of bias related to potential carryover effects that can occur if the same respondents are subject to two experimental conditions (Leeuw, Hox and Dillman, 2008). We collected the data by accessing the sample of the Longitudinal Internet Studies for the Social Sciences of Tilburg University (<http://www.lissdata.nl/lissdata/>). LISS is an Internet panel that consists of 5000 households, comprising 8000 individuals. All individuals were selected based on a true probability sample of households drawn from the population register by Statistics Netherlands.

Study 1

During Study 1, panel members who held a managerial position at the time of the study were identified and presented with questions on stereotypes regarding older workers, age norms and background characteristics. The data was collected in April 2010.

Participants

Managers in the LISS panel were identified based on the questions: *What is your current occupation?* and *Do you supervise others?*. In total 426 managers participated in Study 1. Those managers were approached a month later to participate in Study 2. The final sample consisted of 238 managers and included managers who participated in both studies. Three categories of managers are represented according to the LISS panel distinction:¹ *higher supervisory positions* (manager, director, owner of large company, supervisory civil servant; N=99), *intermediate supervisory or commercial positions* (head representative, department manager, shopkeeper; N=99) and *supervisory manual workers* (N=40). The sample consisted of 182 males and 56 females, and the mean age of respondents was 45.3 (range 24-65, SD=9.45). For details see Table 1 in the Appendix.

[TABLE 1 ABOUT HERE]

Measurements

Existing age norms are measured on the basis of the open question: *At what age do you consider a person too old to work in your organization for 20 hours a week or more?* This question was previously posed in a representative survey of European employers (Henkens and van Dalen, 2011). The answer ranged from 40 to 100. To avoid problems with outliers, answers were truncated between 50 and 80. The sensitivity analyses proved this coding to be robust. The mean of the age managers responded in the total sample was 64.7 years with a SD of 5.9. Modal value of age was 65 – approximately 32 percent of respondents indicated that the retirement age of 65 is when a person is too old to work 20 hours or more. About 9 percent of managers indicated age norms for retirement transition to be in the 50-59 age range: for 60.5 percent of respondents the age range was 60-65 and for roughly 30 percent above age 65. We have also computed means for the separate subsamples – managers who supervise low- and high-skilled workers. The age norm for managers predominantly supervising low-skilled workers was 63.9 (SD =6.62), while for those who supervised high-skilled workers it was 64.6 (SD= 5.89). For the distribution of the answers for the total sample of managers, see Figure 1 in the Appendix.

¹ For distinctions between respondents' professions see:
http://www.lissdata.nl/dataarchive/study_units/view/145.

[FIGURE 1 ABOUT HERE]

Stereotypes were measured with two questions. First we asked: *To what extent do the following characteristics apply to workers aged 60 or older?* And: *To what extent do the following characteristics apply to workers aged 35 and younger?* The age of 60 is the average age of early retirement in the Netherlands at the time of the study, and the age of 35 generally marks the time in the life course when Dutch employees obtain tenure (Van Dalen et al., 2010). The characteristics presented in both questions were: *flexibility, social skills, commitment to organization, creativity, management skills, reliability, willingness to learn, physical capacity, resistance to stress, new technological skills*. The answer categories were (1) hardly, (2) somewhat, (3) strongly, and (4) very strongly. For the distribution of answers see Figure 2 in the Appendix.

[FIGURE 2 ABOUT HERE]

Based on the factor analysis, two factors were selected: *soft* and *hard skills* (Van Dalen et al., 2010). In the consecutive analyses relative scores scales – level to which those characteristics apply to older workers compared to their younger counterparts – were computed. The *soft skills* scale consists of the following four items: *social skills, commitment to organization, management skills, reliability* (range 0.28-2.33; Cronbach's alpha=0.859). The mean value exceeds 1 (M=1.16, SD=0.41), implying that on average workers aged 60 or older were perceived to possess those skills more than younger workers. The *hard skills* scale is based on these items: *creativity, flexibility, willingness to learn, physical capacity, resistance to stress, new technological skills* (range 0.33-3.5, Cronbach's alpha=0.839). The hard-skills scale is lower than 1 (M=0.68, SD=0.27), meaning that on average managers consider those skills as more applicable to younger rather than older workers.

To rule out multicollinearity problems between age stereotypes and age norms, correlations between those concepts were calculated. The results indicate that stereotypes as measured in this study were not strongly correlated with the measure of age norms. The correlation between the soft-qualities scale and age norm was 0.157 ($p < 0.001$), and for the hard-qualities scale it was 0.126 ($p < 0.001$).

Subordinates' position level was determined by the question: *What is the required education level for the position you supervise most often?* Following earlier studies (Steedman and McIntosh, 2001), we defined *low-skilled workers* as those in occupations requiring primary or lower secondary education (equivalent of ISCED levels 0, 1 and 2). In total 45 managers supervised low-skilled workers. Represented occupations included packaging positions, gardening, street cleaning. All other educational levels were included in the *high-*

skilled workers category (ISCED 3 and higher). In the sample 193 managers supervised those workers. High-skilled occupations were diverse, ranging from administrative employees to scientists.

During this study the control variables *respondents' gender* and *respondents' age* were also collected.

Study 2

Study 2 consisted of a factorial vignette survey. A vignette study is a method intended for the investigation of human actions. The basic item of the survey is a vignette, which is a short description of a situation or a person, generated by combining characteristics randomly manipulated by the researcher (Ganong and Coleman, 2006; Wallander, 2009).

Participants

For Study 2, all respondents who participated in the first round were contacted to participate in the vignette survey. A total of 238 managers participated and the response rate for Study 2 was 82.3 percent. In Study 2 each manager judged 5 vignettes, resulting in a total of 1190 vignettes.

Measurements

In Study 2 various hypothetical older workers who were eligible for early retirement were described by several characteristics. The retention situation was placed in a specific context. The eight vignette characteristics were: *organizational context* (organization facing structural labour force shortages, incidental labour force shortages, no labour force shortages, need for downsizing); *knowledge and experience* (difficult to replace/not difficult to replace); *occupational flexibility* (yes/ no); *attitude towards retirement* (looking forward to it/ not looking forward); *health condition* (healthy/frail); *motivation to participate in training* (high, average, low); *manageability* (employee easy to manage, sometimes not easy to manage, difficult to manage). In the vignettes we also included *worker's age* (59, 61, 63 and 65). Given all possible combinations of the variables and their respective levels, the universe of 2304 unique vignettes was created (i.e. $4 \times 2 \times 4 \times 2 \times 2 \times 2 \times 3 \times 3$; for details see Table 2). None of the vignettes contained impossible combination of the factors.

[TABLE 2 ABOUT HERE]

In a vignette survey only a random selection from the vignette universe is judged by respondents (Wallander, 2009). In our study, each participant received a random sample of 5 vignettes (random selection with replacement). The instruction was as follows:

Below you can find the description of older workers who are eligible for early retirement. Please indicate, for each profile, what is the likelihood of you willing to retain that older worker for a few more years in your organization for the position you supervise most often.

Each manager rated each vignette on an 11-point scale, ranging from 1 (postponing early retirement very undesirable) to 11 (postponing early retirement very desirable). For an example of a vignette used in the study, see Figure 3 in Appendix.

[FIGURE 3 ABOUT HERE]

Analyses

In a vignette design, the unit of analysis is the vignette (Coleman, 1990; Ganong and Coleman, 2006). As each manager judged five vignettes, our factorial survey data have a hierarchical structure by design, therefore observations are not independent (Wallander, 2009). Multilevel models were applied to deal with the hierarchical structure of the data (Hox, 2002). Fixed models were estimated. Level-2 variables included in each model comprised variables at the level of managers (managers' dispositions and their demographic characteristics), level-1 variables consisted of individual attributes of older workers that were included in vignettes. All the variables measured in Study 2 were included in the analysis as dummy variables, so the weights estimated for each dummy variable are comparable. For the sake of simplicity, the stepwise model estimation is not presented (details of the analysis available upon request). This study also looked at differences in evaluations of low- and high-skilled workers, and separate models were estimated for both groups. Testing for equality of the coefficients between both subsamples was done with the Chow test (Gould, 2002).

Results

First, we estimated an empty model for the total sample that decomposed the variance between the two levels of analysis (results not presented). The intercepts showed that, on a scale ranging from 1 to 11, retention desirability for older workers was 5.09. An interclass correlation indicated that approximately 25 percent of the total variance was accounted for by the grouping of the data. The hiring recommendation did differ between managers, although most variation existed among managers, i.e. at the level of vignette.

Table 3 reports the results of the analysis. The first column presents the results for the total sample, while columns 2 and 3 show the estimated results of separate analyses for the subsamples of low- and high- skilled workers, respectively.

[TABLE 3 ABOUT HERE]

The analysis looked at three groups of factors to explain managers' retention recommendation: organizational context and managers's individual characteristics and dispositions. With respect to organizational context, we found that managers were more likely to recommend retention if their organization faced labour force shortages. That applies to structural as well as incidental labour force shortages. Organizations facing no such shortage did not differ significantly from the reference category of organizations in need of downsizing.

With respect to older workers' characteristics, our analysis confirmed the importance of human capital for retention. Older workers were more likely to get retained if they were healthy and when their knowledge was difficult to replace. Moreover, workers' attitudes also contributed to their retention chances. Workers who were highly or moderately willing to participate in training were more likely to get retention recommendation than their unmotivated counterparts. Looking forward to retirement decreased workers' chances for retention. Older workers who were easy to manage or caused managing difficulties only occasionally were more likely to be retained than more difficult colleagues. In the analysis we also controlled for workers' age. Workers faced lower chances for retention if they were 65 years old as compared to workers at age 59. For all other age categories no significant differences with the reference category were found.

Next to organizational and individual attributes we also estimated the impact of managerial dispositions on retention of older workers. Age norms did affect managers' retention recommendations: managers who held higher age norms about the appropriate time to retire were more likely to recommend retention. Next to norms, the effect of age stereotypes was also estimated. Contrary to our expectations, perception of hard skills was not a significant predictor of managerial recommendations. Conversely, managers who perceived older workers to possess more soft qualities than younger workers were more likely to recommend their retention.

In the analysis we also controlled for individual characteristics of managers. Neither their age nor their gender affected retention propensity. With respect to organization characteristics, the findings reveal that there was no significant difference between managers employed in industry or services (as compared to the reference category, public sector) in how they evaluate retention desirability of older workers (results not shown).

Our analysis also tests for the random effects of individual characteristics of older workers, i.e. whether the effects of those characteristics differ across managers and organizations (results not shown). None of the random effects was significant, indicating that managers evaluate individual factors similarly.

Differences between low- and high-skilled workers

To establish whether the factors influencing attitudes towards retention of older workers differ between managers supervising low- and high-skilled workers, separate analyses were estimated for both subsamples. The results are presented in columns 2 and 3 of Table 3. The results of the Chow test indicate that neither of the evaluated factors differed significantly in evolutions managers made of low- and high-skilled workers: managers thus assigned fairly consistent weights to factors included in the analysis.

The sensitivity tests were conducted in the consecutive steps. In our model we included several interaction terms of our predictor variables with a continuous measure of job level (ISCED). These interaction terms proved to be non-significant. As such, the results of those analyses (available upon request) did not differ from earlier tests and indicate that our explanatory model did not differ significantly between higher- and lower-skilled workers in our data.

Retention of older workers

The analysis has shown that various factors contribute to managers' retention recommendations. To illustrate the importance of the different groups of explanatory variables, retention recommendation scores were predicted for various market conditions and managers' norms about retirement age, based on the full model presented in Table 3. Older workers were defined in terms of their employability, e.g. the ability to secure and maintain employment (Fugate, Kinicki and Ashforth, 2004). We defined workers with *high employability* as those whose experience was difficult to replace and were versatile in their tasks, healthy, willing to participate in training and motivated to stay employed. Workers characterized by *low employability* did not have experience that was difficult to replace, were not occupationally flexible, were in frail health, were not willing to participate in training and were looking forward to retirement. Table 4 depicts the predicted scores. The results show that in the situation where organizations shed jobs and managers' age norm was low (i.e. 50 years), the predicted retention recommendation score for highly employable older workers was just above the neutral value – 6.3, on a scale to 11. This score rose substantially to 8.2 when managers' age norm increased to 80. Chances of highly employable workers for retention increased even further – to 9.3 – when organizations faced labour force shortages. Low-employable older workers in organizations that needed to shed jobs, supervised by a manager who held age norms of 50, received a score of 3.5. Their low retention chances did not exceed the neutral value even when managers's age norms increased to 80 and the organization faced structural labour force shortages. In short, these results suggest that the employment opportunities for high-employable older workers are to a large extent dependent

on labour market circumstances and existing age norms within organizations. Older workers with low employability have few opportunities even when there are labour market shortages and few normative barriers to their employment.

Discussion and conclusions

The current study focused on the factors that affect managers' recommendations to retain older workers eligible for early retirement. To examine this issue, a combination of a survey and vignette research was designed. The data was collected among a sample of 238 managers in various Dutch organizations and multilevel models were estimated. The study shows that managers' attitudes towards retention of older workers are influenced by labour market conditions (in particular labour force shortages), individual attributes of older workers, and dispositions of managers.

With respect to managers' dispositions, our study showed that age norms regarding retirement significantly affected managers' recommendations to retain older workers. Managers who held higher age norms were much more likely to support an employee's retention. Despite this positive result, managerial support for prolonged employment of older workers seems rather limited, with few managers supporting work beyond the age of 65. Managers' normative dispositions do not yet follow the institutional changes that rise public pension eligibility age to 67 (Stichting van de Arbeid, 2011). These dispositions can thus form an obstacle for the employment of older workers.

Next to the effect of age norms, managers' general perceptions of older workers were evaluated. These general attitudes regarding the productivity of older workers did not have a major influence on managers' ratings of individual vignettes. Perception of hard qualities did not significantly affect retention recommendations of managers, while a slight positive effect was found for the perception of soft qualities. In an earlier study Henkens (2005) showed that perception of stereotypes did affect managers' general opinions about the retention desirability of older workers. Similarly, Chiu et al. (2001) concluded that stereotypes are related to discriminatory work attitudes managers hold towards older workers. The current analysis suggests that general stereotype attitudes of managers do not influence their specific retention recommendation when more information on workers' individual attributes and the opportunity structure in the organization is available.

The study shed more light on older workers' chances of postponing their retirement, and shows that older workers who intend to remain active in the labour market until their statutory retirement age are confronted with various restrictions. Retention of older workers was largely affected by their own circumstances. Our study demonstrates that low-employable workers have very limited chances of remaining employed, even if the labour market conditions and the dispositions of managers are positive. When workers do possess valuable

assets, their chances for retention are still highly dependent on the organizational context and the dispositions of managers. The results suggest that although skills maintenance and lifelong learning are a key to older workers' labour force participation, the restrictions present in the labour market are crucial when retention is considered. Van Solinge and Henkens (2007) already concluded that substantial numbers of older workers have limited agency over their retirement transitions. Our study confirms that view, showing that organizational context and negative attitudes of managers form a barrier to workers' prolonged employment.

Furthermore, our study revealed that managers evaluated various attributes similarly, regardless of the position level of their subordinates. This suggests that low- and high-skilled workers face the same type of restrictions in the labour force. Our study did not aim at estimating differences in retention of low- and high-skilled workers. Establishing what the retention chances are for those groups is an interesting avenue for future research.

We conclude with some methodological remarks. We combined survey research with a vignette design, which we see as a noteworthy strength of this study. Factorial surveys are suitable for investigating decisions that are normally difficult to examine because they are rare events or involve complex multi-attribute situations (Ganong and Coleman, 2006; Wallander, 2009). Surveys, on the other hand, offer the possibility of gathering a wide range of information on context and general attitudes. Our design has clear advantages compared to a single-method research design, as it offers the possibility to model the impact of general attitudes on retention of specific older workers. One has to keep in mind, however, that we asked managers to assess hypothetical situations. In real life hiring participants may act or decide differently.

Changes in labour market regulations, with an increased retirement age and the abolishment of mandatory retirement, lead to a deinstitutionalisation of retirement, with more variation in retirement choices for older workers. Retirement becomes an outcome of workers' plans and employment opportunities provided by employers. In this changing context, insight into managers' attitudes is increasingly important. Karpinska et al. (2011) showed how re-employment opportunities for early retirees were restricted by managerial dispositions towards older workers. This paper shows that these dispositions also influence the employment prospects of insiders who are still employed. Combating discrimination in the labour market and changing the dispositions of managers towards older workers is therefore highly relevant for increasing their labour market participation.

Acknowledgement

This paper draws on data of the LISS panel of CentERdata.

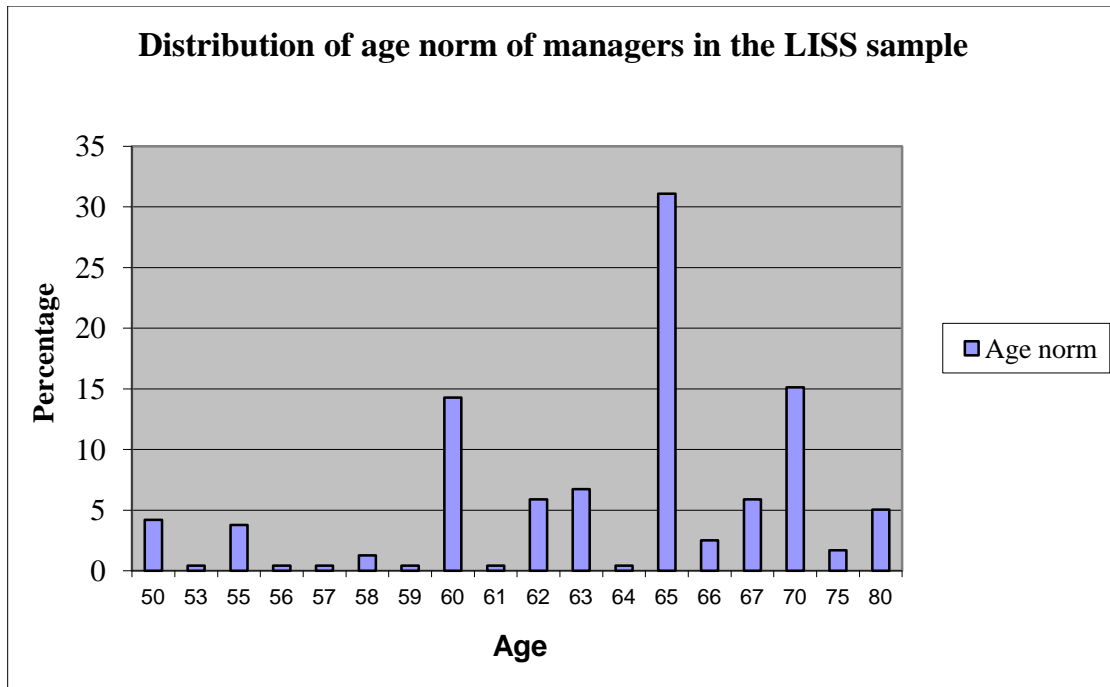
Appendix

Table 1. Descriptive statistics of the sample used in the data, N=238.

	Min	Max	Mean/ %	St. Dev.
DEPENDENT VARIABLE				
Retention recommendation				
Total sample	1	11	5.09	2.52
Low-skilled workers	1	11	5.22	2.39
High-skilled workers	1	11	5.06	2.55
INDEPENDENT VARIABLES				
Dispositions				
Stereotypes- relative scores				
Hard qualities – total sample	0.33	3.5	0.68	0.27
Hard qualities – low-skilled workers			0.74	0.24
Hard qualities – high skilled workers			0.66	0.27
Soft qualities – total sample	0.28	2.33	1.16	0.41
Soft qualities – low skilled workers			1.15	0.44
Soft qualities – high skilled workers			1.16	0.40
Age norm				
Total sample	50	80	64.5	6.04
Low-skilled workers	50	80	63.9	6.62
High-skilled workers	50	80	64.6	5.89
Characteristics of respondents				
Managerial position				
Higher supervisory positions	0	1	41.5	
Intermediate supervisory or commercial positions	0	1	41.5	
Supervisory manual workers	0	1	16.8	
Age (years)	24	65	45.3	9.4
Male	0	1	76.4	
Education (years)	8	18	15.5	2.55
Job level of subordinates				
Low-skilled	0	1	18.9	
High-skilled	0	1	81.1	
Size of organization	10	10000	375.8	1048.54
Sector				
Industry	0	1	26.4	
Services	0	1	38.8	
Public	0	1	34.8	

Note: Source: LISS panel study

Figure 1. Distribution of age norms held by managers.



Source: LISS panel study.

Figure 2. Stereotypes held by managers about older and younger workers.

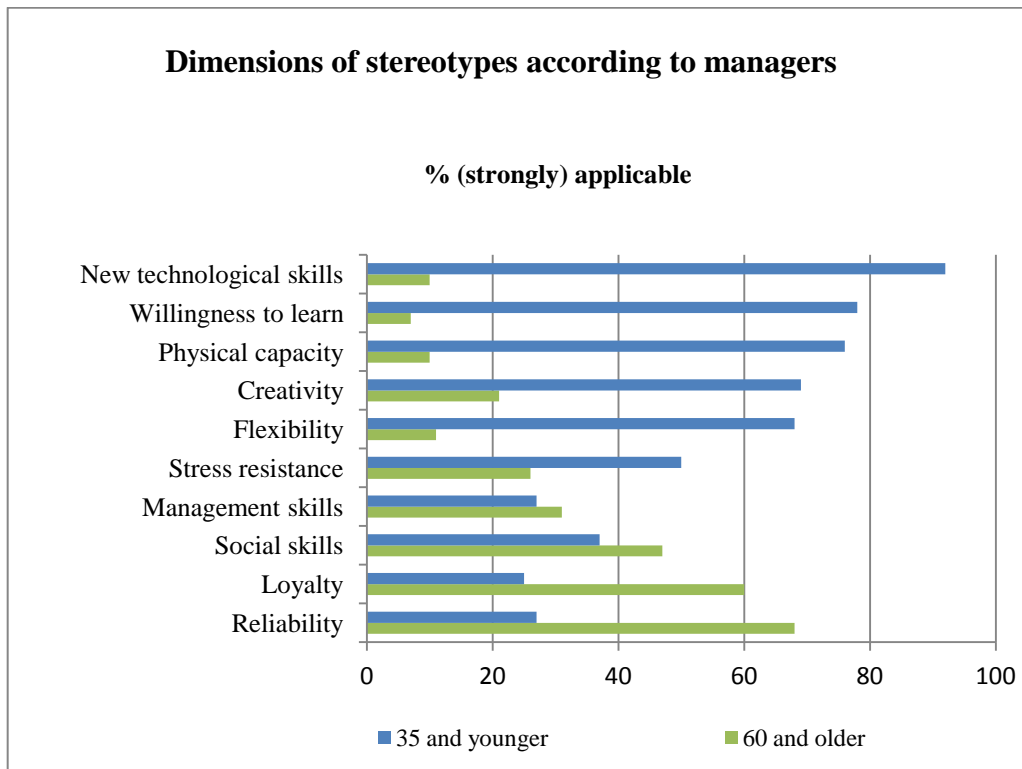


Table 2. Organizational contexts and job applicants' attributes in the vignette

Item	Categories
Organization	
Organizational context	Structural labour force shortages Incidental labour force shortages No labour force shortages Need for downsizing
Employee	
Knowledge and experience	Difficult to replace Not difficult to replace
Age (years)	59 61 63 65
Occupationally flexible	Yes No
Attitude towards retirement	Looking forward Not looking forward
Health	Healthy Frail
Willingness to participate in training	High Average Low
Manageability	Employee easy to manage Employee occasionally difficult to manage Employee difficult to manage
Note: Source: <i>LISS panel study</i>	

Figure 3. Example of a vignette.

Below you can find the description of older workers who are eligible for early retirement. Please indicate, for each profile, what is the likelihood of you willing to retain that older worker for a few more years in your organization for the position you supervise most often.

Context	
Organizational context	Structural labour force shortages
Applicant	
Knowledge difficult to replace	Yes
Age (years)	65
Occupationally flexible	Yes
Attitude towards retirement	Looking forward
Health	Good
Willingness to participate in training	Low
Managing employee	Employee sometimes difficult to manage

What is the likelihood of you willing to retain that older worker for few more years in your organization for the position you most often supervise?

1	2	3	4	5	6	7	8	9	10	11
Retaining very undesirable					Neutral		Retaining very desirable			

Table 3. Results of the multilevel analysis of the retention recommendation.

	Total workers	Low-skilled	Highly-skilled
FIXED EFFECTS			
Organizational context			
Structural labour force shortage ^a	1.154**(7.32)	1.396***(4.04)	1.082***(6.12)
Incidental labour force shortage	0.970**(6.22)	0.849*(2.40)	1.003***(5.79)
No labour force shortage	0.254(1.61)	-0.124(-0.34)	0.335 (1.91)
Need for downsizing	—	—	—
Employees' attributes			
Knowledge and experience			
Difficult to replace	1.521***(13.51)	1.140***(4.61)	1.614***(12.70)
Not difficult to replace	—	—	—
Employee's age (years)			
65	-0.839***(-5.31)	-0.393(-1.16)	-0.924***(-5.22)
63	-0.187(-1.17)	0.031(0.08)	-0.218(-1.23)
61	-0.111(-0.75)	-0.186(-0.56)	-0.084(-0.51)
59	—	—	—
Occupationally flexible (ref. no)	0.464*** (4.16)	0.630* (2.56)	0.426***(3.41)
Attitude towards retirement			
Looking forward	-0.721***(-6.52)	-1.006***(-4.14)	-0.669***(-5.41)
Not looking forward	—	—	—
Good health (ref. frail)	0.917***(8.19)	0.825***(3.38)	0.911***(7.23)
Willingness to participate in training			
High	0.686***(5.02)	0.998***(3.36)	0.614***(4.01)
Moderate	0.444***(3.29)	0.680*(2.29)	0.401**(2.67)
Low	—	—	—
Managing an employee			
Easy to manage	0.778***(5.66)	0.640*(2.05)	0.800***(5.23)
Occasionally difficult to manage	0.624***(4.54)	0.983***(3.38)	0.517***(3.33)
Difficult to manage	—	—	—
Managers' characteristics			
Age norm	0.063***(3.94)	0.053 (1.70)	0.066***(3.61)
Hard stereotypes	-0.466(-1.27)	-1.184 (-1.19)	-0.346(-0.87)
Soft stereotypes	0.561*(2.35)	0.393 (0.76)	0.675* (2.51)
Age	0.006(0.57)	0.037 (1.63)	0.000 (0.02)
Male (ref. female)	0.312(1.37)	0.614 (1.16)	0.251 (0.99)
Low-skilled workers (ref. high-skilled workers)	0.304 (1.24)		
Constant	-2.286(-1.87)	-2.496 (-1.00)	-2.324 (-1.77)
RANDOM EFFECTS			
Variance level 2	1.54 (0.201)	1.37 (0.41)	1.54 (0.22)
Variance level 1	3.12 (0.143)	2.66 (0.28)	3.18(0.16)
MODEL FIT (degrees of freedom)	-2515.88 (20)	-4.58.03(19)	-2046.62 (20)
N of vignettes (N of respondents)	1190 (238)	255 (45)	965 (193)

Notes: in parentheses: *t*-test scores for coefficients, Standard error for variance components * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table 4. Predicted scores of retention recommendation for high- and low-employable workers in different organizational settings.

	High-employable worker	Low-employable worker
Downsizing – age norm low (age 50)	6.3	2.4
Downsizing – age norm high (age 80)	8.2	4.3
Labour force shortage – age norm high (age 80)	9.3	5.4

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