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ISBN 978-3-319-08006-2 ISBN 978-3-319-08007-9 (eBook)
DOI 10.1007/978-3-319-08007-9
Springer Cham Heidelberg New York Dordrecht London

Library of Congress Control Number: 2014949556



Printed on acid-free paper

Springer is part of Springer Science+Business Media (www.springer.com)

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**Michael Clark** is Senior Lecturer in Human Resource Management at the University of the West of England and a member of the university's Centre for Employment Studies Research. His early career was spent in central and local government. His Ph.D. at Loughborough University, which he completed in 2007, concerned the relationship between generativity and different aspects of psychological growth in the context of middle and later career. His research continues to concern generativity and personal growth.

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# Chapter 1
# Introduction to Aging Workers and the Employee-Employer Relationship

**P. Matthijs Bal, Dorien T.A.M. Kooij, and Denise M. Rousseau**

## 1.1 Introduction

The world's population is aging rapidly (United Nations, 2009). In 2009, one out of nine persons in the world was older than 60. In 2050, one out of every five persons is expected to be 60 years or older (United Nations, 2009). In the world's more developed regions, estimates are that one out of three will be 60 years or over by 2050. These changes, which are coming rapidly, particularly in the developed world, are attributable to three trends since the end of World War II. First, the baby boom generation currently constitutes the largest birth cohort ever to approach retirement age. Second, declining fertility rates in many countries lead to fewer younger people relative to older adults. Women on average have fewer children, especially among more developed regions (United Nations, 2009). Finally, life expectancies across the world are increasing as people become healthier through greater access to healthcare and improved societal infrastructure. The consequence of these trends is an increase in the proportion of older people related to younger people, with Japan, Italy, Germany and Sweden headlining these changes (United Nations, 2004, 2009).

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_1

At the same time, statutory retirement ages have not kept fast enough pace with the aging of the population. As a result, the social services and monetary support provided to non-working older adults increasingly depend on a small proportion of younger working people.

Both governments and firms need to adapt to these changes. For governments, this can mean increasing the statutory retirement age to stimulate older people to continue working, make it financially unattractive to retire early, and keep government spending controllable through lower government contributions to pensions of its citizens. For firms it can mean making greater effort to retain older workers (Truxillo & Fraccaroli, 2013), while at the same time the available number of younger workers is decreasing (Hess & Jepsen, 2009). The challenge organizations face is tremendous as they attempt to maintain employees' motivation, health and productivity over the course of their working lives, especially at later ages. Yet, relatively few practice-oriented studies have been conducted to identify what works and what doesn't in addressing these challenges. Important questions remain unanswered.

As the topic of aging workers is becoming increasingly popular among researchers there is an increasing body of scientific knowledge regarding the age-related changes workers experience. There remain, however, two gaps that this book attempts to address. The first is the gap between research findings on older workers and broader concepts in Organizational Behavior (OB) including leadership, employment relationships and psychological contracts, learning and employee well-being. The second is the gap between findings regarding the experience and treatment of older workers and the practices evident in contemporary Human Resource Management (HRM).

This book focuses on the integration of knowledge about aging workers with both broader research on OB and HRM. Although other books have been written about the aging workforce (e.g., Hedge & Borman, 2012; Shultz & Adams, 2007), their focus has been the general influence of demographic changes and age on workers themselves. We aim to tie together insights from research on aging at work with knowledge and insights from OB and the practice of HRM. Our scientific and practical contribution lies in the integration of the two areas. Doing so provides researchers more information on the utility of existing theory and research on organizational behavior for understanding the aging workforce and vice versa. At the same time, it informs practitioners and policymakers in identifying practices that promote motivation, health and productivity among workers until their retirement.

Building on HRM and OB research on the employment relationship, we characterize the relationship as an exchange relationship between employees and their organization (Blau, 1964; Simon, 1991) involving a broad array of resources (Foa, 1971; Gouldner, 1960). The inducements the employer offers employees (e.g., HR practices) influence their ability, motivation and opportunity to perform, and hence their productivity (Appelbaum, Bailey, Berg, & Kalleberg, 2000). To sustain employee well-being over time, organizations improve working conditions, offer the opportunity to adjust the work in order to lower job demands and help them maintain work-life balance. These adjustments allow workers to continue working

at later stages of their career in good health (Greenhaus, Callanan, & Godshalk, 2010). However, even though these theoretical notions have been around for decades, the notion of a shifting exchange relationship between employee and organization has rarely been integrated into research on aging workers. Questions of how older workers differ from younger workers in their employment relationship are seldom investigated. Nonetheless, younger and older workers can differ in their expected as well as preferred exchanges with an employer. Such differences have consequences for (how) motivation and productivity (are influenced). For organizations facing the challenges of demographic changes, of primary interest is how to retain and optimize work motivation and performance of older workers, as well as how workers themselves can proactively uphold their motivation and performance throughout their career.

A critical trivial question is what constitutes '*age*'. It turns out that the construct of age is worth investigating in itself (e.g., Kooij, De Lange, Jansen, & Dikkers, 2008). Age is an umbrella construct in which all possible age-related changes are captured that people experience when they grow older. Moreover, these age-related changes do not occur equally among all people, but large inter-individual differences among people of the same age increase the need for a more sophisticated perspective on aging at work (Bal, De Jong, Jansen, & Bakker, 2012; Kooij et al., 2008). Some 50 year olds feel young and able to work, while others at the same age feel worn out and unmotivated to continue working. Age in itself is insufficient as an explanatory variable in accounting for differences in work motivation and behavior. It is therefore important to investigate the underlying changes that are caused by age and that determine work outcomes. Moreover, to empirically validate these explanations, through measuring the proposed age-related changes in order to capture the real meaning of age at work, is of utmost importance. For instance, a recent study by Kooij and colleagues (2013) investigated future time perspective as mediator in the relation between age and work motives, and thus showed that it is not age per se, but the extent to which people perceive their future as open to pursue new challenges or as finite and less open to take up new challenges, that determined their work motives for conducting paid work. Through these types of explanations research on aging workers can advance and aid further understanding of the complex, and multi-faceted phenomenon of aging at work. In this book, age is thus not the core explanation of why younger and older workers may differ. Instead, we call attention to the experiences, perspectives, and capabilities that contribute to observed differences between older and younger workers.

Age-related issues motivate this book, but at the same time, we must rule out age per se as an explanation for the differences among workers that we observe in the workplace. Our authors address the deeper, real meaning of age by drilling down into the underlying changes people experience in the process of aging while remaining in the workforce. These include possible (but by all means not universal) changes in personality, needs, motives, intelligence, physical capabilities, working memory, work experience, emotion regulation and social perceptions (Bal, De Lange, Jansen, & Van der Velde, 2013; Kooij et al., 2008).

There are a number of issues to keep in mind as you read this book. First, age, as noted, is a multi-faceted phenomenon. In addition, although chronological age is a popular starting point for contemporary social science and management research on the aging workforce, the majority of studies cannot separate age-differences from generational effects (Schaie, 1986). Because HRM and OB research are dominated by cross-sectional and short-term longitudinal designs (i.e., covering a year or so but no longer), age differences among current workers are examined cross-sectionally rather than over the long term. Hence, the workers studied are both of a certain age, and belong to a certain generational birth cohort (Parry & Urwin, 2011). Thus, these two effects cannot be separated. Therefore, an essential question is whether age effects can be attributed to maturational processes, such as a decline of physical capabilities (Kanfer & Ackerman, 2004), or to generational processes, such as specific work values developed growing up at a particular time in history that were transferred to children and adolescents as guiding their relationship with work. Today's older workers tend to belong both to the baby boom cohort as well as to the group approaching retirement age. Any effects of either age or generations cannot be separated empirically. Strong theorizing on the differences between the effects of aging and effects of belonging to a generational cohort is imperative in attributing effects to either. Thus, in this book we primarily focus on the effects of aging.

Second, our chapters deal with aging at work in the twenty-first century. More specifically still, we address aging workers in the middle of the global financial and economic crisis, which began in 2008 and lead to a worldwide recession, with increasing government debts, high unemployment, and great insecurity of sustained economic growth (Bidwell, Briscoe, Fernandez-Mateo, & Sterling, 2013). The consequences of the crisis have been most prominent in Western countries, with subsequent affects reaching other nations, for instance slower economic growth rates in China and India. The economic recession has strongly influenced the employment situation of older workers. On the one hand, governments with struggling economies are looking for ways to reduce government spending and debts. One way of achieving this is through increasing eligible retirement age, which has directly affected many older workers who have had to postpone retirement and continue working in order to receive a state pension. The increase of the statutory retirement age has primarily been framed as a financial discussion, however, it has talent management and labor market implications for organizations and HR-departments. Employers may need to motivate workers who may have expectations to retire at a certain age, and yet realize that they have to continue working for some years before they can retire (Wang & Shultz, 2010). It is not self-evident that these workers would be highly motivated to continue working.

A more indirect way through which workers are currently affected by the economic recession on the other hand is that because of the recession, organizations restructure, downsize, and increasingly try to become more flexible. As a result, they offer employees lower job security and more temporary contracts (Bidwell et al., 2013). Hence, workers who may have worked their whole career for one organization, face the risk of being made redundant and to lose their jobs. Research has

shown that older workers have more difficulties in finding new jobs (Posthuma & Campion, 2009; Wang & Shultz, 2010). Therefore, for unemployed older workers it may be very difficult to find employment. The result is adverse effects on both their finances and well-being (Klehe, Koen, & De Pater, 2012).

Although our focus is older workers, our subject has powerful implications for younger workers too. Job insecurity is a prominent concern younger workers face with very few prospects of positive changes in the near future (United Nations, 2013). Younger workers now need to prepare for a considerably longer working life than that of their parents. Estimates suggest those workers currently entering the labor market may work until the age of 75 (United Nations, 2004). The question of how work motivation can be sustained over the career thus is not only pertinent for today's older workers. Younger workers must prepare for a long and unknown future (Bal et al., 2013). The processes and practices that help older workers continue to work can have implications for younger workers too.

Finally, this book's chapters are primarily written by Western authors. Although workforces are aging around the world, statistics show that there is great variation among countries in the speed of population aging, a trend primarily in more developed regions, such as the US, Europe, Australia and Japan (United Nations, 2009). However, other countries such as China are also aging rapidly, and down the road may face the same demographic challenges. However, the objective of this book is not to present a 'Westernized' perspective on aging workers, or a universal perspective ignoring differences among countries and cultures. Our intention is to describe psychological, social and organizational processes likely to be generalizable in addressing how organizations and workers experience and deal with an aging workforce. The universality of these processes is an empirical issue to be resolved through cross-cultural and cross-country research.

This book consists of 15 chapters focusing on an array of topics related to aging workers and discussing the impact of the aging workforce on the employee-employer relationship. Building on the evidence that the aging workforce has an impact on the employee-employer relationship, these chapters discuss how research on OB and the effectiveness of HRM can be integrated with knowledge about aging workers. The book incorporates three sections on the role of aging in the employee-employer relationship: the role of context and the organization (Chaps. 2, 3, 4, 5, and 6), the role of the older worker (Chaps. 7, 8, 9, and 10), and working beyond retirement (Chaps. 11, 12, 13, and 14).

The first section focuses on the role of context and the organization with regards to the employment relationship and older workers. Lisa Finkelstein addresses stereotypes and discrimination toward older workers in Chap. 2. Within the context of age bias, she explains that stereotypes and discrimination can manifest themselves both cognitively and affectively, and that it is not only the stereotypical views that people have about people from different groups, but also the metastereotypes people hold of themselves. Metastereotypes concern how people believe to be viewed by others. They can have as large effects on behavior as do existing stereotypes on the part of others. Since aging is a multifaceted phenomenon, metastereotypes can affect how older workers see themselves, and how they behave at work. Finkelstein

discusses how stereotypes and discrimination manifest in several phases of the employment relationship, and illustrates this through hypothetical, realistic examples of two older men in an organization.

Chapter 3 by Stephan Boehm and Florian Kunze addresses age diversity and age climate in the workplace. It explores how age diversity and age climate affect work outcomes at the individual, group, and organization level. It notes that diversity of age within an organization does not in itself influences outcomes. Rather it's the interaction between age diversity and the organizational context that matters. Specifically, demographic and task characteristics, team processes, leadership, stereotypes, and HR practices can all contribute to this interaction in influencing the outcomes of diversity. Finally, the authors develop the notion of age-diversity climate, that is, one way of facilitating positive outcomes from age diversity is by promoting positive attitudes among all employees toward an age-diverse workforce.

Following these chapters about the broader context of aging, Dorien Kooij and Karina Van De Voorde in Chap. 4 discuss strategic HRM in relation to the older worker. They introduce the multifaceted perspective on aging, predicated on the notion that the aging process induces various changes in people's lives. Hence, the utility of HRM practices can be expected to differ between younger and older workers. Organizations thus need to pay attention to different age-based interests and needs among workers when offering tailored and universally applied HRM practices to enhance their motivation, well-being and performance. Taking age into account is a necessary step in developing HRM practices that are functional across the age cohorts within a firm. In doing so firms address the problem that certain practices may lead to higher well-being among younger workers, while being detrimental for older workers (or vice versa).

Chapter 5 by Eva Knies, Peter Leisink, and Jo Thijssen builds upon the previous chapter and zooms in on the role of line managers in the motivation of older workers. The authors explain that line managers are the principal agents of the organization, responsible for implementing HR practices within the organization. As the crucial link between the intentions of the organization and the perceptions of the employees, line managers are responsible for the direct management of older workers. Essential in this process is manager support, and the opportunity among line managers to make individual arrangements with older workers.

Chapter 6 by Hannes Zacher, Michael Clark, Ellen Anderson and Oluremi Ayoko address the role of leadership in relation to age. They present a model regarding the impact of leader age (i.e., whether older people are better leaders) and the interaction between leaders and followers which pays attention to the age of the follower too. They discuss the role of age in a leader's task competence, interpersonal attributes, and motivation to lead. In discussing the interaction between leaders and their followers, the authors show how the outcome of this interaction depends on both age similarity and age-related norms.

The second section focuses on the role of the older worker, and how they experience the employer-employee relationship. Tim Vantilborgh, Nicky Dries, Ans de Vos and Matthijs Bal discuss the psychological contracts of older workers

in Chap. 7. The chapter starts discussing age-related differences in the content of psychological contracts. Based on a meta-analysis of previous research on psychological contracts, they demonstrate that with increasing age and tenure, workers tend to develop less transactional contracts with their employer, while their relational contract remains stable. This chapter shows that in general, older workers are less likely to react to the experience of psychological contract breach. Moreover, their perceived obligations towards the employer tend to increase with age.

Chapter 8 by Matthijs Bal and Paul Jansen describes how individual agreements between workers and their organizations impact employee motivation across the lifespan, and especially for older workers. Based on theory and research on lifespan changes, they postulate that older workers become more heterogeneous in their work-related needs and demands, while younger workers are more homogeneous. In consequence older workers have greater need for individualized arrangements to enhance their work motivation, productivity and health than do their younger counterparts. How these individual arrangements may facilitate older workers retention is detailed in this chapter.

In Chap. 9, Dorien Kooij, Maria Tims and Ruth Kanfer describe how older workers can engage in job crafting. Job crafting refers to the proactive shaping of jobs as exercised by individual employees. Older workers job craft by changing how and what they do related to their job, how they interact with whom in their job, and how they think about their job. Job crafting is primarily self-initiated and can facilitate enhanced meaning of work. Since abilities and motivations change with age, older workers will benefit from crafting their jobs, including for example taking on tasks that activate unused skills and knowledge, polishing rusty skills and delegating tasks to others. Job crafting offers older workers a means to continuously adjust (the perception of) their job to intrapersonal changes that are part of the aging process, thereby increasing their ability and motivation to continue working.

Learning is crucial to the productivity of aging workers, and the focus of Chap. 10 by Isabel Raemdonck, Simon Beausaert, Dominick Fröhlich, Nané Kochoian and Caroline Meurant. Learning is strongly tied to employability, making learning and related development opportunities essential to older workers seeking to stay employable. The authors discuss the role of formal and informal learning. They conclude that age does not matter in whether people learn and develop themselves, rather their motivation and capacity to learn are key to learning and development. Although age is not necessarily related to motivation to learn, older people may experience decline in their learning capabilities. Importantly, large individual differences are likely among older workers regarding their capabilities for learning.

Chapter 11 and all those subsequent to it address how older workers experience retirement and how they can be motivated to continue working beyond retirement. René Schalk and Donatienne Desmette describe in Chap. 11 factors that have been proven to lead to higher older worker intentions to continue working. They point out that the intention to continue working is not merely the opposite from the intention to retire early. They identify the distinct effects that individual, organizational, and broader contextual factors have on retirement decisions. In doing so they show how

the intention to continue working depends upon an array of factors from financial motives, work values, social motives, developmental opportunities throughout the career, and HRM practices offered by organizations.

In Chap. 12, Yujie Zhan and Mo Wang discuss the research on bridge employment and identify four ways of conceptualizing it. Bridge employment can be conceptualized as decision making, that is as a rational choice to stay in the workforce. However, bridge employment could also be framed as a career development stage in which people gradually withdraw from their careers. It also can be considered as an adjustment process, further detailed in the chapter by Rudolph and colleagues. Last, bridge employment can be conceptualized as an HRM practice. Forms of bridge employment are presented, differentiated in terms of the working field, employer, time and motives involved.

In Chap. 13, Cort Rudolph, Annet de Lange and Beatrice Van der Heijden follow up by discussing how older workers in bridge employment adjust to it. Bridge employment is defined as a job between a primary career job and full retirement, thus forming a bridge that employees can use to adjust to a new life phase. These authors develop a model of adjustment that specifies the resources facilitating the successful adjustment of older workers. These resources include intrapersonal factors inside and outside of work, which interact with contextual factors to jointly determine the bridge employee's adjustment.

Susan Ainsworth explores two specific forms of bridge employment in Chap. 14: the role of entrepreneurship among older workers, and volunteering among older people. Entrepreneurship, in contrast to popular belief, is more frequent among older workers than younger workers. Importantly older entrepreneurs tend to be more successful too. This chapter describes the motivations for entrepreneurship among older workers and their policy implications. Ainsworth also explores age-related patterns in volunteering and how organizations can use and attract older volunteers.

In our final Chap. 15, we highlight key insights regarding the motives and experiences of older workers and the opportunities available to redesign both their work experiences and the practices of contemporary organizations to the benefit of both. The chapter identifies key evidence-based principles to optimize the employee-employer relationship of aging workers to maintain their health, motivation and productivity. It lays out critical future research avenues, as well as practical implications. In all, this book presents the latest state-of-art research on aging workers and the employment relationship, and hopes to inspire academics and practitioners in developing sustainable solutions for life-long meaningful employment in good health.

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# Part I
# The Role of Context and the Organization

# Chapter 2
# Older Workers, Stereotypes, and Discrimination in the Context of the Employment Relationship

**Lisa M. Finkelstein**

It is imperative that scholars and practitioners with aspirations of helping to craft an employment relationship that ensures that older workers are able to lead longer, happier, healthier, and more productive working lives recognize the challenges posed by age biases. Negative attitudes toward older workers may foil attempts to negotiate maximally and mutually beneficial employment relationships. Age bias is certainly not inevitable; some contexts may exacerbate it while others may reduce it.

The goal of this chapter is to elucidate the conditions under which age biases may be more or less likely to influence the development and character of the employment relationship, and conversely describe potential events in the course of the employment relationship that may trigger or reduce age biases. It draws on research from each domain – age bias at work and the employment relationship – to present examples of these reciprocal connections, and suggests areas where new research is needed to further our understanding of age bias throughout the lifecycle of the employment relationship.

The chapter proceeds as follows. First, an overview of the age bias in employment literature, including discussion of some newer approaches, is provided. Next, the context of the employment relationship, as it will be considered throughout this chapter, is briefly described. The remainder of the chapter traces the course of the stages of an employment lifecycle, drawing from literature to suggest ways that age bias may intersect in two example employment relationships.

It is important to clarify up front that this book contains many excellent chapters that focus on aging and all the psychological, physical, and cognitive changes that often accompany advancing in chronological age, and how these real age-related differences may play a role in various aspects of the employment relationship. The present chapter is about *perceptions*. I do not wish to be redundant with these other authors in discussing actual age-related issues, but rather strive

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_2

to raise awareness about how people may have misperceptions or make faulty assumptions (and sometimes, consequently, poor decisions) based on *biases* or unsubstantiated beliefs about individual older workers in the context of employment relationships that may or may not be true of those specific workers.

## 2.1 Age Bias in the Workplace: A Brief Review

Many have remarked that the investigation of age bias in general (e.g., North & Fiske, 2012), and age bias in the workplace in particular (e.g., Finkelstein, Burke, & Raju, 1995), has traditionally taken a back seat to the more popularly studied race and gender biases. Fortunately, there appears to be an increased flourish of research activity around age biases in the workplace in the last several years in the fields of organizational psychology and gerontology, particularly in the U.S. and Europe (Finkelstein & Truxillo, 2013).

### *2.1.1 Age Bias at Work: The Components*

Before reviewing this research, it is helpful to clarify some terminology that is often used in inconsistent ways in the literature. I will be following a distinction of terms that I first described in Finkelstein and Farrell (2007). Borrowing from the tripartite model of attitudes (e.g., Fiske, 2004), I will be using the term age bias as the general attitudinal term reflecting a (usually) negative orientation toward an age group. This is most parallel to a prejudice. There are three distinct components of an age bias reflecting cognition, affect, and behavior. The cognitive component is comprised of our age stereotypes – beliefs and expectations applied to members of an age group solely based on their membership in that group and not on knowledge of their individual characteristics. The affective (emotions) component reflects our feelings about members of an age group based on group membership; do we dislike them? Do they spark positive or negative emotions in us? Finally, the behavioral component – which may be ultimately of most concern in the workplace – is discrimination; do we treat people differently or provide more or fewer privileges to people solely based on their age membership? The interplay of these components is addressed below.

### *2.1.2 Stereotypes and Discrimination – Hand in Hand?*

Older worker stereotypes are often a focus of research inquiry, and presumed to be a mediating mechanism linking the age of a target employee to discriminatory behavior. In essence, it is thought that upon exposure to the age of a worker/candidate/trainee/etc.,

stereotypes about older workers can be triggered, and these beliefs, when negative, lead to decisions that do not favor the older worker, regardless of his/her actual capabilities.

Posthuma and colleagues (Posthuma & Campion, 2009; Posthuma, Wagstaff, & Campion, 2012) pared down the common older workers stereotypes into six main categories – poor performance, resistance to change, lower ability to learn, shorter tenure (i.e., will retire and thus not worth the investment), more costly, and more dependable. Finkelstein, Ryan, and King (2013) examined stereotypes of older workers from the perspective of younger and middle aged workers separately, and found that about 60 % of the descriptors generated by younger workers and about 85 % generated by middle-aged workers were positive. The most common trait endorsed in trait ratings and also generated spontaneously (in open-ended responses) was "experienced." Still, consistent with Posthuma and colleagues' literature review, the themes of being resistant to change and unable/unwilling to learn still remained prominent among the negatively valenced beliefs. This also supports earlier work by Warr and Pennington (1993), who found two higher-order dimensions appearing among descriptors of older workers. Characteristics such as experience and dependability fall under "work effectiveness" – this represents some of the positive beliefs about older workers. However, the second factor, "adaptability," which includes things described above such as resistance to change and to technology, appears more persistently, as recently reported by Iweins, Desmette, Yzerbyt, and Stinglhamber (2013). Along these lines, Ng and Feldman (2012) found that the only common negative stereotype with some "support" (meaning actual group differences) was less willingness to engage in training and development among older workers as compared to younger –but a point to be emphasized strongly throughout this chapter is that this actual statistical group difference cannot be interpreted to mean that all older workers are uninterested in training.

Although the assumption is strong that if decision-makers hold negative age stereotypes, they will make discriminatory decisions about older workers, the connection between stereotypes and behavior is not always so simple. Posthuma et al. (2012) pointed out, however, that in discrimination lawsuits, plaintiffs demonstrations that defendants have expressed negative age stereotypes is seen as evidential of the age discrimination claim. And, several studies have empirically demonstrated a link between endorsed stereotypes and decisions about an older vs. a younger candidate or employee, most often though not always in laboratory situations (cf. Bal, Reiss, Rudolph, & Baltes, 2011, for a recent meta-analysis).

Contrary evidence does exist, however, that challenges the connection between stereotypes and behavior. For example, in a study of the beliefs and behaviors of a group of line managers in several industries, Leisink and Knies (2011) found no relationship between endorsed beliefs regarding older workers and their behaviors in support of them. Morgeson, Reider, Campion, and Bull (2008) argued that the existing literature on age discrimination in the employment interview was too heavily reliant on laboratory studies and student samples, and that in actual interview situations, decisions had accountable consequences and were less likely to be explained by or connected to stereotypes. There are myriad reasons, not only

in our work lives but also in all social circumstances, where our behavior does not reflect our true attitudes. Social pressures and norms, laws, fear of consequences and retaliation, are just a few contextual variables that may temper the role of attitudes (both cognitive and affective components) on our behaviors (Baron & Branscombe, 2012).

Researchers have indeed acknowledged that many contextual factors may either enhance or reduce the likelihood that discriminatory behavior will occur. An earlier meta-analysis (Finkelstein et al., 1995), for example, considered the roles of age salience, age of the rater, amount of job-relevant individuating information available to the rater, and type of job in question. Based on theoretical reasoning from both social cognitive and social identity approaches, stereotypes should have more of an influence on behavior when they stand out more to a rater, when the rater doesn't have much else to go on, and when the rater's identity group will be favored by the decision. Findings, however, remain inconsistent and are still based more on lab than field investigations.

Recently, Posthuma and colleagues (2009, 2012) proposed a framework for future research to consider what they call "upstream" moderators – those that influence whether age triggers age stereotypes, and "downstream" moderators – those that influence whether stereotypes trigger discriminatory decisions. Their framework is helpful in sorting out this distinction which has not been made quite so clearly before, and also emphasizes that some potential moderators are naturally occurring (for example, individual characteristics of raters and ratees, the type of job in question), while others are more under the control of organizational agents (for example, training, policies, amount of information provided to raters, accountability).

### *2.1.3 What About Affect?*

Finkelstein and Farrell (2007) reported that by far the least studied component of age bias is affect – we still do not know much about how our feelings about (or triggered by) older workers impact intergroup behaviors at work. Different outgroups may trigger different types of affect in us, and it can sometimes ignite without conscious consideration of our specific beliefs about the group (Fiske, 2004). Older people, for example, may trigger dislike or disgust or fear, perhaps prompted by our own fears of decline and disease, as would align with the tenets of terror management theory (Martens, Goldenberg, & Greenberg, 2005).

Cuddy, Fiske, and Glick's (2007) work on the BIAS map ("behaviors from intergroup affect and stereotypes") expands on their earlier work on the stereotype-content model (where stereotypes about several social groups are typed along the two dimensions of warmth and competence) to more directly consider the role of affect independent of stereotypes. Indeed, in a set of experimental and field studies, they found support that certain types of affect corresponded

to certain types of stereotypes, and importantly, that affect was a stronger predictor of behavioral intentions than stereotypes. This is an interesting finding given the lack of relative attention to affect in the age bias at work literature (Rupp, Vodanovich, & Credé, 2005).

It is important to make the distinction, however, that Cuddy and colleagues' work looking at older age has characterized this group as "the elderly," and does not specifically consider older people in a work context. That term "elderly" may elicit very different stereotypes and emotions than the term "older worker" or "older employee." Although there is variability in the ages chosen in research to depict an older worker (and this is likely to change by occupation, or perhaps by culture), there seems to be some consensus for using ages over 50 or over 55 (Finkelstein et al., 2013). Fifty-five year olds probably do not conjure up images of the "elderly" for most people. Moreover, warmth and competence may not be entirely independent dimensions in a working environment. For example, looking not at affect but at stereotypes of warmth and competence, Krings, Sczensy, and Kluge (2011) argued that the two dimensions may not be so clear-cut in a workplace environment where interpersonal skill (typically a warmth dimension) is actually an indication of one's competence on the job.

Recently, Iweins et al. (2013) observed this absence of focus on the affective side of age bias described above, and purposefully looked at the connection between older worker stereotypes, emotions, and behaviors, They took an optimistic approach and looked at how positive beliefs could relate to admiration emotions, which in turn might relate to positive facilitation behaviors (e.g., helping and cooperation) toward older workers. This proposition was supported (though in a cross sectional study), and with a strong relationship between emotions and supportive behaviors (measured as a self-reported tendency).

There is a lot of room for future studies to help better sort out the connection among beliefs about, emotions about, and behaviors toward older workers. It is time for a concerted effort among researchers toward the thoughtful design of studies that can examine emotions and behaviors (not just reported tendency) in real time and among employees with real consequences to their interpersonal interactions. Lord, Diefendorff, Schmidt, and Hall's (2010) model of self-regulation at work can provide guidance in this area, as it stresses the interplay of affect and cognition in the pursuit of goal-directed behavior at work. This model could be especially useful in explaining changes in the nature of the employment relationship over time (within-person and within-relationship changes) as well as for comparing the unfolding process of different relationships. As the purpose of this chapter is to look at age bias in the employment relationship, and relationships by definition are affect-laden entities, specific instances where each of these components, and potential contextual moderators, are more likely to emerge will be suggested, and Lord et al.'s (2010) framework will be used as a guide where applicable. Before those examples are introduced, however, there remain a few newer ideas of in this research realm to be described, as they will also emerge in our discussion of the employment relationship.

### *2.1.4 Emerging Ideas in Age Bias at Work*

This discussion is not meant to exhaust the interesting new ideas that have appeared in the literature in the recent years, but covers some that might particularly suit our current purposes. First is the notion of age metastereotyping at work (Finkelstein et al., 2013). In brief, Finkelstein and colleagues describe how the notion of metastereotypes (what a group member believes that another group thinks about his/her own group; Vorauer, Main, & O'Connell, 1998) may be a neglected and important aspect of the cross-age interaction process in the workplace. As we are often even more concerned with how *we are viewed by others* in an intergroup situation than we are concerned with our perceptions of those others, our feelings and behaviors could be driven as much or more in reaction to what we think others believe about us. For example, an older worker may think that a younger worker is applying a stereotype to them that they cannot learn new technology, and this older worker may experience feelings (embarrassment, anger) and behaviors (bragging about technological prowess) in response to their metastereotype, rather than entering that situation thinking about what he/she believes about younger worker's qualities. In their initial study, Finkelstein et al. examined stereotypes and metastereotypes generated by three age groups (younger, middle aged, and older workers) about those same age groups and did find some distinctions between what people believed others endorsed about their group (metastereotypes) and what those others actually did endorse. In some cases the actual beliefs were more positive, and in others more negative. The metastereotyping process relates closely to the more widely known phenomenon of stereotype threat (e.g., Steele, 1997), where performance decrements can be triggered by merely making ones group salient in a performance context and thereby triggering a fear of confirming a stereotype, *if* individuals are aware of the relevant metastereotype. Thus, metastereotype awareness is the initial part of the process, though sometimes the terms have been used interchangeably in the literature (Gomez, 2002). New work is beginning to show that perception of age metastereotypes held by co-workers by older workers relate to lower job attitudes work-related mental heath (von Hippel, Kalokerinos, & Henry, 2013). Though further empirical work is needed to better understand the conditions under which metastereotypes will be activated and the effects they will have on emotions and behaviors at work, especially in comparison with stereotypes, it is worth keeping in mind how metastereotypes could impact the employment relationship. Examples will emerge throughout the chapter.

The second new concept is prescriptive age stereotypes. Most stereotypes are *descriptive* – they describe what characteristics we believe group members have. *Prescriptive* stereotypes, on the other hand, describe the characteristics we think people ought to have, presumably to be considered "normal" and to maintain their group's order in society. Though most work looking at prescriptive stereotypes has focused on gender, North and Fiske (2012) suggest that age is an important future area of investigation, due to an increased threat younger people may feel with older people infringing on what has been their territory (financially and culturally), as

people are remaining in the workplace longer, and remaining active longer and thus taking part in more traditionally youthful activities. In their most recent work (North & Fiske, 2013), they provide initial validation evidence for a three-factor measure of prescriptive age stereotypes, tapping into prescriptive beliefs concerning consumption, succession, and identity. Designed in regard to older people in general, the scale does home in on some issues (particularly in terms of succession) directly relevant to older *workers*; others seem indirectly relevant in terms of their connection to affect and social connections to older workers. Investigations of prescriptive age stereotyping at the workplace are strongly encouraged.

Third, there is no clear consensus on what an "older worker" actually is, and even if we find a majority of studies using a particular cut-off age (say 50 or 55), it is unlikely the same stereotypes are applied at the same rate to a 56-year old as to a 73-year old at work. Moreover, the application of age biases could depend on other factors about the worker, including such things as their appearance, health, life events they have experienced, and relative age to others in their environment, among others (Pitt-Catsouphes, Matz-Costa, & Brown, 2010; Segers, Inceoglu, & Finkelstein, 2014). Throughout the chapter, the potential of some of these factors to affect the employment relationship will be discussed.

Lastly, it has been noted that not all age discrimination is captured in the big decisions made at work, like whom to hire, train, or promote. Our everyday, interpersonal behaviors that make up our work life have the potential to be fair or to be age discriminatory (Finkelstein & Farrell, 2007). How we talk to others, include or exclude others from conversations or events, act on or ignore others' ideas – all of these behaviors could be affected by age biases. Indeed, some new work has argued that selective incivility at work, targeting certain social groups, is one tool of discrimination in the modern workplace (Cortina, Kabat-Farr, Leskinen, Huerta, & Magley, 2013). Although their initial studies have found more incivility reported by minorities and women, but not more reported by older people, they note that their samples were relatively young and their theory may not yet be adequately tested for age. Perhaps in some instances it is the younger workers who are targeted for incivility, and the effects could be washing out. In any event, these ideas are important to explore when we look at age bias in the employment relationship, as it is indeed a relationship, comprised of people and their interpersonal perceptions and interactions.

## 2.2 The Employment Relationship: A Context of Expectations and Perceptions

The employment relationship, at its essence, refers to the relationship between an employee and that employee's organization (Coyle-Shapiro, Shore, Taylor, & Tetrick, 2004). That may sound fairly simple, but it is a complex social relationship embedded in context and dynamic across time. Researchers studying the psychological

contract, organizational socialization, justice, perceived organizational support, and organizational change, and even retirement are all scholars of the employment relationship, as these content areas represent the formation, maintenance, adjustment, and eventual demise of this relationship.

A key, unifying factor among these issues is that there is more than one party involved in some ongoing social and economic exchange. Unlike other social relationships, though, it is not as easy to pin a face on the parties, as "the organization" may sometimes seem an amorphous entity. But, any employee's relationship with his/her organization is a relationship with other people. There are multiple agents in the organization that an employee may see as "the face of" the organization, and thus that employment relationship is not comprised of only one dyad, but may be an amalgamation of several different dyads (Shore, Porter, & Zahra, 2004). Moreover, the context in which a focal employment relationship is embedded is comprised of other organization members with their own employment relationships who interact with and influence the focal relationship over time (Liden, Bauer, & Erdogan, 2004).

Any human relationship is comprised of perceptions, feelings, communications, and other actions. The perceptions and feelings may be shared – both parties think and feel the same way about the other, and each are aware that these perceptions and feelings are mutual. However, there are many opportunities in the context of a relationship for misconstruals, miscommunications, and damaged feelings. These may be present from the beginning of a relationship, which is a time ripe for misunderstandings that can form a faulty foundation, or can come about through interactions with other organizational members, external changes occurring in the organization, or development and changes in the needs of an employee over time.

## 2.3 Age Bias and the Employment Relationship: Looking for Intersections

By now it should be clear that there are common themes in the topics of age bias and of the employment relationship. Age biases in the workplace are comprised of cognitions, feelings, and/or behaviors directed toward others (or perceived from others) one encounters in ones workplace, and can be more likely to emerge under certain conditions. Employment relationships are social exchange relationships occurring over the course of ones tenure with an organization, and like any human relationships, are impacted by each party's cognitions, feelings, and/or behaviors toward the other, and can develop and change in nature over time and under certain conditions.

In the sections that follow, I invite the reader to take a look at several sub-foci of the employment relationship (e.g., psychological contract formation, perceptions of/reactions to psychological contract breach, perceptions of organizational support) as they may occur at different points in a typical (though not necessarily standardized) course of an employment lifecycle. After a brief review of the focal topic,

**Table 2.1** Jack and Fred

| |
|---|
| Jack is a 61-year-old male. He was an engineer for much of his career, and then later in midlife switched to a management career and joined a new organization when he was 59. Jack looks about his age – most people would guess "early sixties". He is divorced, no children, and moved to a new city to take this job. |
| Fred is a 61-year-old male. He has been with the same organization most of his career and has moved up the management ranks from an early management fast track program right out of college many years ago. Most people would guess that Jack is in his late forties, no more than 50. He is married with four children and three grandchildren. One of his daughters and her son has moved in recently with Jack and his wife. |

I will integrate what we have come to learn about age bias and propose how it could color the progression of that stage of the employment relationship. The converse will also be considered: how can that stage of the employment relationship create conditions that could serve to amplify or quell age biases? In some places there is already research from which to draw; in others, logical inferences and suggestions are made that await empirical support.

These examples are brought to life through two hypothetical characters: Jack and Fred. Jack and Fred can be considered older workers; they are both 61 years old. They are both currently in management positions at a company we'll call Techland. This is where the similarity ends, however. Please see Table 2.1 for a short biographical sketch of each of these employees. Jack and Fred will appear throughout this chapter to illustrate the interplay of age bias and the employment relationship, and to further highlight one of the most essential points of the chapter: all older workers are not alike. These portraits highlight the importance of a person-centered perspective to research understanding the experience of older workers (Finkelstein, Truxillo, Fraccaroli, & Kanfer, in press).

### *2.3.1 Anticipatory Stage: Pre-entry*

Our perceptions of the organization, feelings about it, and actions toward it start as soon as we even consider employment with an organization and begin to interact with it, its media, and its agents in the recruitment and selection process. As we commit to joining an organization, our initial psychological contract forms based on early impressions we receive from the organizational agents we encounter during recruitment and selection. Although its formation begins early, it will continue to function as a source of information and a driver of behavior over the course of the relationship (and thus we return to it again throughout the discussion). The psychological contract is not a written or legal contract (though that may be present as well), but rather is a schema made up of an employee's perceptions about the mutual exchange agreement that exists between him/her and the employing (or pending employing) organization (Rousseau, 2001). Rousseau

notes that, like other schemas, it is resistant (though not impervious) to change. Obligations in the psychological contract can be both economic and socioemotional (Bal, de Lange, Zacher, & Van der Heijden, 2013). The contract includes perceptions and metaperceptions, because it is concerned not only with what the employees believe about the reciprocal obligations, but also with what they *think* that the organization believes as well.

At this anticipatory stage, how might age biases affect the development of the psychological contract? The age bias literature provides theory to build some grounded reasoning for their possible effects. Biases may be motivated out of a desire to gain a sense of control or understanding of our situation (Fiske, 2004). Rousseau (2001) suggests that existing schemas the employee and the organizational agents hold at this early stage will contribute to the details of the psychological contract in the absence of more concrete information. To the degree that the employee and the agent(s) differ in age, age could be a salient factor and associated stereotypes about age could factor into expectations of the other party.

Let's consider both Jack and Fred at the anticipatory stage. Recall that Jack left his company and job to come to the current organization, joining only 2 years ago. That means that Jack was an older job seeker and obtained this job as an older worker. However, if we consider Jack's age from the multiple perspectives discussed earlier (Pitt-Catsouphes et al., 2010), we see that he is older chronologically and generationally, but his occupational and organizational age is quite young – he is new to his current career and his organization. It could be argued that in some ways his life-events age can be considered younger than many in his chronological age group in that, although divorced, he did not experience parenthood. Socially, he is a single man with few family ties, qualities more normatively found in younger men.

Jack noticed that, on their website, most of the stock photos used to depict the workers at Techland had young-looking people in them. That combined with a lot of the adjectives that described the work environment – fast paced, cutting edge – seemed to imply that this was a climate that valued youth (Greenberg, Schimel, & Martens, 2004; Posthuma et al., 2012). Jack was enthusiastic about the job and loves fast-paced environments, but he was wary when his recruiter was very young, raising the concern that he was perhaps being seen as an "old dinosaur" through her eyes. This was not enough to discourage Jack from taking the job when offered, but this triggered metastereotype (Finkelstein et al., 2013) put him on alert that he would have an uphill battle proving himself to be someone who could keep up and add value. His initial schema, then, was that he could expect to keep this job and receive rewards as long as he went over and above to counter the age stereotypes he would face. Considered through the lens of self-regulation (Lord et al., 2010), this may create a goal standard not always reasonable to achieve, and these self-presentational concerns and associated anxiety are likely to draw attention away from tasks at hand.

Fred has been at Techland for most of his career, so it has been over 30 years since Fred was in the anticipatory stage. He came onboard at this company when he was in his late twenties, as a younger worker. Although Jack and Fred are now the

same age and at the same company, the potential effects of age biases on the initial development of Fred's contract would have been likely quite different. Indeed, he may have experienced metastereotypes of being a young manager and feeling inexperienced (Finkelstein et al., 2013), and may have been conscious of proving himself worthy of a management position. However, when Fred started there were many other young recruits joining Techland, a company in relative infancy at the time, and Fred felt like he fit into the culture they were trying to create.

### *2.3.2 Newcomer Socialization Stage*

During the first 6 months to year of employment, employees are in a transition stage where they are not only recipients of organizational tactics to indoctrinate the procedures and culture of the organization, but are also active seekers of information on the way things really work (Miller & Jablin, 1991). New employees also begin to forge relationships with coworkers and start to build a network at this stage (Ashford & Black, 1996). The psychological contract is still developing; information garnered at this stage from official representatives of the organization, veteran employees, and other newcomers with their own first impressions is merging to shape the formation of the contract (Liden et al., 2004). All information seeking is not done directly – sometimes newcomers seek information more indirectly by subtle questioning, testing limits, etc. (Miller & Jablin). People also process information socially by observing what others do. How they react to the organization becomes a meaningful source of information.

A key topic of interest under the general umbrella of the employment relationship is perceived organizational support (POS; Aselage & Eisenberger, 2003). POS is thought to be a more generalized (and not promise-bound) perception of the socioemotional treatment by the organization, encompassing perceptions of care, goodwill, and fair treatment. It develops through ones own experiences with the organization and its agents as well as through interacting with and observing the treatment of other organizational members. It may not yet be fully developed during the socialization stage as opportunities to witness all organizational procedures may not have yet occurred, but an employee should start to have a good idea of how things are done, the conditions under which people work, and how people are treated at this stage.

Research has only begun to scrutinize the role of age bias in the newcomer socialization process. For example, Finkelstein, Kulas, and Dages (2003) explored the role of age of the newcomer in information seeking strategies and relationship building activities. They theorized that older workers might be hesitant to use more overt information seeking strategies as it could be perceived as risking positive perceptions of them as experienced, but they actually found a lower endorsement of covert strategies as newcomers got older (though very few in the sample could actually be considered older workers, limiting the complete test of this idea). They found mixed evidence that newcomers would find relationship building activities

less important as they aged. Though not yet explored, this may well depend on the life events and socioemotional age of the newcomer as well.

Jack had just recently gone through this socialization phase as an older worker – he joined the Techland at 59. Recall that Jack's experience in the anticipatory stage triggered age metastereotypes; he is concerned he may need to prove that he doesn't possess negative qualities he fears may be associated with older workers in this young environment. As such, Jack may be someone who would be loath to expose lack of knowledge about his new position or the organizational processes. Indeed, Jack holds some younger worker stereotypes too, and he sometimes questions whether the younger, less experienced people in high positions at Techland have a lot to teach him. Taken together, these may pose consequences for the development of the employment relationship, as Jack may resist open engagement in the learning component of the socialization process, and not put full trust in organizational agents that he does not entirely respect. Misinformation, then, is likely to be built into the foundation of the relationship.

On the other hand, recall that Jack does not have many social ties at this new location, and lives alone. Although socioemotional selectivity theory (e.g., Lang & Carstensen, 1994) argues that as we age we are more likely to prefer close and established personal ties to new relationships, there seems an assumption that those ties necessarily exist at a more advanced age. In Jack's case, though, he is forging a new social life and would like to form new relationships. The expectation of others may be that he is not interested, and some groups of young recruits may not like the idea of an older guy engaging in the same social activities (North & Fiske, 2013). Jack struggled to fit in socially at Techland during socialization, leaving him feeling less networked and connected than others in his cohort as he phased out of socialization. Although research is not clear on whether Jack would ascribe blame to the organization for this situation (Eisenberger, Jones, Aselage, & Sucharski, 2004), his level of perceived organizational support following this socialization experience could suffer if he was not feeling as if he had the same opportunities as others. Moreover, Liden et al. (2004) note the importance of the socialization stage for fostering feelings of acceptance, a key component of positive organizational relationships.

These are some examples of how age biases impacted Jack's employment relationship early on, but what about the reverse? At this point we see that Jack's POS is weak and his contract includes obligations to constantly prove himself. We can infer that at this point Jack's employment relationship is not ideal, and it may work in a cyclical fashion to make perceptions of age bias more prominent going forward. From Jack's perspective, he may interpret ambiguous information or actions from the organization as being unfair to older workers even if not intended in that way, as the expectation for age discrimination is built into his higher order beliefs about the norms of the organization (Lord et al., 2010; Rousseau, 2001). Organizational agents that Jack encounters, particularly younger ones, may sense Jack's mistrust of them and begin to dislike being around him (negative affect).

It has been many years since Fred's newcomer experience. Fred went through socialization experiences with a cohort similar to him in age and experiences. He formed strong social bonds with other managerial trainees at the time, and fully embraced the Techland culture and experienced a high degree of POS early on.

This strong foundation at the anticipatory and socialization stages, we will see going forward, has served to buffer Fred, at least for a while, from perceiving biases as he has aged within the Techland community. His higher order schemata regarding the organization includes norms of fair treatment and his memories of fair treatment over time, and any ambiguity in the treatment by organizational agents that Jack might react to as biased (as discussed earlier) is less likely to appear that way to Fred (Lord et al., 2010; Rousseau, 2001).

### *2.3.3 Maintenance: Business as Usual*

Although this is not a discrete stage per se, there will be times during the course of the employment relationship where things are fairly stabilized. Employees believe that they know what is expected of them and what to expect from their organization and from their day-to-day experiences with their job and their coworkers. If there are no major changes in the environment, and no major internal changes occurring in workers' needs and priorities, then likely whatever psychological contract they have established during earlier stages will continue to drive their interpretations of what is expected. Likewise, their perceptions of the supportiveness of the organization have been established, and thus general organizational events and policies will be interpreted through this existing lens.

Although it may seem as if there is not much to talk about regarding these ordinary times, if age biases had already created more negative expectations, wariness, and distorted perceptions of obligations, these are likely to remain – built into the higher-order schemata of the relationship (Rousseau, 2001) – even if no clear instances of age bias or discrimination are occurring in the current day to day environment. These neutral, non-threatening events could actually cause reactance in those who have already been put on high alert that age biased behaviors are a real possibility in that organization. Motivation to remain fully engaged in a job where one feels he/she is not being treated fairly is likely to wane. Whereas Fred emerged into a maintenance stage with a strong employment relationship foundation, Jack did not, and thus during ordinary times Jack is generally less satisfied and committed to Techland than is Fred.

### *2.3.4 Change: Shocks Sparked by Organization*

Most of our workdays are probably similar to the day before, but sometimes there is a shock to the system, using the terminology of Lee and Mitchell (1994), that is sparked by some kind of change occurring in an organization, department, or work group. Perhaps a new CEO takes the reins, or there is a merger. At a more proximal level, perhaps a key contributor leaves a team, or a new reporting policy is implemented. Anything that makes ones day-to-day work life different than expected is likely to make ones contract and relationships to the organization more salient.

Shocks of all sorts can bring about perceptions of violations to the psychological contract and potentially weaken the employment relationship (Schalk, 2004).

Psychological contract breach occurs when there is a perception of a party (usually the organization) not satisfying a perceived obligation, or demanding more from the employee than was expected in exchange for fulfillment of that obligation. Sometimes this reflects an objective event where a change occurs in an organization, and treatment of the employee is verifiably different than what was promised. Other times, however, there can be an incongruence between the understandings employee and employer each have of their obligations due to miscommunications (Morrison & Robinson, 2004). Research has shown that the thoughts and feelings accompanying perceived contract violation have several problematic implications to the organization, including lowered job attitudes and in- and extra-role performance, though these outcomes could be tempered by strong foundations of trust and POS, among other things (e.g., Robinson, 1996; Taylor & Tekleab, 2004).

A shock just occurred for the employees at Techland. Due to financial losses following a failed product line launch, the executive board has made a decision to cut some product lines and refocus on developing and marketing the strongest lines. This will result in some restructuring of teams, new cross-functional teams, and advanced technological training needed for managers. It is not made clear to employees if layoffs are looming or not.

Jack's shaky trust in the organization is further reduced with this event, and he expects the worst and "fills in the blanks" with negative information. He wants to keep this job, however, and continues to (over) emphasize how his competencies fit Techland's culture, while at the same time his frustration is wearing on him making him less satisfied and unpleasant to work with.

Fred, on the other hand, is buffered at first from the shock due to his POS, but he has become used to the status quo at Techland and starts to feel shaken from his comfort zone. He expects that he will be offered training immediately so he can seamlessly merge into the new system. The organizational agent involved in assigning the first round of tech training, however, is choosing among many managers and in doing so his stereotypes about older workers being less interested in training and poorer investments are triggered. Additionally, at times of potentially scarce resources, intergroup biases can become heightened, and younger workers may believe older workers should step aside and give them their turn (North & Fiske, 2013). The supervisor decides to start training on those managers that seem closer in fit to the high tech image that is being emphasized so strongly in this new climate at Techland. Fred is passed over for this early opportunity, and begins to feel breach for the first time in his tenure.

### *2.3.5 Change: Shocks Sparked by the Employee*

Not all changes to the status quo are introduced by the organization. Sometimes employees will experience a shock to their work lives because their needs, interests, or other non-organizational demands change. These could be sudden

changes, such as the death of a spouse or a health scare, or they could be gradual, perhaps occurring just naturally with time and maturity and ultimately reaching a point where the current situation is no longer acceptable.

An employee experiencing these types of changes could be prompted to seek out different kinds of solutions. A bored, unchallenged employee may look for ways to utilize a wider variety of skills (Zaniboni, Truxillo, & Fraccaroli, 2013), while an employee with health problems may want to job craft to make an existing job suit changing physical capabilities (Wrzesniewski & Dutton, 2001). An employee with increased personal demands, on the other hand, may seek out a more flexible schedule (Sharpe, Hermsen, & Billings, 2002). All of these things require change to the psychological contract from the employee's side of the deal. New needs and strategies to address them must be clearly communicated (Morrison & Robinson, 2004) to the organization so that the organization's perception of the contract is not violated.

In addition to the external shock described above that has hit all employees, Fred is also experiencing a non-work life change. His daughter and grandchild are moving in with Fred and his wife. Fred's daughter plans to work hard to get her family back to independence quickly, and so Fred has decided he'd like to adapt a more flexible schedule to allow him to pick up his granddaughter from school. In years past he may not have hesitated to present a plan for this change to his supervisor, but now that his POS was somewhat shaken by changing circumstances, he is on high alert. And, it turns out his supervisor is taken aback by the request as one expectation that she had of Fred, as compared with the mostly 30-something managers she supervised, is that he would be stable and dependable and not have the family demands of those other workers. She assumed that in the face of changes of the organization, an older employee would be especially grateful to have a job and would not make special requests. She may or may not grant him his request, but the unexpected nature of it coming from an older employee may lead her to question her understanding of their psychological contract.

### *2.3.6 Disengagement*

Eventually all employees leave their organization, one way or another. Some may be let go for poor performance or due to unavoidable layoffs. Voluntary turnover can occur suddenly (in the face of one of the shocks described above), or gradually, even moving into a stage of bridge employment before complete retirement from the organization (Zhan, Wang, & Yao, 2013). Putting involuntary turnover aside, how can age biases impact the employee's decision to remain in ones position longer, to take on bridge employment, or to leave the organization early?

If the employee perceives unfair treatment at work – lack of growth opportunities, inflexibility, etc., that he/she attributes this to stereotypes and negative affect towards older workers, commitment to the organization and motivation is likely to wane (Kanfer, Beier, & Ackerman, 2013; Walker, 1999). Economic pressures may, however, deter an employee from actually leaving (Zhan et al., 2013), but psychological

disengagement could occur nonetheless. In the absence of economic necessity, employees may deny bridge employment opportunities that would be of great advantage to their organization (e.g., retaining organizational knowledge) if the organization is not seen as supportive of an older workforce.

What will become of Jack and Fred as they approach these decisions? In their stories thus far, the two men have had quite different employment relationships. Jack, starting at Techland as an older worker, had a less positive early experience than did Fred, and that shaped the nature of the relationship over time so far. Fred, on the other hand, began perceiving age biases only after some shocks to the status quo, and these perceptions and associated negative affect in turn have impacted the new nature of that relationship. Fred's organizational self-identity (Lord et al., 2010) as a respected key player at Techland has been challenged by his perceptions of recent treatment. Although at this point hopes for a long and happy employment relationship for each of these men well into older age may seem grim, all hope is not lost. Techland may be able to put policies in place (and human action to back those policies) to repair damaged relationships and increase the likelihood that Jack and Fred's individual changing needs are met, and in turn the organization could capitalize on what they each have to offer for many years ahead (see Chap. 14 of this volume for further information on extending working intentions).

## 2.4 Conclusions: Research to Do, Lessons to Learn

### *2.4.1 Research Needs*

This chapter considered how the perceptual and interpersonal nature of both age biases and of the employment relationship could come together and impact one another. Hypothetical examples were derived from a consideration of research in both these areas, but there is currently no direct research examining the various types of age biases *specifically* in terms of employment relationship effects, nor have the contexts of the employment relationship been examined directly with age bias perceptions as outcomes. There is a host of possibilities that could be garnered from the hypothetical scenarios above to design research to more directly test these relationships.

Researchers inspired to embark on this task should seriously consider multiple methodologies. For example, careful qualitative research to more deeply understand the age bias experiences of older people in the context of their employment relationships would be extremely useful, particularly if it could be conducted longitudinally, or even over a short period of time but one where the employees are moving through different stages (e.g., before and after a shock). Organizational researchers should also not shy away from experimental laboratory designs that could mirror different employment relationship conditions and look at how people respond to older and younger workers with different characteristics. As Posthuma and Campion (2009) pointed out, more research looking at the effects of up and

down stream moderators is needed. In particular, I would stress the importance of intervention studies to evaluate exactly what type of organizational policies, training, or other programs can have an impact on reducing age stereotyping and metastereotyping and/or reducing its impact on the development and maintenance of employment relationships.

### *2.4.2 Practical Implications*

Although some of the proposed outcomes of the interplay between age biases and the employment relationship await direct empirical test, there are certainly implications that can be drawn at this time. A person-centered approach to not just research, but practice, is one actionable take-away message. When training employees (managers, recruiters, etc.) about the nature and dangers of age biases at work, the variance present in characteristics, experiences, lifestyles, and so on among the population of older workers should be emphatically recognized. Additionally, it has been suggested that HR avoid adopting one-size-fits-all policies, and take into account changing needs, interests, and capabilities of older workers. This advice should go one step further so that age-related changes found in research are not blindly assumed to apply to *all* older workers without a consideration of their individual situations; that in itself could produce a form of (well-intended) age bias.

### *2.4.3 Concluding Thoughts*

This chapter journeyed across major phases of work life within an organization and integrated what we know about age bias into aspects of the employment relationship overtime. Through examples of the lives of two hypothetical older workers, Jack and Fred, plausible situations of age bias affecting the employment relationship and the employment relationship impacting age bias were suggested. Jack and Fred are two fictional older men in the same occupation and same organization with different experiences, life events, and personal characteristics. They were introduced to demonstrate a point that cannot be overemphasized: Older workers are not all alike.

There are in fact many statistically reliable changes that occur as one ages, or that distinguish large groups of older and younger workers, and studying and applying the lessons of the research that uncovers them is certainly important in the quest for longer, healthier, and happier working lives. But we must never forget that when it comes down to the person, the Jack or the Fred that we supervise or work alongside, we will be remiss to ever assume that what we "know" about older workers automatically applies to Jack, Fred, or anyone else. Understanding the perceptions and motivations of the people we work with and resisting the urge to put them in an "older worker box" will surely improve the chances that we can do our part to improve and lengthen the work lives of us all.

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# Chapter 3
# Age Diversity and Age Climate in the Workplace

**Stephan A. Boehm and Florian Kunze**

## 3.1 Why Age Diversity Matters

Trends in many industrialized countries like low birthrates, increased longevity, and a disproportionally large generational cohort born after the Second World War (the so-called "Baby Boomers"; Craig & Paganelli, 2000) have caused a societal phenomenon often summarized as "demographic change" (Dychtwald, Erickson, & Morison, 2004; Tempest, Barnatt, & Coupland, 2002). This demographic change does not only have an impact on the age structures of many country populations but also on the age structures of the respective working populations and relatedly, also on the age structures of most firms and organizations. For instance, from 2006 to 2016, the age group of 55–64-year-old workers in the U.S. workforce is projected to increase by 37 % (U.S. Bureau of Labor Statistics, 2008).

Several further trends reinforce this development towards a more age-diverse workplace: First, in consideration of an increasing lack of qualified junior employees and the consequent "War for Talents" (Michaels, Handfield-Jones, & Axelrod, 2001), companies seem more willing to broaden their recruiting pool and to hire traditionally neglected applicants such as older workers. Second, due to the increasing pressure on pension systems, many countries aim at raising or have already raised the pension age (e.g., Germany and Austria). In line with this policy change, many organizations stopped their early retirement programs,

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_3

significantly increasing the number of older employees in their workforces (Dychtwald et al., 2004). Third, in order to lower the labor force entry age, governments have introduced Bachelor and Master systems and/or have reduced the required years of schooling, again contributing to a higher age diversity in companies (Kaube, 2008). Consequently, the modern workplace appears more (age-) heterogeneous than ever.

Unfortunately, as we know from research on other diversity categories such as gender or ethnicity, age-diverse teams, units or organizations do not automatically reach higher levels of innovation, satisfaction, or productivity. Instead, as various reviews and meta-analyses of the literature have indicated, growing diversity often comes at the price of sub-group formation, raising conflicts, communication and coordination problems, as well as individual discontent, absenteeism, and turnover intention (Joshi & Rho, 2009; Shore et al., 2009; Van Dijk, Van Engen, & Van Knippenberg, 2012; Van Knippenberg & Schippers, 2007). In addition, such negative, diversity-triggered experiences (including age-based conflicts and age-discrimination) might also weaken the employment relationship that individuals perceive with their organization. Supporting this line of reasoning, Kunze, Boehm, and Bruch (2011) found that age diversity relates to the perception of an age-discrimination climate, which in turn, reduces members' collective commitment to the organization and impairs company performance. Therefore, in order to profit from a "business case for diversity" (Robinson & Dechant, 1997), organizations have to better understand how to harvest the positive effects of age diversity while avoiding its negative implications.

Taken together, this chapter strives to systemically review current research on age diversity in organizations and to develop ideas for future research in this important area of organizational behavior.

## 3.2 In a Nutshell: Theoretical Foundations of Age-Diversity Research

In order to explore potential effects of age diversity in the workplace, some theoretical considerations including a construct definition are needed. Diversity has been defined as "[…] the distribution of differences among the members of a unit with respect to a common attribute, X, such as tenure, ethnicity, conscientiousness, task attitude, or pay" (Harrison & Klein, 2007, p. 1200). Consequently, age diversity as a specific form of diversity is a collective-level, compositional construct that reflects the age structure of a specific social entity, such as a team, a work unit, a company, or a whole country.

### 3.2.1 The Information/Decision-Making Perspective

Scholars proposing positive effects of (age) diversity in the workplace typically rely on *cognitive resource models of variation* (Campbell, 1960; De Dreu & West, 2001), also referred to as the "information/decision-making perspective" (Van Knippenberg & Schippers, 2007, p. 518) or functional, informational, or knowledge diversity (Jehn, Northcraft, & Neale, 1999; Pelled, Eisenhardt, & Xin, 1999; Van Knippenberg, De Dreu, & Homan, 2004). They argue that age-diverse group members possess different and often complementary resources such as diverse theoretical and practical knowledge (e.g., up-to-date theoretical knowledge of university graduates vs. broad work experiences of senior employees), skills (e.g., in terms of use of technology), or access to different social networks (e.g., various groups of customers, suppliers, etc.). As teams typically function as information processors (Hinsz, Tindale, & Vollrath, 1997) with a need for extensive information acquisition, discussion, and integration, age-heterogeneous teams are likely to outperform age-homogenous teams in terms of being more creative and innovative (Fiol, 1994; Jackson, May, & Whitney, 1995), more adaptive to change, and less endangered to group think (Janis, 1972).

### 3.2.2 The Similarity-Attraction Paradigm and the Social Identity Approach

In spite of these potentially positive diversity effects, there are a number of theoretical concepts implying rather negative performance implications of rising (age) diversity. First, the *similarity-attraction paradigm* (Byrne, 1971) proposes that individuals prefer to interact with similar others (e.g., in terms of demographics, attitudes, or values) as they tend to get more affirmative feedback from those (Hinds, Carley, Krackhardt, & Wholey, 2000). Reduced uncertainty and higher trust levels among similar group members facilitate communication and coordination while the cooperation with diverse peers becomes more difficult. In the case of age, employees might prefer contact to similar aged colleagues with who they share more experiences, attitudes, or interests due to their similar life or career stage (Lawrence, 1980, 1988).

Second, the *social identity approach* (Tajfel & Turner, 1986; Turner, 1985) implies that individuals tend to classify themselves and others in certain groups on the basis of various dimensions perceived as personally relevant – including demographics such as age, gender or race (e.g., Avery, McKay, & Wilson, 2008; Finkelstein, Burke, & Raju, 1995; Kearney & Gebert, 2009). While members of the in-group are perceived as similar (e.g. employees of the same age group), members of potential out-groups are perceived as different – and in most cases – as inferior. As a consequence, they trust, communicate, and cooperate more with their in-groups members, while

they potentially discriminate against out-group members (Brewer, 1979). Rising age diversity is likely to increase the salience of age as a category for in-group-out-group formation, thus making it more likely that employees discriminate against each other based on their age-group membership (Kunze et al., 2011).

### 3.2.3 Career Timetables and Prototype Matching

Two further theoretical concepts seem especially meaningful in explaining potentially negative effects of age diversity in the workplace. First, the concept of *career timetables* implies that within organizations certain age norms exist which indicate when a typical employee should reach a given career stage (Lawrence, 1988). While those "on schedule" or those "ahead of schedule" should face no age-related disadvantages, those "behind schedule" often struggle with certain forms of age discrimination such as lower performance ratings or reduced developmental opportunities (Lawrence, 1988; Tsui, Porter, & Egan, 2002). Similarly, the concept of *prototype matching* (Perry, 1994) suggests that jobs within organizations are often associated with "prototypical" job holders, i.e., jobs that are particularly suited for younger employees (e.g., in the IT industry) versus those more appropriate for older employees (e.g., senior management roles). Again, increasing age diversity seems likely to produce more situations within teams and firms where career timetables or job prototypes are violated (e.g., by young MBA graduates being promoted to senior roles, leading employees considerably older than themselves), leading to potential problems such as conflict or perceived discrimination.

### 3.2.4 Age-Based Faultlines

More recently, scholars started to investigate if potential effects of diversity may not only be triggered by a certain diversity category (e.g., age or gender), but rather by a combination of two or more demographic characteristics. Lau and Murnighan (1998, p. 327) coined the term "faultlines" to describe hypothetical dividing lines within teams that result from such an alignment of diversity categories and lead to an increased sub-group formation (Bezrukova, Jehn, Zanutto, & Thatcher, 2009). For instance, within a cross-functional team, age and educational diversity might interact in such way that all engineers are belonging to an older age group (such as the baby boomer generation) while all marketing professionals are comparably young (e.g., stemming from the generation Y). A more salient sub-group formation based on age and expertise might emerge, leading to the negative effects described above, compared to an exemplary team in which age and expertise are not aligned (both younger and older marketing and engineering experts). Due to their polarization and consequent separation potential, strong faultlines are expected to adversely affect group processes such as communication and knowledge exchange as well as group outcomes such as performance. In line with this assumption, recent

meta-analytical (Thatcher & Patel, 2011) and quantitative aggregation results (Thatcher & Patel, 2012), building on 39 studies and more than 24,000 employees, have demonstrated that strong faultlines reduce team performance and team satisfaction, partly mediated by increased task and relationship conflict and decreased team cohesion. With regard to the sources of strong demographic faultlines, Thatcher and Patel's analyses (2011) demonstrated that age bears the potential for the formation of faultlines, however, race and gender turned out to be stronger drivers of faultline creation (potentially because of the clearer classification and related categorization such as male/female).

## 3.3 Direct Effects of Age-Diversity in Organizational Settings

Based on these theoretical considerations, we now want to systematically review the literature on the age-diversity-outcome relationship. Therefore, we carried out a structured literature-search, screening the *Web of Science* and *EBSCO* databases in the fields of business, management, and psychology applied for the search term "age diversity" as well as related expressions (e.g., "group diversity", "diversity management", etc.). Using that search strategy, we are confident that we have identified the most relevant peer-reviewed articles on age diversity published within the last 25 years.

The following section strives to offer a coherent overview of empirical age-diversity research. We have clustered the identified studies around two dimensions. First, with regard to eight potential outcomes of age diversity, namely (1) performance, (2) innovation, (3) communication/information-sharing, (4) emotion regulation, (5) perceived age discrimination, (6) conflict, (7) health, and (8) absenteeism/turnover. Second, we clustered the studies with regard to the type of sample in which age diversity was calculated. We differentiate between (a) work groups/work teams, (b) top management teams (TMTs), (c) branches/decision making units (i.e. social entities which have certain autonomy in business decisions and processes, however, belong to a larger organization; e.g. super market stores belonging to one chain), (d) whole organizations/independent companies, as well as (e) meta analytical samples (that combine existing studies). Table 3.1 displays this overview as well as the effect of age diversity identified in these studies (none/positive/negative).

### *3.3.1 Age Diversity and Performance*

As Table 3.1 indicates, the relationship of age diversity with performance gained by far the most scholarly attention. Studies were conducted in various organizational settings including regular workgroups, R&D-teams, TMTs of various industries, retail stores and banking branches, as well as samples of whole companies from different industries and countries. Also the conceptualization of performance

**Table 3.1** Overview of studies on age diversity

| | Work groups | | Top management teams | | Branches/decision making units | | Companies/whole organizations | | Meta-analytical samples | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Performance** | (0) | Pelled et al. (1999) | (0) | Simons, Pelled, and Smith (1999) | (0) | Choi and Rainey (2010) | (0) | Ilmakunnas, Maliranta, and Vainiomäki (2004) | (0) | Bell et al. (2011) |
| | (0) | Kearney and Gebert (2009) | (0) | Bunderson and Sutcliffe (2002) | (−) | Ely (2004) | (0) | Göbel and Zwick (2009) | (−) | Joshi and Roh (2009) |
| | (−) | Jehn and Bezrukova (2004) | (+) | Kilduff et al. (2000) | (−) | Leonard, Levine, and Joshi (2004) | (U) | Grund and Westergard-Nielsen (2008) | (−/0) | Van Dijk et al. (2012) |
| | (0/+) | Wegge et al. (2008) | (−) | West, Patterson, Dawson, and Nickell (1999) | | | (+) | Li et al. (2011) | | |
| | | | | | | | (+) | Ilmakunnas and Ilmakunnas (2011) | | |
| | | | | | | | (−) | Kunze et al. (2011) | | |
| | | | | | | | (−) | Kunze et al. (2013) | | |
| | | | | | | | (−) | Backes-Gellner and Veen (2013) | | |
| **Innovation** | | | (0) | Bantel and Jackson (1989) | (−) | Zajac et al. (1991) | (−) | Ostergaard et al. (2011) | | |
| | | | (0) | Wiersema and Bantel (1992) | | | | | | |
| **Communication/ Information sharing** | (0) | Kearney and Gebert (2009) | (0) | Bunderson and Sutcliffe (2002) | | | | | | |
| | (−) | Zenger and Lawrence (1989) | | | | | | | | |
| **Emotion regulation** | (+) | Kim et al. (2013) | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Perceived age discrimination** | | | | | | | (+) | Kunze et al. (2011) | | |
| | | | | | | | (+) | Kunze et al. (2013) | | |
| **Conflict** | **Relationship conflict** | | | | | | | | | |
| | (0) | Jehn et al. (1997) | | | | | | | | |
| | (+) | Jehn et al. (1999) | | | | | | | | |
| | (+) | Pelled et al. (2001) | | | | | | | | |
| | (−) | Pelled et al. (1999) | | | | | | | | |
| | **Task conflict** | | | | | | | | | |
| | (0) | Pelled et al. (1999) | | | | | | | | |
| | (0) | Pelled et al. (2001) | | | | | | | | |
| **Health (–/0)** | (−) | Liebermann et al. (2013) | | | | | | | | |
| | (–/0) | Wegge et al. (2008) | | | | | | | | |
| **Turnover** | (+) | O'Reilly III et al. (1989) | (+) | Jackson et al. (1991) | | | | | | |
| | (+) | Tsui et al. (1992) | (+) | Wiersema and Bird (1993) | | | | | | |
| | (−) | Jehn et al. (1999) | | | | | | | | |
| **Absenteeism** | (+) | Cummings et al. (1993) | | | | | | | | |

Note. (+), (−), (0), and (U) relate to positive, negative, zero, and U-shaped relationships, respectively

differs, ranging from financial figures (such as return on assets or sales) to more operational indicators (such as customer satisfaction or employee retention). As shown in Table 3.1, the majority of studies on the work group-level and TMT-level suggest a neutral or negative relationship between age diversity and performance. As an exception, Kilduff, Angelmar, and Mehra (2000) found a positive association between age heterogeneity and overall performance in a sample of 35 TMTs. However, their empirical setting was a business simulation game what might restrict the external validity of this finding. Also on the branch/decision making unit level, studies report null or negative relationships. At the organizational level of analysis, the picture is more heterogeneous with studies identifying null-effects, negative, positive, as well as U-shaped relationships with performance.

Finally, there are three recent meta-analytical studies available that have investigated the age diversity-team performance relationship. Bell and colleagues (Bell, Villado, Lukasik, Belau, & Briggs, 2011) found no significant association between age diversity and performance when analyzing 10,646 teams from 35 field studies. In contrast, Joshi and Roh (2009) found a significant negative effect of age diversity on team performance of $r = -.06$. Interestingly, age diversity even showed the strongest negative effect of all diversity categories (gender, race, age, function, education, tenure). Most recently, Van Dijk and colleagues (2012) carried out a meta-analysis of 146 studies and found that age diversity was negatively related to subjective performance ($r = -.10$, $p < 0.01$) but not to objectively assessed performance.

### *3.3.2 Age Diversity and Innovation*

Studies investigating the age diversity-innovation relationship have mostly found no significant or a negative effect. For instance, both Bantel and Jackson (1989) and Wiersema and Bantel found no effect of TMT age diversity on innovation or strategic change in samples of US banks and US Fortune 500 companies. At the branch level of analysis, Zajac, Golden, and Shortell (1991) found a negative relationship of age diversity with innovation in a sample of 53 internal corporate joint ventures in the hospital sector. Finally, at the organizational level of analysis, Ostergaard, Timmermans, and Kristinsson (2011) found a significant negative effect of age diversity on the firm's likelihood to innovate in a sample of 1,775 Danish firms.

### *3.3.3 Age Diversity and Communication/Information Sharing*

The relationship of age diversity with communication and information sharing has also been investigated in various studies with rather mixed results. Kearney and Gebert (2009) found no significant effect on the elaboration of task-relevant information in a sample of 62 R&D teams. Zenger and Lawrence (1989), in contrast, found a negative association as age diversity reduced the frequency of technical

communication in a sample of 19 project groups of a US electronics firm. Finally, at the TMT level, Bunderson and Sutcliffe (2002) found age diversity to be unrelated to information sharing in business unit management teams.

### 3.3.4 Age Diversity and Emotion Regulation

Kim and colleagues (Kim, Bhave, & Glomb, 2013) investigated response-focused emotion regulation (i.e., surface acting, which involves modifying external expressions) as an outcome of age diversity and found a positive relationship in a sample of 274 work groups. This finding implies that working in age-diverse units involves some need for emotional labor and emotion suppression, potentially caused by negative feelings towards age-diverse group members.

### 3.3.5 Age Diversity and Perceived Age Discrimination

Kunze and colleagues (2011, 2013) focused on the construct of age discrimination climate, defined as collective perceptions of unfair, age-related treatment against any age group within an organization (2011, p. 265). They found in two organizational-level studies comprising 128 respectively 147 German companies that higher levels of age diversity are associated with higher levels of perceived age discrimination climate within these firms. Indirectly, age diversity also related negatively to firm performance, mediated by age discrimination climate.

### 3.3.6 Age Diversity and Conflict

Based on social identity theory and related processes of sub-group formation and mutual discrimination (Tajfel & Turner, 1986), conflict has often been proposed as a potential outcome of demographic diversity. The literature typically distinguishes between at least two types of conflicts, namely relationship and task conflicts (Amason, 1996; Jehn, 1995). Regarding relationship conflict, Jehn and colleagues (Jehn, Chadwick, & Thatcher, 1997) found no significant effect of age dissimilarity on relationship conflict in a quasi-experimental study using MBA workgroups as a sample. However, the comparably similar age of participants might have influenced this finding. In contrast, Jehn and colleagues (1999) found a positive association between social category diversity (composed of age and gender) and relationship conflict. Similarly, Pelled and colleagues (Pelled, Xin, & Weiss, 2001) found in a sample of 190 Mexican workers that employees who were dissimilar in age from other members of their work unit reported higher levels of emotional conflict. Yet, there is also empirical support for a negative relationship

of age diversity with relationship conflict. Pelled and colleagues (1999) found such a negative association between age diversity and emotional conflict in a sample of 45 work units. They reason that in age heterogeneous teams, social comparison processes might be reduced, which in more age homogenous teams create conflict due to competition between similar-aged peers.

Regarding task conflict, Pelled et al. (1999) found no significant relationship with age diversity. Similarly, Pelled et al. (2001) found also no significant association in their Mexican sample.

### *3.3.7 Age Diversity and Health*

Comparably little research has investigated health as a correlate of age diversity, what is at least surprising given the high practical importance of employee health. Only recently, Liebermann, Wegge, Jungmann, and Schmidt (2013) could demonstrate that age diversity within work teams is negatively related to individual employees' health, however, this effect is significantly stronger for younger and older employees while middle-aged employees' health is not negatively affected by age diversity.

### *3.3.8 Age Diversity and Turnover/Absenteeism*

Absenteeism rates, turnover intention as well as actual turnover rates have mostly – but not always – been found to relate positively with age diversity, supporting the potentially negative effect of age diversity on the employment relationship described above. An exception is a study by Jehn and colleagues (1999) at the work group level of analysis that has identified an increased intent to remain for members of diverse (in terms of age and gender) work units. In contrast to these findings, O'Reilly, Caldwell, and Barnett (1989) as well as Tsui, Egan, and O'Reilly (1992) showed that age heterogeneity is positively associated with individual turnover respectively a lower intent to stay. Moreover, those employees being distant in age from an otherwise homogeneous group also showed significantly higher turnover rates.

At the TMT level, Jackson and colleagues (Jackson et al., 1991) found in a sample of 93 bank holding companies that age diversity was significantly and positively related with team turnover. Similar findings were obtained by Wiersema and Bird (1993) in a sample of 40 TMTs of Japanese stock-listed companies.

With regard to absenteeism, Cummings, Zhou, and Oldham (1993) showed a similar positive relationship with age diversity, implying that absenteeism rates might grow due to increasing age heterogeneity.

### *3.3.9 Preliminary Summary*

Taken together, no clear picture of the effects of age diversity on various outcomes emerged in our summary. However, studies reporting an insignificant or even a negative relationship between age diversity and outcomes on various levels of analysis seem to predominate over those reporting a desirable effect of age diversity in the workplace. Consequently, processes related to social identity and similarity-attraction might dominate over those proposing advantages from a broader information and decision making base. Nevertheless, both research and practice have acknowledged the need to open the "black box of organizational demography" (Lawrence, 1997) and to study potential mediators and moderators that should shed more light on the question if and how age diversity really impacts organizational outcomes.

## 3.4 Moderators of the Age Diversity-Outcome Relationship

Given the rather contradicting findings on the effects of age diversity on various outcomes, it seems meaningful to investigate potential moderators that can foster the either positive or negative processes and effects related to increasing levels of age diversity in the workplace. Figure 3.1 summarizes these moderators.

### *3.4.1 Demographic Characteristics*

First, based on the concept of relational demography (Riordan, 2000; Tsui et al., 1992), scholars assume that individuals compare their own demographic characteristics with those of the other members of their unit in order to decide if they are similar or dissimilar to the composition of the group. In cases where they are dissimilar, they tend to react negatively in terms of commitment, cooperation, job satisfaction or turnover (Chattopadhyay, Tluchowska, & George, 2004; Guillaume, Brodbeck, & Riketta, 2012; Tsui et al., 1992). Applying this idea to the context of age diversity, Liebermann and colleagues (2013) showed that an individual's age can moderate the age diversity-health relationship. While for middle-aged employees who seem to be able to identify with all age groups, health was not negatively affected by age diversity, both younger and older employees' health levels were negatively affected by raising age diversity.

Second, Van Dijk and colleagues (2012) demonstrated that the type of team leader/performance assessment might play a role in the age diversity-performance relationship. They found that age diversity only showed a negative relationship with performance when performance was rated by an external team leader, but not

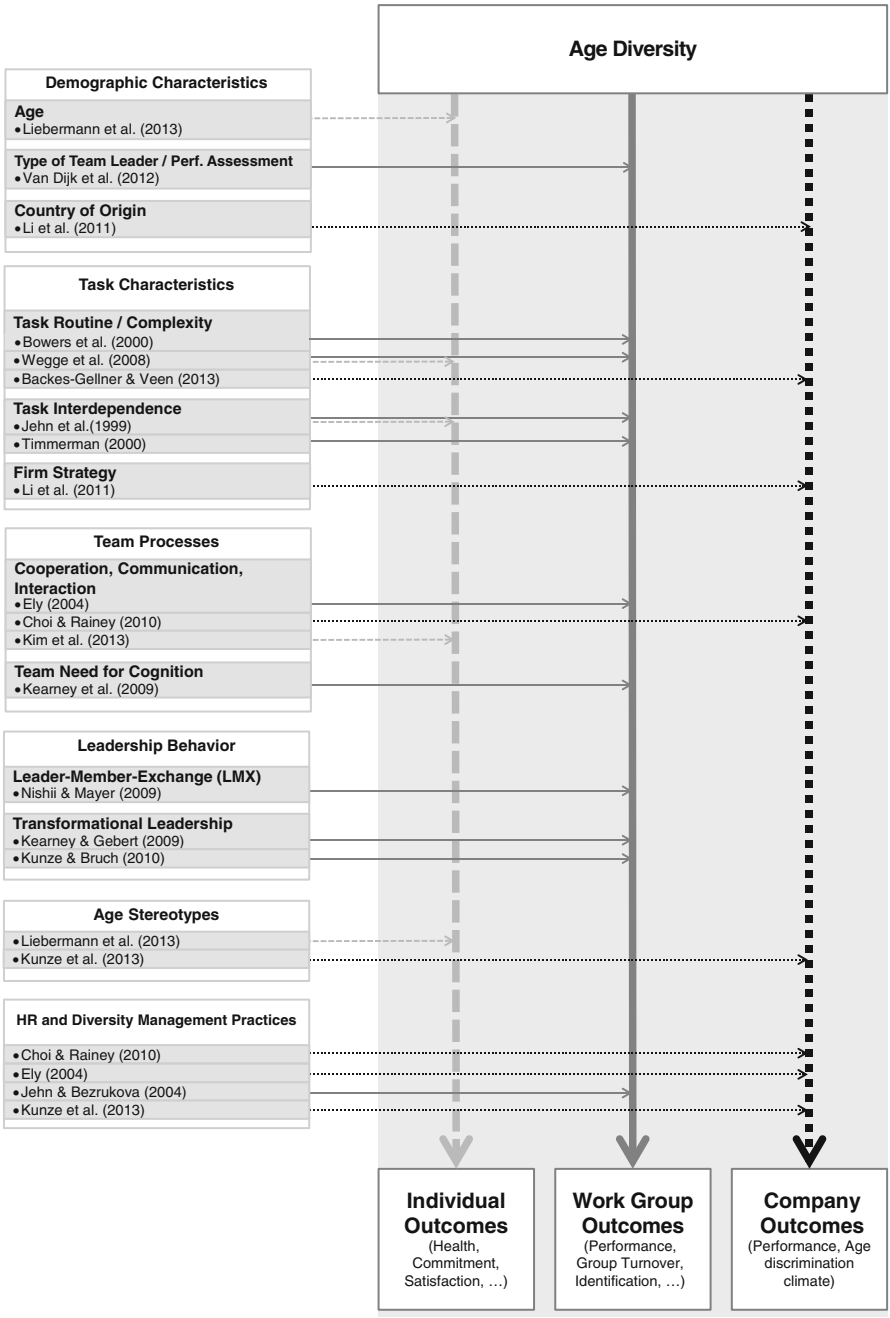


**Fig. 3.1** A research model of age diversity and its effects on work outcomes

when it was assessed by internal team leaders, by team members, or by objective performance criteria.

Third, Li, Chu, Lam, and Liao (2011) showed that country of origin moderates the age diversity-firm performance link in such way that for firms from Western societies, this relationship is positive while for firms from East Asian societies, age diversity is not related to firm performance. This might hint to greater diversity awareness in Western societies together with a more pro-active way of dealing with age diversity in the respective firms.

### *3.4.2 Task Characteristics*

The type of task has repeatedly been proposed as a key boundary condition of the (age) diversity-outcome relationship. For instance, Van Knippenberg et al. (2004) proposed that group heterogeneity can only contribute to performance in cases of complex and nonroutine information-processing and decision making tasks in which diverse groups can make use of their different experiences and knowledge bases (see also Bowers, Pharmer, & Salas, 2000).

A study by Jehn and colleagues (1999) found that social category diversity (composed of age and gender) led to greater satisfaction and commitment under conditions of high task interdependence. In the context of age diversity, Wegge and colleagues (Wegge, Roth, Neubach, Schmidt, & Kanfer, 2008) found in a sample of 222 public service teams that under conditions of high task complexity, age diversity was positively related to group performance and unrelated to health disorders. In contrast, for teams working on routine tasks, age diversity was unrelated to group performance while it related positively with the undesirable outcome of health disorders. Finally, Backes-Gellner and Veen (2013) could show in a representative annual panel survey comprising 18,000 German companies that employees' age diversity has a positive effect on company performance, however, only if the respective firm engages in creative tasks rather than in routine tasks. Moreover Li and colleagues (2011) found in their sample of Chinese insurance companies that firm strategy (i.e., a strategy of geographical market diversification) moderated the age diversity-return on assets relationship. Only companies engaging in such a corporate strategy profited from increasing levels of age diversity.

### *3.4.3 Team Processes*

With regard to team processes as a moderator, findings are comparably inconsistent. First, Ely (2004) investigated in a sample of 486 retail bank branches how the quality of team processes (cooperation and teamwork) might moderate the age diversity-team performance relationship. Contrary to her hypothesis, under conditions of high quality teamwork and cooperation, the age diversity-performance relationship was

negative, while under conditions of low quality teamwork and cooperation, this relationship was either positive or insignificant. Given these findings, Ely (2004) speculated if high quality relationships between diverse coworkers might suppress the exchange of opposing ideas that are necessary for high levels of performance. Second, Choi and Rainey (2010) investigated team processes (cooperation and communication) as a moderator of the age diversity-performance link in a sample of 67 US Federal agencies and found no significant moderation effect. Similarly, Kim and colleagues (2013) tested social interaction among team members as a moderator of the age diversity-emotion regulation relationship and found no significant effect. Finally, Kearney, Gebert, and Voelpel (2009) inspected team need for cognition – defined as "the intrinsic motivation for and enjoyment of effortful cognitive activities" (p. 583) – as a moderator of the relationships between age diversity and the elaboration of task-relevant information, collective team identification, and performance. Age diversity was significantly and positively related to all three outcomes, but only under conditions of high team need for cognition.

### *3.4.4 Leadership Behavior*

With regard to leader-member-exchange (LMX), Nishii and Mayer (2009) found in a sample of 348 supermarket departments that the positive relationship between demographic diversity (i.e., race, gender, age) and group turnover is attenuated under conditions of a high group mean of LMX (i.e., high overall LMX quality) as well as under conditions of low LMX differentiation within the group (i.e., similar LMX relationships within the group). Moreover, they also found a three-way interaction of demographic diversity, LMX mean, and LMX differentiation on turnover.

With regard to transformational leadership, Kearney and Gebert (2009) showed that age diversity is not related to team performance under conditions of high transformational leadership (TFL), while it was negatively related to team performance when transformational leadership was low. Similarly, Kunze and Bruch (2010) inspected the role of TFL as a moderator in the age-based faultlines-productive team energy relationship and found that age-based faultlines (i.e., faultlines created by an alignment of age with gender and organizational tenure) only related negatively to team energy under conditions of low TFL.

### *3.4.5 Age Stereotypes*

Liebermann and colleagues (2013) explored the role of age stereotypes as a moderator of the age diversity-health relationship. They focused on negative age stereotypes about older employees (e.g., being less flexible or less engaged). They found that for younger employees, who hold such negative age stereotypes against

older workers, the negative relationship between age diversity and health becomes stronger as they identify more with their own age group and less with the overall team. For older employees holding such stereotypes, the relationship becomes weaker as they identify less with their own age group and more with the overall team, reducing team-related stressors and fostering individual health. A second study in this field was conducted by Kunze, Boehm, and Bruch (2013) who found that negative age stereotypes against older workers held by a firm's top management team aggravate the detrimental relationship of company age diversity with perceived age discrimination climate within firms.

### *3.4.6 HR and Diversity Management Practices*

Choi and Rainey (2010) inspected the moderation effect of diversity management and found that under conditions of many EEO complaints (i.e., a lack of diversity management), age diversity was negatively related to organizational performance. Second, Ely (2004) investigated the role of participation in diversity education programs as a potential moderator, however, did not find any significant interaction with age diversity to predict branch performance. Similarly, Jehn and Bezrukova (2004) found no empirical support for their hypothesis that diversity-oriented HR practices would moderate the age diversity-group performance relationship in 1,528 units of a Fortune 500 firm. Finally, Kunze and colleagues (2013) showed at the organizational level of analysis that diversity-friendly HR practices can attenuate the age diversity-age discrimination climate relationship with positive, indirect implications for firm performance.

## 3.5 Taking the Next Step: Age-Diversity Climate in the Workplace

In the previous section, we have shed light on various moderators of the age-diversity-outcome relationship. Next, we want to analyze the role of age-diversity climate in some more detail, given its potentially important impact on how employees and managers make sense of and deal with age diversity in the workplace.

### *3.5.1 Diversity Mindsets and Climate for Diversity/Inclusion*

At the individual level of analysis, some work has investigated the impact of attitudes towards and perceptions of workplace diversity (Hostager & De Meuse, 2002; Strauss & Connerley, 2003). Moreover, at the collective level of analysis, various

scholars have assessed and described shared cognitions about diversity, expressed as diversity mindsets, climates, cultures, or perspectives (Chen & Eastman, 1997; Ely & Thomas, 2001; Van Knippenberg & Schippers, 2007). Dating back to the original work of Reichers and Schneider (1990, p. 22), organizational climates are assumed to evolve as part of a sensemaking process and are defined as "shared perceptions of the way things are around here." Scholars including Kossek and Zonia (1993) and Mor Barak, Cherin, and Berkman (1998) have built upon this definition and specified it for the context of diversity. Consequently, diversity climate can be defined as "employees' shared perceptions of the policies, practices, and procedures that implicitly and explicitly communicate the extent to which fostering and maintaining diversity and eliminating discrimination is a priority in the organization" (Gelfand, Nishii, Raver, & Schneider, 2005, p. 104). In addition, scholars have started to focus on climate for inclusion as an organizational environment in which employees profit from both a high belongingness to the group as well as a high appreciation for the uniqueness they bring to the group (i.e., specific knowledge or attitudes) (Nishii, 2013; Shore, Randel, Chung, Dean, Ehrhart, & Singh, 2011). What these various conceptualizations of diversity climates or mindsets have in common is that they suggest a (positive) impact on heterogeneous environments. In other words, in workplaces characterized by a positive climate for diversity, harmful, diversity-related processes such as in-group vs. out-group formation and discrimination should be reduced while beneficial processes such as communication and information exchange should be fostered. Various researchers have shown such effects for diversity categories such as race or gender and outcomes including performance, turnover, or customer satisfaction (Boehm et al., 2014; McKay, Avery, & Morris, 2009; Nishii, 2013).

While a general climate for diversity/inclusion has been found to contribute to organizational effectiveness, the most immediate impact in age-diverse environments could be expected from an even more specified form of diversity climate, i.e. a distinct age-diversity climate.

### *3.5.2 Age-Diversity Climate and Age Cultures*

Building on this rationale, Boehm, Kunze, and Bruch (in press) conceptualized age-diversity climate as the collective perception that an organization favors an age-diverse workforce and takes active steps to recruit, promote, and retain employees of all age groups while any form of age-related discrimination (also among employees) is avoided. Consequently, a positive age-diversity climate reflects basically the opposite of what Kunze and colleagues (2011, 2013) framed as an "age-discrimination climate", i.e. the perception of unfairness of age-related organizational behaviors, actions, and procedures towards different age groups. As Boehm and colleagues (in press) show in a sample of 93 German companies, a strong age-diversity climate relates positively to collective perceptions of social exchange, which in turn, relate positively to firm performance and negatively to

employees' collective turnover intentions. Moreover, Boehm et al. address the question of how to foster such an age-diversity climate and show that age-inclusive HR practices (including age-neutral recruiting activities, equal access to training for all age groups, and equal opportunities to be promoted irrespective of one's age) are an important organizational-level predictor of age-diversity climate.

Another recent conceptualization of a distinct age-diversity mindset stems from Zacher and Gielnik (2014) who describe age cultures as collective perceptions of younger respectively older employees in the workplace as being efficient/motivated/flexible/reliable/high in initiative. They found that such age cultures can be predicted by the interaction of CEO age and CEO attitudes against older respectively younger workers.

In sum, research on age-diversity climate seems both scarce and promising. Given the large number of studies showing positive performance effects of a general diversity climate as well as the preliminary results on the effects of a distinct age-diversity climate, future research on this topic seems highly warranted.

## 3.6 Future Research Directions: Where Age-Diversity Research Might Go

Our review of potential effects of age diversity together with the investigation of various boundary conditions have indicated that future research is needed in order to better understand the often contradictory results related to age diversity in the workplace. In the following section, some exemplary directions for future research will be described.

First, back in 1999, Jehn and colleagues have already pointed to need to develop a clearer idea what demographic diversity (or in our case age diversity) really means: Is it informational diversity, value diversity, both, or neither? Most likely, it can be all of these and it again depends on the context. While age differences in a team of finance experts discussing a merger might not provide any informational advantages, there might be such advantages in a team of young and old marketing experts discussing features of a new product. Consequently, the effect of age diversity might be completely different – even if both teams experience a similar task interdependency and task complexity. Therefore, scholars are well advised to put even more energy into carefully analyzing *if* and *how* the organizational context might influence one's findings.

On a related point, scholars might have used age imprecisely as a proxy for similar values, beliefs, or experiences within a certain age group (Lawrence, 1997). The reality might be more complex and employees of similar age might be more diverse than one might think. Therefore, another fruitful area of future research is the investigation of individual-level underlying constructs, such as personal beliefs, values or attitudes that potentially moderate the effect of age heterogeneity in teams (Mannix & Neale, 2005). Temporal aspects might be another important boundary condition as

prior research has shown that diversity effects vary over time (e.g., Jehn & Mannix, 2001). For instance, age differences as an easy to detect surface-level characteristic might be more important in early life stages of a team compared to later points in time, when more deep-level characteristics (such as joint values) become relevant.

Third, as prior research has indicated (e.g., Guillaume et al., 2012; Liebermann et al., 2013), it might be interesting to study potential interaction effects between composite diversity (e.g., the age variance of a team) and relational diversity (e.g., the age difference between a given individual and the rest of his/her team). By doing so, much more fine-grained effects for individual-level outcomes may be derived.

Fourth, scholars might want to explore the specific effects of age diversity on the employment relationship. As described above, varies studies found negative relationships of age diversity with indicators of the employment relationship such as organizational commitment or intent to stay. Future research should shed more light on these diversity-triggered changes in the employment relationship including potential effects on psychological contracts or perceived organizational support (Eisenberger, Hungtington, Hutchison, & Sowa, 1986).

Fifth, research has recently started to investigate age diversity at the organizational level of analysis. A couple of further questions seem interesting in this regard. For instance, the specific role of age-diversity climate (Boehm et al., in press) or climate for inclusion (Nishii, 2013) as an enabler for positive age-diversity effects should be explored in more detail. Finally, age-inclusive HR practices (e.g., Armstrong-Stassen & Lee, 2009; Boehm et al., in press) seem to be a promising organizational-level intervention strategy in order to foster a positive age-diversity climate and related performance effects.

In sum, we hope that this chapter supports scholars in order to gain an overview of the topic of age diversity, a topic which is equally important for the modern workforce as well as more complex than it might originally seem.

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# Chapter 4
# Strategic HRM for Older Workers

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## 4.1 Introduction

Since workforces are aging across the world, an important challenge for organizations is to find policies and practices encouraging older workers to remain motivated, productive and healthy contributors to organizational performance. Because motives and abilities change as people age (e.g., Kanfer & Ackerman, 2004; Kooij, De Lange, Jansen, Kanfer, & Dikkers, 2011), the utility and thus the effects of Human Resource (HR) practices might also change with age (Kooij, Jansen, Dikkers, & De Lange, 2010; Kooij et al., 2013). In addition, several researchers (e.g., Armstrong-Stassen & Schlosser, 2011; Bal, Kooij, & De Jong, 2013) have questioned whether universally applied HR practices are suitable for older workers. Insights into how organizations might respond to this challenge can be found in Strategic Human Resource Management (SHRM), a research field focusing on how the management of human resources contributes to employee and organizational performance. Two insights of SHRM are particularly relevant for managing older workers.

First, SHRM literature emphasizes that employees, including older employees, can be a source of sustained competitive advantage. Based on the Resource Based View (RBV; Barney, 1991), SHRM scholars argue that since human resources are valuable, inimitable, rare, and nonsubstitutable, they allow the organization to diversify from competitors and thus build a competitive advantage (Boxall & Purcell, 2011). Likewise, all employees, regardless of their age, can be seen as renewable assets that can continue to deliver a high rate of return over a long period provided they are adequately educated, trained, and managed, according to the conservation HR philosophy introduced by Yeatts, Folt, and Knapp (2000). Thus, in order to

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_4

maintain or improve the strategic contribution of older workers, organizations are wise to tailor their HR practices to the needs of older workers.

A second relevant insight from the SHRM literature is that employee attitudes and behaviors are crucial in the HRM – organizational performance relation (Guest, 2002; Messersmith, Patel, & Lepak, 2011; Nishii & Wright, 2008). Meta-analyzing empirical studies on the HRM – performance relationship supports the idea that HR practices have an influence on organizational outcomes via employee outcomes, such as motivation and performance (e.g., Jiang, Lepak, Hu, & Baer, 2012). The most important framework relating HR practices to employee performance is the Ability Motivation and Opportunities (AMO) model (Appelbaum, Bailey, Berg, & Kalleberg, 2000). Central to the AMO model (Appelbaum et al., 2000) is the idea that HR practices positively influence employee performance by enhancing employee skills, competencies and abilities (A), by stimulating employee motivation and commitment (M), and by providing skilled and motivated employees with the opportunity to perform (O). In addition, there has been a growing trend to integrate key aspects of the Job Demands-Resources (JDR) model (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001) with the HRM literature (Van Veldhoven, 2012). Since the JDR model links job demands and resources to health outcomes, it can provide a better understanding of the effect of HR practices on employee health. Following the JDR model, HR practices can lead to higher job demands (e.g., role overload; Jensen, Patel, & Messersmith, 2013), activating a health impairment process. Both models provide important insights in the underlying processes linking HR practices and employee outcomes, and are thus useful to shed light on the role of aging in these processes.

This chapter contributes to a better understanding of how organizations can manage older workers' motivation, health and performance in order to promote their strategic contribution. More specifically our aim is twofold. First, following the RBV and conservation model, we review the literature on HR policy and practices designed specifically for older workers. Second, building on the AMO and JDR model, we review theoretical arguments on the role of age and age-related factors in relations between universally applied HR practices and employee performance, motivation, and health. The rest of the chapter is organized as follows. In the next section, we discuss what happens when people age in order to understand the influence of aging at work. Next, we review the literature on HR practices for older workers and its effects. We then discuss the role of aging in relations between HRM and employee outcomes. Finally, we will highlight key knowledge gaps in the area and identify important lines for future research.

## 4.2 What Happens When People Age?

Age seems a very straightforward concept. However, age involves many more things than just the number of years since birth. According to a number of scholars (e.g., De Lange et al., 2006; Settersten & Mayer, 1997; Sterns & Doverspike, 1989),

aging involves all possible changes that occur in biological, psychological, and social functioning at various points in the life cycle. Considering these age-related changes, Kanfer and Ackerman (2004) noted that 'calendar age' may serve as a proxy for age-related processes that can directly or indirectly influence worker outcomes. Similarly, a number of researchers have suggested that chronological age may be an insufficient indicator of the effect of aging in the work setting (Kanfer & Ackerman, 2004; Settersten & Mayer, 1997; Sterns & Miklos, 1995).

Five different approaches to conceptualizing the aging of workers and thus revealing important age-related changes at work are distinguished by Sterns and Doverspike (1989). The first is chronological age which refers to one's calendar age. The second functional or performance-based age is related to a worker's performance, and recognizes that there is great variation in individual abilities and functioning at similar and different ages. Kanfer and Ackerman (2004) refer in this context to gains and losses. Aging is associated with losses in both physical and cognitive abilities (Baltes, 1997; Sliwinski & Hall, 1998; Verhaeghen, Steitz, Sliwinski, & Cerella, 2003). Losses occur, for example, in physical strength and in fluid intelligence, such as working memory, abstract reasoning, attention, and processing of new information. However, aging brings gains as well. Gains occur, for example, in crystallized intelligence, such as general knowledge, extent of vocabulary, and verbal comprehension (Ackerman, 1996).

The third approach is psychosocial age, which is based on the self and the social perception of age. The self-perception of age refers to subjective age, which refers to how old an individual feels, looks and acts, with which age cohort the individual identifies, and how old the person desires to be (Kaliterna, Larsen, & Brkljacic, 2002). Furthermore, the self-perception of age involves perceptions of time, which shift from emphasizing the "life lived from birth" (past self-image) to the "life left until death" (future sense of self) (see Neugarten, 1968) and from an open-ended future time perspective (FTP) to a more limited FTP (Carstensen, 1995, 2006). The social perception of age is beyond the scope of this chapter, but involves age norms applied to an individual with respect to an occupation, company, or society, and social attitudes that are held toward older workers (or the perceived attributes and stereotypes of older workers; see Chap. 2 of this book). The fourth approach is labeled organizational age and refers to the aging of individuals in their work role, jobs and organizations. With age, employees have more job knowledge, work experience and occupational expertise (Quinones, Ford, & Teachout, 1995). Organization and job tenure and career stage are important indicators of organizational age. According to Super's (1957) Career Development Model employees pass through three stages in their career before they start detaching from work. First, employees pass through the trial stage, in which their primary concerns are to identify their interests and capabilities, and to define their professional role or self-image (Ornstein, Cron, & Slocum, 1989). Subsequently, in the establishment stage, employees are concerned with moving upward and mastering their identified area of interest. In the final stage, employees try to maintain their self-concept, hold on to their earlier achieved accomplishments, and maintain interest in the job (maintenance stage). Finally, the fifth approach is called lifespan age and borrows from a

number of the above approaches, but allows for the possibility of behavioral change at any point in the life cycle, resulting for example from unique career and life stage changes (see also De Lange et al., 2006; Sterns & Miklos, 1995).

To understand the influence of the age-related changes following these five conceptualizations of aging at work, we will elaborate on two lifespan approaches, that is the Selection Optimization and Compensation (SOC) model (Baltes & Baltes, 1990; Baltes, Staudinger, & Lindenberger, 1999) and Socioemotional Selectivity Theory (SST; Carstensen, 1995). In the SOC model (Baltes et al., 1999), successful development is defined as the conjoint maximization of gains and the minimization of losses. Across the lifespan, Baltes et al. suggest that maximization is achieved by a process of Selecting viable goals and outcomes, Optimizing resources, and Compensating for resource losses. These regulatory processes are aimed at different types of life goals to which individuals can allocate their resources; namely, growth (i.e., reaching higher levels of functioning), maintenance (i.e., maintaining current levels of functioning in the face of new challenges) and regulation of loss (i.e., functioning adequately at lower levels). As individuals age, this regulation process will change to accommodate age-related changes. More specifically, with advancing age, individuals will allocate fewer resources to growth and more resources to maintenance and regulation of loss (Baltes et al.). This proposition is supported by Freund (2006), who found that during young adulthood the dominant goal focus was on optimization (i.e., growth), but that older adults showed a stronger focus on compensation goals directed toward prevention of further resource loss (see also, Ebner, Freund, & Baltes, 2006; Kanfer & Ackerman, 2004).

Socioemotional Selectivity Theory (Carstensen, 1995) proposes that the perception of time has important implications for motivation. According to SST, individuals have two broad goals in life; knowledge acquisition and emotion regulation. Knowledge acquisition is an instrumental preparatory goal, focused on gathering information, on experiencing novelty, and on expanding breadth of knowledge. Emotion regulation, on the other hand, is an affective goal, focused on regulating emotional states to optimize psychological well-being. Here the most important goals are short-term, sometimes realizable in their very pursuit, such as meaningful experiences, emotional intimacy, and feelings of social embeddedness (Carstensen, 2006). SST proposes and also demonstrated (Lang & Carstensen, 2002) that the prioritization of these goals depends on the perception of time; individuals with an open-ended future time perspective (FTP) focus on knowledge acquisition, and individuals with a limited FTP focus on emotion regulation. Older individuals with a limited FTP thus prefer activities that support positive affect and the self-concept (Kanfer & Ackerman, 2004), and are likely to seek social support (see also Fung & Carstensen, 2004). Besides, multiple studies found that older adults who have a more limited FTP avoid negative events (see Carstensen, Fung, & Charles, 2003; Charles & Carstensen, 2010). Finally, individuals with a limited FTP are also better at regulating their emotions, because of their experience in life and better adaptive problem-solving skills, and greater emotional control (Löckenhoff & Carstensen, 2004).

In sum, individual aging involves changes in physical and cognitive abilities, the perception of time, organization and job tenure, and career and life stages, which also result in changes in goals and motives. Therefore, several researchers (e.g., Armstrong-Stassen & Schlosser, 2011; Bal et al., 2013) have questioned whether universally applied Human Resource (HR) practices are appropriate to influence older worker motivation, health, and performance. As a result, these scholars have started to focus their attention on specific HR practices for older workers.

## 4.3 HR Practices for Older Workers and Its Effects

Organizations can tailor their HR practices to the needs of older employees in different ways, depending on the strategic importance attached to older workers. The RBV perspective argues that organizations can build competitive advantage based on valuable, rare, inimitable, and non-substitutable resources. Building upon this RBV paradigm, Boxall (1996) proposed that a human resource advantage can consist of a stock of exceptional human talent. Likewise, Yeatts et al. (2000) distinguished two HR philosophies about older workers. One is the depreciation model which assumes that older workers lose their value and should be encouraged to leave the organization. The other is the conservation model which assumes that older workers are renewable assets that continue to remain valuable if managed properly.

Building on this conservation model, researchers are starting to focus on specific HR practices to manage older workers. Paul and Townsend (1993), for example, advised to reconsider existing HR practices, and introduce HR practices to accommodate older workers such as part-time work, flexible work schedules, voluntary demotions, flexible benefits and reduced shifts, but also career-long training. Other scholars (e.g., Armstrong-Stassen, 2008; Rau & Adams, 2005; Remery, Henkens, Schippers, & Ekamper, 2003) suggested training programs for older workers, reduced workload, sabbatical leaves, participation in decision-making, and additional leave as specific HR practices to manage older workers. However, few studies examine the influence of these tailored HR practices on the health, motivation and performance of older workers.

Armstrong-Stassen (2008), for example, asked older people to indicate the importance of seven HR practices (i.e., flexible working options, training and development opportunities, job design, recognition and respect, performance evaluation, compensation, and pre- and post- retirement options) in influencing their decision to remain in, or return to, the workforce. She found that recognition and respect and fair performance evaluation procedures had the greatest influence on older workers' decision to remain in or return to the workforce, followed by job design and compensation. In addition, Saba and Guerin (2005) examined the associations of HR practices related to career management, rewards, communication, retirement conditions, flexible work conditions, appraisals, and new roles with desire to take early

retirement among older health care managers. They found that HR practices in each of these categories reduce the desire to take early retirement because they reduceunmet expectations with respect to acquiring new competencies and working in a pleasant environment.

Although these studies provide important insights into the role of HR practices in motivating older workers to continue working, they do not explain why these HR practices would be beneficial for older workers. Other studies do offer a theoretical explanation. One recent example is Herrbach, Mignonac, Vandenberghe, and Negrini (2009). They examined the relation between HR practices and the affective and continuance commitment and voluntary early retirement of French late career managers. Based on the literature on aging at work, they identified three HR practices that constructively address older workers' needs: training opportunities adapted to older workers' needs, new work roles (e.g., as internal consultant or mentor), and flexible work conditions (e.g., part-time work and flexible work schedules). Further, based on the commitment literature (e.g., Allen, Shore, & Griffeth, 2003; Meyer, Allen, & Smith, 1993), they hypothesized that these HR practice influence the desire to stay with the organization (i.e., affective commitment), the perceived costs associated with leaving the organization (i.e., continuance commitment), and voluntary early retirement. They found that training opportunities adapted to older workers' needs had a positive influence on affective and continuance commitment and a negative influence on voluntary early retirement.

Another example is Armstrong-Stassen and Ursel (2009)'s study on older professionals and nurses. In this study, Armstrong-Stassen and Ursel distinguished between training and development HR practices (e.g., training targeting older workers to accommodate their needs and update their skills) and flexible HR practices (e.g., flexible or reduced work hours, job sharing, and phased retirement). Building upon social exchange theory (Blau, 1964), they hypothesized that these HR practices will have a positive influence on older workers' intention to remain working, through perceived organizational support. In line with their expectations, they found that training and development HR practices indeed influence intention to remain via perceived organizational support, while flexible HR practices did not affect perceived organizational support and intention to remain. In sum, training HR practices adapted to older workers' needs seem important to manage older workers.

A final study explaining why some HR practices are more beneficial for older workers than others, is a recent study by Kooij, Jansen, Dikkers, and De Lange (2014). They distinguished four bundles of HR practices for aging workers based on the lifespan goals as distinguished in the SOC model and a mixed-method study:

1. Development HR practices, such as training and development on the job, which may help workers to reach higher levels of functioning (growth goal);
2. Maintenance HR practices, such as job security and flexible work hours, which may help workers to maintain current levels of functioning in the face of new challenges (maintenance goal);
3. Utilization HR practices, such as horizontal job movement, task enrichment, and participation in decision-making, which may help workers to recover to previous

levels of functioning after a loss by removing job demands that have become unachievable for an employee from the job and by replacing them with other demands that *utilize* already existing, but not yet necessarily applied, individual resources (recovery goal); and

4. Accommodative HR practices, such as reduced workload and working part-time, which may help workers to function adequately at lower levels when maintenance and recovery are no longer possible by protecting or sparing them (regulation of loss goal). These HR practices are the most widely implemented HR practices for older workers (e.g., Remery et al., 2003; Taylor & Walker, 1998), but might be more in line with a depreciation philosophy than a conservation philosophy.

Since the SOC model proposes that the allocation of resources shifts away from growth towards maintenance, recovery, and regulation of loss, maintenance, utilization, and accommodative HR practices might be more beneficial for older worker motivation than development HR practices.

## 4.4 The Role of Aging in Relations Between HRM, Motivation, Job Performance and Health

Besides HR practices specifically targeting older workers, organizations also offer universal or mainstream HR practices, such as general training, career management, and rewards, to their employees. In the SHRM literature, two theoretical frameworks provide important insights in the underlying processes linking these HR practices and employee motivation, health and job performance. The Ability, Motivation, Opportunity (AMO) framework (Appelbaum et al., 2000; Boxall & Purcell, 2011) suggests that employee performance is a function of employee abilities (A), motivation (M), and opportunity to perform (O), and that HR practices influence performance through these three components. For each of the AMO elements more specific theoretical explanations have been proposed. The AMO framework and the more specific underlying theoretical explanations assume that HR practices have a positive effect on employee job performance and their motivation. Second, the job demands-resources model (JDR) (e.g., Demerouti et al., 2001) provides important insights to understand how HRM influences employee health. HR practices can increase job resources (for example autonomy, feedback, job variety, development opportunities, and responsibility) and job demands, thereby activating motivational and health impairment processes (e.g., Jensen et al., 2013; Snape & Redman, 2010). However, since abilities, the perception of time, tenure, goals and motives change with age, it might be that these general HR practices have a different effect on older workers compared to younger workers. Therefore, we review these two key explanations of the link between HRM, employee motivation, performance and health in the context of age issues. In particular, building on lifespan theories as

well as on the AMO and JDR models, we propose theoretical arguments on the role of age and age-related factors in relations between universally applied HR practices and employee performance, motivation, and health.

First, the ability dimension of the AMO framework has been linked to job performance through human capital theory. Central to the human capital theory is the idea that HR practices contribute to the development of superior employee knowledge, skills and abilities (Snell & Dean, 1992). These higher levels of relevant knowledge, skills and abilities of employees are expected to foster job performance directly (Schmidt & Hunter, 1998), and indirectly via enhanced satisfaction and commitment (e.g. Allen & Van der Velden, 2001). Following this reasoning, Liao and others (2009), for instance, find that employee perceptions of HR practices designed to enhance employee's competencies, motivation, and performance, are positively related to individual job performance, through the mediation of human capital.

Although older workers in general have more human capital (crystallized intelligence, such as experience and knowledge), high job tenure typically also results in obsolescence and constriction. Therefore, some scholars (e.g., Armstrong-Stassen & Ursel, 2009; Farr & Ringseis, 2002; Maurer, 2001) argue that HR practices aiming at development are particularly important for the individual performance of older workers. Farr and Ringseis, for example, argue that training and development activities aimed at learning new skills and job enrichment are important to prevent obsolescence and constriction. Thus, the association between development HR practices and individual performance strengthens with age because development HR practices can combat age-related obsolescence and constriction. This line of reasoning is supported by a recent study by Kooij et al. (2013) who found that the association between development HR practices and employee performance strengthens with age.

Second, the motivation dimension of the AMO model is grounded in social exchange theory (Blau, 1964). According to the social exchange theory (Blau) and the norm of reciprocity (Gouldner, 1960), when employees receive positive treatment and inducements from the organization via implemented HR practices such as good pay and promotion opportunities, they will repay the organization by exerting positive work attitudes and behaviors towards the organization (Takeuchi, Lepak, Wang, & Takeuchi, 2007). Based on the social exchange theory (Blau), several studies explored the mediating role of employee work attitudes in the relationship between perceived HR systems and job performance (Jiang, Takeuchi, & Lepak, 2013). These studies find that when employees feel supported and taken care off as a result of HR practices, they feel more committed and show enhanced performance (Chuang & Liao, 2010; Liao et al., 2009; Takeuchi, Chen, & Lepak, 2009).

Following lifespan theories we can expect that older workers are more likely to positively evaluate HR practices, resulting in a more positive response to HR practices in general. Older workers (who have a more limited FTP) will evaluate their jobs, work situations, and thus HR practices more positively and will therefore respond more positively to the HR practices offered by the organization than younger workers. Individuals with a more limited FTP tend to avoid negative events

and instead focus on positive feelings and meaningful activities (see Carstensen et al., 2003; Charles & Carstensen, 2010), and are more likely to evaluate HR practices more positively. In addition, older workers usually have high tenure and progressed through different life and career stages in which they had different priorities and different HR practices were salient. Since more HR practices have been useful for older workers, they are more likely to positively evaluate these HR practices.

Moreover, the utility or value that specific HR practices have for employees might also change with age. As mentioned earlier, goal focus changes with age, shifting away from an emphasis on growth and knowledge acquisition to a focus on maintenance and prevention of loss. As a result, work motives (i.e., the importance that workers attach to job characteristics and work outcomes) also change with age. In line with this reasoning, Kooij et al. (2011) found that work-related growth and extrinsic motives decrease, and that work-related intrinsic motives increase with age. Since goal focus and employee work motives are expected to change from a focus on growth motives in young adulthood to a focus on maintenance and prevention, and a predominance of security motives as one ages (Kanfer & Ackerman, 2004), the utility or value that specific HR practices have for employees will also change with age (e.g., Conway, 2004; Innocenti, Profili, & Sammarra, 2013; Kooij et al., 2010, 2013).

In line with this reasoning, Finegold, Mohrman, and Spreitzer (2002) found that satisfaction with opportunities to develop was more strongly related, and satisfaction with job security was less strongly related, to commitment and intention to remain among younger workers (i.e. aged under 30) than among older workers (i.e. aged over 45). Similarly, Kooij et al. (2010, 2013) distinguished development HR practices (i.e., HR practices related to advancement, growth and accomplishment that help individual workers achieve higher levels of functioning, such as training) and maintenance HR practices (i.e., HR practices related to protection, safety and responsibility that help individual workers maintain their current levels of functioning, such as performance appraisal), and found that the association between development HR practices (e.g., promotion) and work attitudes (i.e., job satisfaction and organizational commitment) weakens, and that the association between maintenance HR practices (e.g., rewards, information sharing, working in teams, and flexible work hours) and work attitudes strengthens with age. Innocenti et al. (2013) also found that the association between development HR practices and worker attitudes weakens with age. Finally, Bal et al. (2013) argued that it are not older employees that benefit from accommodative HR practices, but employees that use the Selection Optimization and Compensation strategies (Baltes & Baltes, 1990) described earlier. In line with their expectations, they found that the association between accommodative HR practices and affective commitment is stronger for employees using Selection and Compensation strategies compared to employees who do not engage in these strategies.

The last dimension of the AMO framework is the opportunity dimension of the AMO framework. This opportunity dimension is linked to job design theory and empowerment literature (Gerhart, 2007). Central to the opportunity to perform dimension, is the idea that HR practices related to job control and discretion enhance

feelings of empowerment and involvement, which, in turn, positively influence employees attitudes and behaviors (e.g., Batt, 2000; Bowen & Lawler, 1995). Based on psychological empowerment literature, Liao and others (2009) found that HR practices influence performance via psychological empowerment. In line with these findings, Boxall, Ang, and Bartram (2011) identified psychological empowerment as mediator of the relationship between perceived HR practices and commitment.

Older workers, who are often in the maintenance career stage, are not only concerned with maintaining their self-concept, but also with maintaining interest in the job and seeking greater opportunity for involvement in decision-making for example (Conway, 2004). In addition, Farr and Ringseis (2002) argue that enriched job tasks (such as opportunities to serve as mentors or internal advisors) might increase older workers' opportunities to participate when hierarchical advancement is no longer likely or valued. Moreover, older workers attach more value to autonomy (Kooij et al., 2011), and thus to job control and discretion. In addition, older workers are more likely to better use this discretion compared to younger workers, because of long work experience and job tenure. Finally, job control allows older workers to use self-regulatory strategies, such as SOC strategies, at work. For example, older workers might compensate for losses in physical health by hiring an assistant or using tools, resulting in diminished resource losses. As a result, the association between HR practices contributing to job control and discretion on the one hand and work attitudes and job performance on the other hand will strengthen with age.

Following the JDR model (e.g., Demerouti et al., 2001), HR practices can result in higher resources and demands. Since the effects of resources (job discretion and control) have been discussed above, here we only focus on the effects of HR practices on demands. HR practices can be linked to higher demands, as employees are put under greater pressure at work, thereby activating an energy depletion process that is related to impaired employee health. Kroon, Van De Voorde, and Van Veldhoven (2009), for instance, found that in organizations that report that more employees are covered by High Performance Work System (HPWS) practices, employees themselves report higher levels of job demands and greater emotional exhaustion. In addition, in line with the expectation that job resources may buffer the effect of job demands on employee health, Jensen and others (2013) found that employees who are given more control and autonomy feel less pressure as a result of HPWS practices.

The association between HR practices that increase demands and employee health is likely to be moderated by age. Since older workers experience gains and losses in their personal resources, the role of age depends on the type of demands that result from the HR practices. On the one hand, since older workers might experience losses in fluid intelligence and physical abilities, such as working memory and physical strength, they are less likely to have the appropriate resources to offset these cognitive and physical demands, resulting in a stronger negative association between HR practices resulting in these demands and health. On the other hand, since older workers are better at regulating their emotions, they are better able to deal with increased workload for example, resulting in a weaker negative association between HR practices resulting in increased workload, such as decentralizing

decision-making, and health outcomes. Therefore relations between demanding HR practices and health outcomes might also be attenuated by age. In addition, job resources might buffer the negative association between HR practices increasing demands and health outcomes among older workers. Hansson, Robson, and Limas (2001) argued that granting older workers more autonomy would help them cope with high job demands. Moreover, Shultz, Wang, Crimmins, and Fisher (2010) found that high levels of autonomy helped buffer the stress associated with strong deadline demands among older workers.

## 4.5 Conclusions

In this chapter we discussed how strategic HRM can help to find HR practices to enable older workers to remain motivated, productive and healthy contributors to organizational performance. First, following the RBV and conservation model, we identified a number of HR practices tailored to the needs of older workers that are suitable to manage older workers, and in particular to increase their motivation (to continue working). Particularly, training opportunities adapted to older workers needs were found to influence older worker commitment and perceived organizational support, and thus their motivation to continue working. Second, based on the AMO and JDR models, we examined the role of aging (i.e., age and age-related factors) in relations between HR practices on the one hand, and motivation, health, and performance on the other hand. Our review suggests that aging plays an important role in relations between HR practices, motivation, health, and performance, but that its effects depend on the type of outcome (i.e., motivation, health, or individual performance) and the type of HR practices (e.g., aimed at development or increasing demands).

This review also shows that research on specific HR practices for older workers and the role of aging in relations between HR practices and employee outcomes is in its infancy. Although there are a few studies on (the effects of) HR practices specific for or tailored to older workers (e.g., Armstrong-Stassen & Ursel, 2009), none of these studies include health or performance as employee outcomes. In addition, although there are a few studies on age as a moderator in relations of HR practices with motivation and performance (e.g., Innocenti et al., 2013; Kooij et al., 2013), no study that we know of focuses on the role of aging in relations between HRM and health outcomes.

This dearth of studies raises difficulties. First of all, we still don't know whether offering specific HR practices to older workers or tailoring HR practices to the needs of older workers really works in increasing their motivation, health, and performance. There are no studies linking these HR practices, such as flexible work schedules and tailored training practices, to health and performance. Besides, the few studies that found an association between these HR practices and motivation focus on POS and commitment as mediating mechanisms, which could also reflect older workers appreciation of the organization for tailoring HR practices

to their needs. Second, the literature is inconsistent regarding the role of age in the HRM – health outcomes relationship. Age can be hypothesized to strengthen and attenuate this relationship. Therefore, we need more studies examining the influence of specific HR practices for older workers (e.g., accommodative HR practices) and the role of aging in relations between HR practices, and motivation, health, and performance.

To gain a better understanding of how organizations can manage older workers' motivation, health and performance, we recommend that future studies should take multiple age-related processes into account to cover the variety of changes that occur at various points in the life cycle. The moderating effects of different age-related factors can differ and can even neutralize the total effect of age (Bal, De Lange, Zacher, & Van der Heijden, 2013). Bal et al. (2013), for example, hypothesized and found that future time perspective, which decreases with age, positively moderates, and that occupational expertise, which increases with age, negatively moderates the relation between socio-emotional psychological contract fulfillment and normative commitment. Moreover, if we really want to know how the influence of HR practices on motivation, health, and performance changes with age, we should employ a much longer timeframe in our studies. In order to examine age-related intra- instead of inter-individual changes and effects of HRM on motivation, health, and performance instead of the other way around, these studies should be longitudinal. Finally, since the role of aging also depends on the context, such as type of occupation (e.g., Kanfer & Ackerman, 2004) and organization climate (e.g., Bal, De Jong, Jansen, & Bakker, 2012), future studies should take the context into account. The positive influence of HR practices on motivation, health, and performance is more likely to strengthen with age in companies with age-supportive climates and occupations emphasizing crystallized intelligence for example.

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# Chapter 5
# The Role of Line Managers in Motivation of Older Workers

**Eva Knies, Peter Leisink, and Jo Thijssen**

It is relatively easy for governments to pass legislation which raise the pension age. It is far less easy for employers to motivate older workers who face the prospect of having to work longer than they had anticipated, whilst also ensuring that their contribution remains productive. It is line managers who have a crucial role in dealing with these challenges, as they are the people who most closely interact with the older workers they supervise on a day-to-day basis. Indeed, recent studies show that older workers who feel supported and valued by their line managers are less inclined to opt for early retirement (Armstrong-Stassen, 2008; Armstrong-Stassen & Ursel, 2009; Bal, De Jong, Jansen, & Bakker, 2012; Henkens & Van Solinge, 2003; Leisink & Knies, 2011).

The questions we ask are: to what extent and how do line managers support older workers at work? And to what extent does supervisory support influence the motivation and productivity of older workers? In order to answer these questions we will examine Human Resource (HR) policies for older workers and the role of line managers in the implementation of these policies.

Over the years a set of HR policies which are designed specifically for older workers has emerged alongside general HR policies. These older worker policies focused initially on early retirement issues. They have since broadened to include a range of policies dealing with measures to adapt the working environment and to create training options for older workers.

Line managers play an important role in the implementation of these policies (Leisink & Knies, 2011) since the responsibility for HRM has been devolved to the line (Larsen & Brewster, 2003). Their role is even more crucial as they are able to tailor HR policies to the individual situations of older workers (Hornung, Rousseau, & Glaser, 2009). This is important because differences among individuals tend to

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_5

increase as people grow older (Baltes & Lang, 1997; Greller & Stroh, 1995; Raz & Rodrigue, 2006). These same studies also indicate that line managers can provide support to older workers through their leadership behavior. This influence over the motivation of older workers coincides with recent ideas concerning people management by line managers (Knies, 2012; Purcell & Hutchinson, 2007).

However, line managers are known to avoid engaging in implementing HR policies (Bos-Nehles, 2010; Larsen & Brewster, 2003). A longstanding concern has been that line managers hold negative stereotypes about older workers that impact on their behavior towards them (Boerlijst, Van der Heijden, & Van Assen, 1993; Chiu, Chan, Snape, & Redman, 2001; Maurer, Wrenn, & Weiss, 2003; Visser, Henkens, & Schippers, 2003). Therefore, it is directly relevant that we ask the question as to what factors influence the support that line managers provide to older workers.

This chapter starts with a review of the role line management plays in HRM generally. It goes on to examine HR policies and line manager activities that are specifically relevant for older workers. Subsequent sections address the effect of line manager's activities on older workers' motivation and productivity, as well as the factors that influence line managers' activities towards older workers. We conclude with a summary of our findings and suggest issues for future research.

## 5.1 The General Role Line Managers Play in Human Resource Management[1]

In general, line managers have a twofold role in managing people (Knies & Leisink, 2014; Purcell & Hutchinson, 2007). First, they are responsible for implementing HR practices, and, second, their leadership behavior is important in shaping employees' attitudes and behaviors. Purcell & Hutchinson introduced the concept of 'people management' to cover both aspects and suggest these form a 'symbiotic relationship' (p. 3).

According to Boxall and Purcell (2011, p. 3) Human Resource Management (HRM) refers to 'the management of work and the management of people to do the work'. Recent HRM models (Purcell & Kinnie, 2007; Wright & Nishii, 2013) make a theoretical distinction between intended, actual and perceived HRM/HR practices. Intended practices are those designed by senior management or HR management. Actual practices are those that are actually applied. This conceptual differentiation is based on the awareness that not all practices are implemented in the ways originally intended, and that some may not be implemented at all. Perceived practices are actual implemented practices but as they are perceived by employees. The distinction between intended and actual HR practices draws our attention to the actors responsible for HR implementation. The literature mentions

[1] In this section we draw from Knies and Leisink (2014) which deals with the same topic.

several 'HRM delivery channels', such as HR professionals and HR shared service centers. Larsen and Brewster (2003) emphasize that line managers play a very significant role in HRM enactment.

The first element of the people management concept (i.e. the application of HR practices) has its roots in the HR devolution literature. According to Larsen and Brewster (2003, p. 228): 'the notion of line management accepting greater responsibility for human resource management within employing organizations is now received wisdom'. Boon, Den Hartog, Boselie, and Paauwe (2011) distinguish between seven main HR policy areas: training and development, participation, autonomy and job design, performance appraisal and rewards, teamwork and autonomy, work-life balance, recruitment and selection, and employment security. Line managers have a role to varying extents in each of these areas in their implementation of HR policies (Larsen & Brewster, 2003).

It is not sufficient to focus solely on the presence of practices when studying employees' perceptions of line managers in HR implementation. The perceptions that employees have of the reasons why management adopts certain HR practices (so-called 'HR attributions') are important as well. Nishii, Lepak, and Schneider (2008) introduced this concept. They argued that HR attributions have consequences for employees' attitudes and showed that practices perceived as commitment-focused (i.e. intended to enhance service quality and employee well-being) are related positively to employees' attitudes. Meanwhile, they showed that practices perceived as control-focused (i.e. designed to reduce costs and exploit employees) are associated negatively with their attitudes. Therefore, when studying HR policies and how line managers apply them, it is important to determine the extent to which employees feel either supported or controlled.

Two further levels of HR implementation can be distinguished (Guest, 2007). On the one hand, line managers are responsible for applying general practices to all employees or to specific groups of employees (e.g. older workers). On the other hand, line managers are expected increasingly to make tailor-made arrangements for individual employees; some examples would include idiosyncratic deals and deals made in a cafeteria system.

The second element of the people management concept (i.e. leadership behavior) builds on the notions of social exchange, perceived supervisor support and perceived organizational support. Support theory holds that employees develop general views regarding the degree to which supervisors value their contributions and care about their well-being. Employees see supervisors as agents acting on behalf of the organization they work for and, thus, regard the support received by their supervisor as being directly indicative of the organization's support (Rhoades & Eisenberger, 2002). Leadership behavior is understood as a manager demonstrating supportive behavior through specific acts that have the intention of helping employees. Greenhaus, Parasuraman, and Wormley (1990) describe supportive behavior by supervisors including such provisions as career guidance, performance feedback, and opportunities that promote employee development. Oldham and Cummings (1996) observe that supervisors are supportive when they

show concern for their employees' feelings and needs, encourage them to voice their own concerns, provide feedback, and facilitate their development.

Earlier work by Leisink and Knies (2011) made a distinction between two different focal points: supportive behavior aimed at increasing employees' personal commitment, and supportive behavior aimed at supporting their career development. The former includes showing an interest in how employees are doing their job and showing appreciation for employees' work. The latter refers to facilitating employees' participation in training, as well as stimulating their use of career opportunities.

## 5.2 The Specific Role Line Managers Play in HRM Pertaining to Older Workers

We now turn to the line manager activities targeting older workers and their HR policy implications. HR policies and the perceived role of line managers towards older workers have changed over time as ideas have shifted about the participation of older workers in the labor force. Early retirement used to be the dominant focus in the Netherlands, as in many other European countries (Van Dalen, Henkens, & Schippers, 2009). However, early retirement is only one type of policy aimed at older workers. Thijssen (1997) distinguished between two policy dimensions. The first was the acceptance of the constricted employability of older workers versus the attempt to broaden their employability. The second was the use of financial versus organizational support measures. Early retirement is a typical example of acceptance of older workers' constricted employability accompanied by financial measures to facilitate their exit from paid employment. The assumptions underlying this policy are similar to what Yeatts, Folts, and Knapp (2000) call the 'depreciation model'. This views investment in older workers as costly as an individual's contribution steadily declines after mid-career. Early retirement in this context was processed administratively and involved no role for line managers. However, older worker policies which involve organizational support measures do require line manager activities. These may aim to adapt the job and work environment to the capacities of older workers through training, job rotation and mobility. Investing in a development of older worker policy shares assumptions with what Yeatts et al. (2000) call the 'conservation model'. This views all employees (regardless of their age) as renewable assets that can continue to yield a high return if they are adequately educated, trained and managed.

Early retirement schemes still exist: 17 % of employers in seven European countries (Denmark, France, Italy, Netherlands, Poland, Sweden and UK) implemented early retirement schemes in 2009 (Conen, Henkens, & Schippers, 2012). This same study also found that employers implement a variety of policies to retain older workers. These policies, ranked by incidence, included: flexible working hours (35 % of employers); ergonomic measures (29 %); reduction of working hours

(23 %); training plans for older workers (23 %); decreased workload (18 %); extra leave (15 %); and reduction in task and salary (demotion; 7 %).

The three most-implemented policies belong to the category which Thijssen labels as 'adaptation'. Training plans for older workers are the only measure oriented at development. Its implementation ranges widely from 2 % of employers in Italy to 49 % of employers in the UK. A study by Conen et al. (2012) concentrated on employers and organizational policies. The role of line managers, as such, was not examined, but was assumed implicitly. Indeed, because managers are usually responsible for work planning, changes in older workers' working hours and working times require their approval; even if older workers have a right to reduced working hours granted by a collective labor agreement. Likewise, older workers are likely to appeal to their managers, or else managers themselves will consult with older workers when they feel that the workload of older workers or working conditions may be too burdensome. Line managers will be involved also in the implementation of training plans for older workers since the manager's approval is usually required for a worker's enlistment. However, while we can infer a line manager's role indeed does exist in these older worker policies, these same studies do not tell us what this role entails.

There are an increasing number of studies examining HR policies targeting older workers when seen from the perspective of these workers themselves. Such studies are examining typical HR practices designated for older workers, such as training and development (Armstrong-Stassen & Ursel, 2009; Mountford, 2013), flexible work arrangements (Armstrong-Stassen & Ursel, 2009; Beck, 2013), and job redesign (Kawakami, Inoue, Ohkubo, & Ueno, 2000; Streb & Voelpel, 2009). Other studies are examining general HR practices and take into account the effect of age when they consider to what extent these practices stimulate workers' well-being and performance (Innocenti, Profili, & Sammarra, 2013; Kooij, Jansen, Dikkers, & De Lange, 2010; Kooij et al., 2013).

An important distinction when considering older workers' motivation and productivity is between 'maintenance HR practices' and 'development HR practices' (Kooij et al., 2010, 2013). The former involve HR practices such as formal performance appraisal, career advice, information needed to do the job, and opportunities to give ideas for improvement. These are related to workers' needs for protection, safety, and responsibilities. The latter involve HR practices such as formal training, a challenging job, and a job that makes full use of knowledge and skills. These are related to workers' needs of advancement, growth and accomplishment (Kooij et al., 2013, p. 22).

Kooij et al. (2010) assume that employees' needs change with age. This is reflected in the hypothesis that the association between the maintenance bundle and job satisfaction and affective commitment will strengthen with age, while the association between the development bundle and these outcomes will weaken with age. The importance attached to development practices for older workers differs between Kooij et al. (2010) and Thijssen (1997). Kooij et al. argue that the needs for advancement (which development practices are aimed at) become less

important with age which seems to imply that development practices are less important for older workers.

On the other hand, when considering the employer's perspective of the costs and benefits of development practices, Thijssen (1997) regards these development practices as very important because they can prevent and help remedy obsolete expertise which older workers generally tend to suffer from. Obsolescence results from experience concentration (Thijssen, Knies, & Leisink, 2013). This is a process which is characterized by workers accumulating a greater body of experience in their job as they grow older. However, at the same time, their area of expertise usually tends to become constrained and the variety of work experienced declines. This experience concentration can occur because older workers tend to refrain from participation in training and avoid learning new skills. Often this is because they refrain from job rotation and making changes in their work, and because they tend to restrict their social networks to old and trusted relationships (Thijssen & Leisink, 2007; Thijssen & Walter, 2006).

Thus, development is an essential HR practice if older workers are to remain productive at work. The priority which Thijssen (1997) grants to development policies for older workers is not based on attributing a need for advancement to older workers, but on the necessity to remedy skill deficiencies caused by experience concentration. In their 2013 study, Kooij et al. make a similar point. They propose that development practices are related more strongly to employee performance among older workers as when compared with younger workers. Their argument that job enrichment may help to prevent and remediate obsolescence and constriction (Kooij et al., 2013, p. 30), resonates with Thijssen's (1997) earlier analysis.

The role of line managers towards older workers (Furunes, Mykletun, & Solem, 2011; Leisink & Knies, 2011) and in creating an accommodating and developmental climate in work units through which older workers' attitudes and behaviors are influenced (Bal et al., 2012) is the explicit topic of a small number of recent studies. Initially, the role of supervisors in HR implementation was studied because of concerns that their stereotypes about older workers were a negative influence on the eligibility of older workers for training and other HR practices (Boerlijst et al., 1993; Maurer et al., 2003). An early study of older workers' decision to opt for early retirement (Henkens & Van Solinge, 2003) illustrated the paradox, in that older workers indicated that they would have considered staying if only their supervisor had asked them to do so and, thereby, valuing their contribution at work. Meanwhile, supervisors refrained from discussing early retirement with their older workers because they felt obliged to respect the privacy of older workers' decision-making.

Clearly older workers' motivation to continue to work is influenced by their supervisors showing appreciation for their work and supporting their well-being, as well as their facilitating participation in training and mobility opportunities. The importance of the line managers' role for older workers is key, given the closeness of their position and, thus, their ability to tailor the implementation of HR practices to older workers' individual needs (Leisink & Knies, 2011). The relevance of this situation is also significant given that the variations in older worker's individual motives, intelligence and health which are differences that tend to increase as they

grow older (Baltes & Lang, 1997; Greller & Stroh, 1995; Raz & Rodrigue, 2006). Tailor-made arrangements are attractive from a manager's perspective precisely because they have a positive effect on workers' motivation and performance as was shown by a study of supervisor views of idiosyncratic deals (Hornung et al., 2009).

Leisink and Knies (2011) studied 160 front-line managers who had direct supervisory responsibility for older workers in organizations representing various industries, e.g. printing, wholesale food business, financial services, and healthcare. The results showed line managers reporting high scores on their support for older workers' commitment by showing their appreciation of the job done and their interest in their personal functioning. Line managers reported slightly less high scores on their support for older workers' career development by offering their older workers opportunities to participate in training and mobility. Line managers' interest in their older workers' personal functioning was relevant because it relates to their need for maintenance. For instance, when a line manager observes a job may be too burdensome, this offers an opportunity to consult with the older worker about the possibilities for ergonomic measures or for a reduction of working hours. Line managers' support through offering training is unlikely to be accepted without further encouragement. However, this is particularly relevant and is needed to confront the tendency for older workers to avoid training and learning new skills. This is when experience concentration and obsolescence can result and, ultimately, may affect their job performance and the possibility for them to remain productive. Career support by a line manager is important for those older workers who need development and who aspire to a job in which they also might benefit from coaching other, younger workers.

## 5.3 The Effects of Support for Older Workers on Motivation and Productivity

Having examined which HR policies and practices are being implemented to support older workers' development and productivity now we will address the question in this section as to whether supporting older workers does indeed impact on their motivation and productivity. The literature addressing this issue is scarce. However, studies by Armstrong-Stassen (2008), Armstrong-Stassen and Ursel (2009), Bal et al. (2012), Innocenti et al. (2013), Kooij et al. (2013) and Mountford (2013) have produced insights into the impact of HR practices on an array of different outcomes, such as employee well-being, productivity, the motivation to remain with an organization, and the motivation to work beyond retirement. These studies show also that older workers have different work-related needs and desires when compared with their younger colleagues. These needs must be addressed if older workers' motivation and productivity are to be stimulated (see also Kooij, De Lange, Jansen, Kanfer, & Dikkers, 2011). The studies which examine HR practices tend not to look explicitly at their implementation. Because employees' perceptions of HR practices are dependent to a large extent on the implementation by their line manager, these

studies point implicitly to the fact that line managers' people management activities do have a significant impact on employees' motivation and productivity.

Armstrong-Stassen (2008) and Armstrong-Stassen and Ursel (2009) studied HR practices specifically designed for older workers. The former study concluded that HR practices impact on older workers' decisions to remain in or to return to their job after retirement. Those HR practices which are tailored to employees' preferences are shown to be important as they signal that employees are valued by the organization. The latter study showed that training and development practices enhance the levels of perceived organizational support and career satisfaction which motivate people to remain with the organization. The studies also showed that advancement and promotion are less important for career satisfaction of older workers, when compared with meaningful and interesting work.

Mountford (2013) took a slightly different approach. She studied HR practices in general, rather than those just aimed at older workers, but did analyze results from a sample of older workers. Her qualitative study provides empirical evidence that implementing supportive work practices is effective in retaining older workers. These practices include developing a supportive work environment, recognizing workers' skills and abilities, providing training opportunities, and creating the opportunity to pass on knowledge to younger colleagues.

Innocenti et al. (2013) and Kooij et al. (2013) also studied general HR practices. They used a quantitative design and included younger and older workers in their sample to examine the moderating effect of age on the relationship between HR practices and employee well-being (job satisfaction, commitment, and organizational fairness) and performance. Innocenti et al. show that training and development practices impact positively on job satisfaction and commitment and that this relationship weakens with age. Kooij et al. come to a similar, but somewhat more nuanced, conclusion. As explained in the previous section, they distinguish between two bundles of HR practices and demonstrate that the relationship between development practices and well-being weakens with age, whereas the relationship between maintenance practices and well-being strengthens with age. Moreover, the relationship between development practices and performance is shown to strengthen with age. These findings are in line with their assumption that maintenance (rather than development) becomes more important as employees age (see also Armstrong-Stassen & Ursel, 2009). Kooij et al. show that, as workers get older, their needs and desires change and, as a result, older workers respond differently to HR practices.

The paper by Bal et al. (2012) emphasizes the importance of line managers in supporting older workers in both aspects of the people management role, i.e. negotiating tailor-made arrangements with employees, and showing supportive leadership behavior. They illustrated that development and flexibility i-deals have a positive impact on older workers' motivation to work beyond retirement. This is because such deals fulfill worker needs for personalized work arrangements. I-deals are individual agreements negotiated between an employee and the organization (Rousseau, 2005). As supervisors typically act as representatives of the organization in the negotiation of i-deals, this points to the important role of line managers in shaping employee motivation. Bal et al. also concluded

that the relationship between development i-deals and the motivation to work beyond retirement is strengthened by a supportive climate where the development and the use of knowledge and experience are encouraged. A line managers' leadership behavior is important in shaping a supportive climate (Bowen & Ostroff, 2004). As such, this highlights the importance of line managers' people management activities in supporting employee motivation.

The Utrecht University School of Governance, the Netherlands, has developed another line of research studying the effects of line managers' activities on older workers. This addresses the question of how employee-self management and line manager career support impact on workers' employability. Data was collected from more than 11,000 employees who completed an online self-assessment survey 'De Loopbaanspiegel' (The Career Mirror).

The results revealed that both employee self-management and line manager career support, in fact, do impact on the perceived levels of workers' employability. Although the dependent variable in this study is employability, one may assume that this will result subsequently in higher productivity as workers who are more employable are more able to perform in their job (compare Villanueva, 2005).

The analysis of the overall dataset included workers from all ages. It showed that employee self-management ($r = 330$, $p < .01$) is more strongly related to employability than line manager support ($r = .260$, $p < .01$). When focused on employees in particular age groups the study revealed some differentiated results. The employability of workers aged 35 or younger is more strongly related to line manager support ($r = .326$, $p < .01$) compared with employee self-management ($r = .287$, $p < .01$), whereas the employability of older workers (55+) is more strongly related to employee self-management ($r = .348$, $p < .01$) compared with line manager support ($r = .219$, $p < .01$). These results show that line manager support matters, but to a somewhat lesser extent for older rather than for younger workers. This might be explained by the fact that the preferred type of support changes with age (see Kooij et al., 2011), i.e. when people age, maintenance practices become more important than development practices.

Another relevant conclusion that can be drawn from this study is that older workers perceive less support from their supervisors than their younger colleagues. This might be explained by considering the role of stereotypes that influence line managers' behavior.

## 5.4 Factors Influencing Line Managers' Actions Towards Older Workers

The above confirms the crucial role line managers play in motivating older workers. Yet, the stereotypical attitudes of line managers about older workers might introduce negative influences. This is indicated by many studies, both older (e.g. Boerlijst et al., 1993; Chiu et al., 2001; Maurer et al., 2003; Visser et al., 2003) and more recent (Karpinska, 2013; Karpinska, Henkens, & Schippers, 2013; Leisink & Knies,

2011). We will review now what is known about these features and will describe also those factors that influence line managers' actions towards older workers.

Early studies of support for older workers were mainly interested in managerial attitudes and age-related stereotypes. For instance, Boerlijst et al. (1993) found that most managers prefer to have a majority of younger workers in their unit and that they legitimize this through negative stereotypes of older workers who are seen as lacking flexibility, creativity, ambition and performance. Other studies (Chiu et al., 2001; Maurer et al., 2003; Visser et al., 2003) confirmed the existence of these dispositions, but they have reported also that older workers are valued for their trustworthiness, commitment and interpersonal skills. The negative stereotypes about older workers were seen as a cause of discriminatory decisions in the implementation of HR policies, such as participation in training and promotion (Boerlijst et al., 1993; Maurer et al., 2003). Visser et al. (2003) showed that employers who subscribe to negative stereotypes are less supportive of retention policies.

More recent studies of managerial actions related to age stereotyping differ from previous research. Karpinska (2013) and Karpinska et al. (2013) show that stereotypical attitudes did not have a major influence on managers' actions with regard to retaining older workers eligible for early retirement and offering training opportunities for older workers. Karpinska et al. showed that managers' perceptions of what they call 'hard skills' (mental and physical capacity, willingness to learn new skills and adapt to new technologies and flexibility) did not affect significantly retaining people, while their perception of 'soft skills' (organizational citizenship behavior) had a slight positive effect. Overall, general stereotypical attitudes of managers were not found to influence their specific retention decisions when more information is available on workers' individual attributes (degree of employability, health, specialist knowledge) and labor force shortages that are faced by their organization.

In another study, Karpinska (2013) included the influence of age norms on managers' propensity to offer training opportunities to older workers. Age norms refer to customary rules of behavior that coordinate human interaction and affect decisions; in this case about what is the appropriate time to retire. Karpinska hypothesized that, the higher the norms held by managers regarding the labor market participation of older workers, the more likely they are to offer training opportunities to older workers. However, managers' age norms about the appropriate time to retire had no significant effect on offering training opportunities. Again, as in the case of retention, older workers who perform well and have a positive work attitude are provided with more training opportunities, while workers who do not perform well are much more likely to be excluded from training.

While earlier studies focused strongly on the influence of stereotypical attitudes on line managers' support for older workers, recent studies, such as Karpinka's, also consider other factors, such as the labor market situation of the firm. Leisink and Knies (2011) also included other factors, which align with the AMO model (Abilities, Motivation, Opportunities) used in HRM-performance research. This means that the performance of line managers in their support for older workers is seen as a function of their abilities to support older workers, their

motivation (stereotypical attitudes and willingness to support older workers), and the opportunities they perceive they have, including their discretionary room and support from HR specialists and other managers. Their study showed no significant relationship between line managers' who subscribed to negative stereotypes and their support for older workers. They did show that this support is dependent on their abilities and mediated by their willingness to support older workers. In turn, their willingness is, to an extent, dependent on the opportunities for action they have.

These more recent studies suggest that stereotypical attitudes have far less influence on managers' actions towards older workers than earlier studies indicated. This may be because attitudes in society about older workers have changed over the past decade. This is illustrated by the good practices of age management promoted by the European Union aiming at 'active ageing' by promoting workers' employability over their working life (Dublin Foundation, 2008). The studies also may have become more comprehensive by not concentrating on stereotypical attitudes only and by including other factors as well.

The findings indicate that organizations wanting to support older workers' labor participation need to provide line managers with sufficient opportunities for action and support from the HR department to implement HR policies generally, as well as those tailored to the individual situations and needs of older workers. Leisink and Knies (2011, p. 1911) found that line managers are aware of this area of potential improvement. A study of Norwegian public sector managers Furunes et al. (2011) also concluded this fact and showed that line managers' knowledge and attitudes affected their perception of the latitude they have for decisions on activities aimed at retaining older workers. Managers' opportunities for action, and their abilities and motivation to support older workers, influence each other in both ways. While Leisink and Knies (2011) showed that managers' opportunities for action influence their willingness to support older workers, Furunes et al. (2011) demonstrated that managers' knowledge of, and attitudes to, managing the daily work in ways that allowed every employee, regardless of age, to achieve individual and organizational targets, in itself encouraged managers to perceive their own greater decision-making latitude to undertake activities towards this goal.

## 5.5 Conclusion

This chapter set out to answer the question: to what extent and how do line managers support older workers at work and how their support influences the motivation and productivity of older workers? In general, line manager's role in people management is twofold. On the one hand, they have a responsibility for the implementation of supportive HR practices and tailor-made work arrangements. On the other hand, their leadership behavior is important in shaping employees' attitudes and behavior. In the case of older workers, HR policies and practices aimed at development are of particular importance, as these seek to remedy skill deficiencies and to broaden

workers' employability. Other bundles of practices that are important for older workers' well-being and performance are aimed at maintenance and job enrichment. The implementation of these HR practices by line managers has a positive effect on an array of different outcomes, such as employee well-being, productivity, the motivation to remain with an organization, and the motivation to work beyond retirement. Moreover, line manager career support is positively related to workers' employability, although this is more the case for younger rather than for older workers. The support that line managers provide to older workers is dependent on line managers' abilities and willingness to support older workers, while willingness is enhanced by the opportunities available for action. Stereotypical attitudes no longer appear to exert any major influence on line managers' behavior.

We identify three areas for further research. First, the role of line managers in managing older workers needs further attention. We should not limit our research to just the existence of maintenance and development practices, but focus more on how line managers enact these practices. Extra attention is needed regarding line managers' leadership behavior towards older workers and how this differs from the behavior when they deal with younger workers. Second, the dependent variable analysis needs to go beyond the motivation to remain with an organization or the motivation to work beyond retirement. We advise the use of other outcomes as well, such as workers' employability and their productivity in their job. Third, it appears that the line managers' stereotypes regarding older workers have been overemphasized in past research and the effects attributed have been inconsistent. Therefore, we urge approaches that go beyond simple characterizations into research that embraces a broader array of contextual factors that are known to influence line managers' behavior toward their older workers. Examples of this include: the time available for people management activities, the support for supervisors, and the recognition of the role of line managers with regard to people management in general.

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# Chapter 6
# A Lifespan Perspective on Leadership

**Hannes Zacher, Michael Clark, Ellen C. Anderson, and Oluremi B. Ayoko**

## 6.1 The Role of Age for Leadership

Over the past decade, our understanding of the role of employee age in the work context has improved significantly. Researchers have conducted comprehensive meta-analyses on relationships between age and, for instance, job performance (Ng & Feldman, 2008), job attitudes (Ng & Feldman, 2010), and work motives (Kooij, De Lange, Jansen, Kanfer, & Dikkers, 2011). Additional meta-analyses have shown that employee age moderates relationships between human resource practices, psychological contracts, and job attitudes (Bal, De Lange, Jansen, & Van der Velde, 2008; Kooij, Jansen, Dikkers, & De Lange, 2010). Furthermore, organizational psychologists and management scholars have drawn on the lifespan psychology literature to develop theoretical frameworks that attempt to explain relationships between age and important work outcomes (e.g., Baltes, Rudolph, & Bal, 2012; Scheibe & Zacher, 2013).

In one key domain of organizational psychology and management, however, the role of age is so far not well-understood: leadership. Twenty-five years ago,

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_6

Avolio and Gibbons (1988) noted that the vast majority of leadership studies were "timeless" in that they did not approach the topic from a lifespan perspective. Unfortunately, there has been little progress in this regard since then (Day, 2011; see Walter & Scheibe, 2013, for a recent exception). Hardly any theoretical or empirical work exists in the leadership literature on the influences of leader age, follower age, age-related changes, and leader-follower age differences on leader behavior, follower attribution and identification processes, and leadership effectiveness. Recent reviews of the leadership literature are silent on the topic of leader age (Avolio, Walumbwa, & Weber, 2009; Kaiser, Hogan, & Craig, 2008), and leader age was not included in a recent meta-analysis on the predictors of leadership effectiveness, whereas leader gender was (DeRue, Nahrgang, Wellman, & Humphrey, 2011). Interestingly, at least five meta-analyses on the similarities of and differences between male and female leaders have been published over the past 25 years (e.g., Eagly, Johannesen-Schmidt, & van Engen, 2003), but we know very little about differences between younger and older leaders. Leadership is also rarely investigated in the field of lifespan psychology, which rather focuses on age-related changes in potential antecedents of leadership effectiveness, such as intelligence, knowledge, and personality characteristics (Baltes, Lindenberger, & Staudinger, 2006).

The goal of this chapter is to present a lifespan model of leadership that is based on an integration of theories and empirical evidence from the leadership, organizational, and lifespan psychology literatures. In brief, our model explains how leader age, follower age, and their interaction (i.e., leader-follower age differences) may influence leadership effectiveness via age-related leader traits and characteristics, leader behaviors, and follower attribution and identification processes (Fig. 6.1). We have structured this chapter as follows. First, we define the central constructs of this chapter. Second, we describe how leader traits and characteristics change with age and how these developmental changes may influence leader behaviors and,

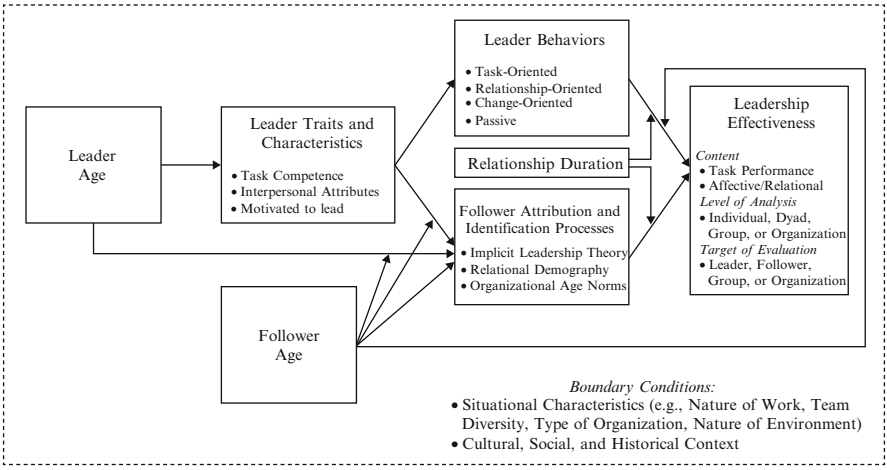


**Fig. 6.1** Lifespan model of leadership

thereby, effectiveness. Third, we explore how age and age-related attributes of both leaders and followers may affect follower attribution and identification processes that, in turn, predict leadership effectiveness. Fourth, we conclude the chapter by discussing important boundary conditions of our model as well as its implications for future research and practice.

## 6.2 Definitions of Age and Leadership

*Chronological age* is a measure of the time that has passed since a person's birth, and most research in organizational and lifespan psychology has investigated age in this way (Schwall, 2012). In this chapter, we also focus on the chronological age of leaders and followers. Some researchers have proposed multidimensional conceptualizations of the age construct, including subjective and relative age (Cleveland, Shore, & Murphy, 1997) as well as biological, psychological, and social age (Schalk et al., 2010). These conceptualizations of age involve developmental changes that are typically closely related to chronological age, and we address some of these changes in this chapter by describing age-related changes in leader traits and characteristics.

A widely accepted definition characterizes *leadership* as a process during which one person influences others by structuring task-related activities and by facilitating interpersonal relationships in the group to achieve shared goals or a vision of the future (Yukl, 2006). A *leader* is a person who occupies a formal or informal position that involves guiding the leadership process, and a *follower* is a person who accepts the leader as a legitimate source of guidance in the work context (Yukl). *Leadership effectiveness* refers to the task-related and affective-relational outcomes of the leadership processes, which can be assessed at different levels of analysis (e.g., individual, dyad, group, and organization) and with regard to different evaluation targets (e.g., leader, follower, group, organization; DeRue et al., 2011; Yukl).

Over the past century, researchers have developed numerous leadership theories and accumulated a large empirical evidence base on the antecedents and consequences of different forms of leadership (Avolio et al., 2009; Hiller, DeChurch, Murase, & Doty, 2011). Recently, leadership scholars have criticized the proliferation of new leadership theories and attempted to integrate theories and systematically organize empirical findings to advance knowledge on leadership (Avolio, 2007; DeRue et al., 2011). Our lifespan model of leadership (Fig. 6.1) is based on DeRue et al.'s integrative model of leadership. DeRue et al. proposed that leader traits and characteristics (including demographics, task competence, and interpersonal attributes) influence leadership effectiveness via two mediating mechanisms. First, they argued that leader traits and characteristics predict leader behaviors which, subsequently, influence leadership effectiveness. They classified leader behaviors into four categories: task-oriented, relational-oriented, change-oriented, and passive leadership. Second, they argued that leader traits and characteristics also have an effect on followers' attribution

and identification processes which, in turn, impact on leadership effectiveness. These processes include followers' implicit leadership theories and prototypes as well as followers' perceived similarity to and identification with their leader. DeRue et al. used meta-analytic methods to validate part of their integrative model. We extend their model in this chapter by including leader and follower age as central predictors of leadership processes and outcomes (Fig. 6.1).

## 6.3 Age-Related Changes in Leader Traits and Characteristics

In this section, we describe theories and empirical evidence on age-related changes in different leader traits and characteristics as well as the potential implications of these changes for leader behaviors and leadership effectiveness. Specifically, we review age-related changes in leaders' task competence, interpersonal attributes, and motivation to lead.

### *6.3.1 Age and Leaders' Task Competence*

Task competence includes traits and characteristics that describe how leaders typically approach tasks: intelligence, knowledge, conscientiousness, emotional stability, openness to experience, and leadership self-efficacy (DeRue et al., 2011). DeRue et al.'s meta-analysis showed that task- and change-oriented leader behaviors (i.e., initiating structure, contingent reward, and transformational leadership) mediated the effect of intelligence on leadership effectiveness (see also Judge, Colbert, & Ilies, 2004). The effect of conscientiousness on leadership effectiveness was mediated by initiating structure and transformational leadership, the effect of emotional stability was mediated by contingent reward, and the effect of openness to experience was mediated by initiating structure (DeRue et al.; see also Judge, Bono, Ilies, & Gerhardt, 2002). Due to a dearth of empirical studies on leader knowledge and self-efficacy, these characteristics were not included in DeRue et al.'s meta-analysis. However, researchers have suggested that these characteristics also positively predict leadership effectiveness (Hannah, Avolio, Luthans, & Harms, 2008; Kirkpatrick & Locke, 1991; Zacher, Pearce, Rooney, & McKenna, 2014).

The lifespan psychology literature shows that cognitive abilities such as rapid information processing, novel problem-solving, and reasoning ("fluid intelligence") generally decline with age (Baltes, Staudinger, & Lindenberger, 1999; Salthouse, 2012). In contrast, knowledge that is acquired through experience ("crystallized intelligence") tends to be relatively stable or even increase with age. Depending on the characteristics of their jobs, older employees may be able to compensate for age-related declines in fluid intelligence by applying their experiential knowledge

and judgment in the work context (Kanfer & Ackerman, 2004). As both fluid and crystallized intelligence positively predict leadership effectiveness, task-oriented leader behavior and leadership effectiveness should deteriorate with age if a leadership role primarily requires high levels of rapid information processing, novel problem-solving, and reasoning. In contrast, if the role mainly requires experiential knowledge and judgment, task-oriented behavior and leadership effectiveness should improve with age. In reality, most leadership positions are likely to require both fluid and crystallized intelligence, so the effects of age-related changes in these varieties of intelligence may often balance each other out. However, strategies for improving leadership effectiveness would be expected to vary with age, with younger leaders compensating for a lack of experiential knowledge and judgment through pursuit of learning, and older leaders compensating for age-related declines in fluid intelligence by drawing on their accumulated knowledge and experience.

With regard to personality characteristics, numerous studies in the lifespan literature have shown that conscientiousness and emotional stability tend to increase across adulthood, whereas openness to experience starts to decrease around the age of 60 years (e.g., Roberts, Walton, & Viechtbauer, 2006). Age-related changes in conscientiousness and emotional stability should positively influence leadership effectiveness, as these characteristics are important predictors of task-oriented leader behaviors (DeRue et al., 2011). In contrast, the negative effect of age-related decline in openness to experience on leadership effectiveness should be confined to relatively old leaders (i.e., 60 plus) in positions requiring change-oriented leader behaviors. Finally, the lifespan literature suggests that self-efficacy remains relatively stable or increases across adulthood due to age-related changes in primary control capacity (i.e., the ability to align the environment with the self) and secondary control striving (i.e., the desire to align the self with the environment; Heckhausen, Wrosch, & Schulz, 2010). Both primary control capacity and secondary control striving are constant until midlife, but thereafter primary control capacity declines and secondary control striving increases to compensate for the decline in primary control capacity. Secondary control striving may involve, for instance, that older adults enhance their perceptions of personal control or self-efficacy (Heckhausen et al., 2010). These processes may help leaders maintain or increase their self-efficacy with age. Some evidence suggests that older leaders may indeed evaluate themselves more favorably than younger leaders (Vecchio & Anderson, 2009). Vecchio and Anderson explained their finding as a self-serving bias reflecting older leaders' perceptions of their increased leadership experience and self-efficacy with age (see also Wohlers, Hall, & London, 1993). However, the same study showed that older leaders actually received lower ratings from their superiors for team performance (see also Ostroff, Atwater, & Feinberg, 2004; Van Der Heijden, 2001).

Overall, empirical evidence on the relationships between leader age, task competence, task- and change-oriented behaviors, and leadership effectiveness is sparse, and findings are mixed (see also Walter & Scheibe, 2013). One study with sales representatives and their supervisors found that subordinates of older supervisors achieved higher levels of objective job performance (but not higher supervisor ratings) than subordinates of younger supervisors (Liden, Stilwell, & Ferris,

1996). The researchers suggested that older supervisors have more leadership experience and therefore select better employees, have better access to organizational resources, and are in a superior position to train and support subordinates. Another study found that older leaders received higher ratings of transformational leadership behaviors by their subordinates than young and middle-aged leaders (Barbuto, Fritz, Matkin, & Marx, 2007). However, in different studies in the university sector, Zacher and his associates found that leadership effectiveness either did not vary, or actually declined, with age. For example, in one study, research assistants rated older professors lower on leader effectiveness than younger professors (Zacher, Rosing, Henning, & Frese, 2011). In another study, professor age was unrelated to assistant ratings of both transactional and transformational leadership behaviors, but positively related to passive leadership (Zacher, Rosing, & Frese, 2011; see also Zacher & Bal, 2012, for a negative relationship between professor age and assistant ratings of proactive leadership). These findings suggest that relationships between leader age, leader behaviors, and leadership effectiveness may depend on the work context (e.g., occupation), operationalization of effectiveness (i.e., objective versus subjective measures), and source of ratings (e.g., superior, subordinates, or peers).

### *6.3.2 Age and Leaders' Interpersonal Attributes*

Interpersonal attributes include traits and characteristics that describe how leaders typically approach social interactions: extraversion, agreeableness, communication skills, emotional intelligence, and political skills (DeRue et al., 2011). In DeRue et al.'s meta-analysis, extraversion and agreeableness were important predictors of leadership effectiveness. In addition, relational and change-oriented leader behaviors (i.e., consideration and transformational leadership) mediated the effects of extraversion on overall leadership effectiveness, and consideration mediated the effect of agreeableness on team performance (see also Judge et al., 2002). Communication skills, emotional intelligence, and political skills were not included in DeRue et al.'s meta-analysis. However, a few studies have shown that these characteristics also positively predict leadership effectiveness (Ahearn, Ferris, Hochwarter, Douglas, & Ammeter, 2004; Riggio, Riggio, Salinas, & Cole, 2003; Wong & Law, 2002).

Agreeableness tends to increase with age, whereas extraversion is more likely to decrease across adulthood (Roberts et al., 2006). Age-related increases in agreeableness should positively impact on relational-oriented leader behaviors and, in turn, team performance. So also should age-related growth in verbal abilities, emotional intelligence, and experiential knowledge and judgment (Baltes et al., 1999; Scheibe & Zacher, 2013), through their positive impact upon leaders' communication skills, emotion regulation, and political skills. In contrast, decreases in extraversion with age should negatively influence leadership effectiveness, as extraversion is one of the most important predictors of leaders' relational- and change-oriented

behaviors. Interactions between these leader attributes may also be significant for understanding the relationship between age and leadership effectiveness. For instance, growth in one area could presumably compensate for decline in another. Consequently, certain leader behaviors may change in systematic ways with age, without however affecting overall effectiveness.

Here again, empirical evidence concerning these relationships is inconclusive and in short supply (Walter & Scheibe, 2013). An early study found mixed results with regard to age and relational-oriented leader behaviors (Gilbert, Collins, & Brenner, 1990). As rated by followers, younger leaders were more fun to be with than older leaders (i.e., they were more attentive, more friendly outside work, and their company was more enjoyable) but older leaders were better delegators (a dimension of empowering leadership). However, in a recent study of university professors as leaders, age had no bearing on the quality of leader-member exchange, as rated by assistants, or on satisfaction with leader (Zacher, Rosing, Henning, et al., 2011).

### *6.3.3 Age and Leaders' Motivation to Lead*

Motivation to lead was not included in DeRue et al.'s (2011) meta-analysis, yet researchers have proposed that it constitutes an important predictor of leadership effectiveness (Kirkpatrick & Locke, 1991). Chan and Drasgow (2001) defined motivation to lead as an individual difference construct that influences a person's decision to take on a leadership role and to invest time and effort into that role. Dimensions of motivation to lead include affective-identity (i.e., intrinsic interest in leading), social-normative (i.e., a sense of duty), and non-calculative (i.e., being motivated to lead regardless of potential disadvantages and costs of leading; Chan & Drasgow, 2001). We discuss age-related changes in motivation to lead in the context of three prominent lifespan theories: the model of selection, optimization, and compensation; socio-emotional selectivity theory; and generativity theory (for a review, see Baltes et al., 2012).

The lifespan psychology perspective proposes that aging involves both growth and decline, and that people's priorities change with age from maximizing gains in young adulthood to maintaining resources and minimizing losses in older adulthood (Baltes, 1987; Ebner, Freund, & Baltes, 2006). The model of selection, optimization, and compensation argues that people adapt to age-related changes in demands and resources by selecting and prioritizing goals, optimizing goal pursuit, and compensating for losses in goal-relevant means (Baltes & Baltes, 1990; Freund & Baltes, 2002). With regard to the motivation to lead, this model suggests that leaders become more concerned with the potential disadvantages and costs of leading with increasing age due to their greater focus on maintaining resources and minimizing losses. Kanfer and Ackerman (2004) argued that such motivational calculations are due to a deterioration of effort-reward expectancies in later life. However, an age-related decline in non-calculative motivation to lead may be compensated by increases in social-normative motivation with age, as there are often implicit social

norms and expectations in organizations that older people take over leadership roles (Lawrence, 1988).

Socioemotional selectivity theory also derives from the lifespan perspective and proposes that people's goal priorities change with age and age-related decreases in future time perspective (Carstensen, Isaacowitz, & Charles, 1999). Younger adults are more likely to prioritize knowledge-related goals that help maximize future outcomes, such as career or access to desired resources. In contrast, older adults tend to focus increasingly on emotional and meaningful goals in their remaining time in life, such as spending more time with people close to them, and engaging in activities which transcend self-advancement and have greater "ultimate" significance. Based on socioemotional selectivity theory, older leaders might have a stronger affective-identity motivation to lead than younger leaders because they are more motivated to establish deeper relationships with a narrower circle of followers through whom they can pursue meaningful goals. In contrast, younger leaders should have a higher calculative motivation to lead than older leaders as they are more interested in maximizing future outcomes by occupying a leadership role. Note that the latter prediction is contrary to the prediction regarding non-calculative motivation based on the model of selection, optimization, and compensation. It remains an important task for future research to examine associations between age and leadership based on propositions of these two prominent lifespan theories.

The generativity construct was first introduced by Erikson (1950) as the concern for establishing and guiding future generations, which can be expressed in various care and mentoring activities, creative and productive work, as well as societal and cultural contributions, including leadership (McAdams & de St. Aubin, 1992). These different behavioral expressions of generativity are fairly loosely linked; generativity in one form of expression, social role, or life domain tends not to generalize to others (Clark & Arnold, 2008). Generally, research in lifespan and personality psychology showed that generative concern increases between young and middle adulthood, and tapers off little if at all thereafter (Stewart & Vandewater, 1998). Generative concern should be positively associated with affective-identity and social normative dimensions of motivation to lead, as generativity satisfies both internal desires and social demands respectively (McAdams & de St. Aubin, 1992). Furthermore, Korsgaard, Meglino, and Lester (1997) found that, when individuals care about other people, they are less likely to contemplate the personal consequences of helping them. Generativity should therefore also predict non-calculative motivation to lead. Thus, all three varieties of motivation to lead should mediate the effects of generative concern on leader behaviors and effectiveness among older leaders.

In the organizational psychology and management literatures, most research has focused on relationships between age and interpersonal aspects of generativity. A meta-analysis by Kooij et al. (2011) showed that a concern for helping others and contributing to society increased with age (see also Kooij, De Lange, Jansen, & Dikkers, 2013; Kooij & Van de Voorde, 2011). Similarly, age was positively related to nurturing forms of generativity among university professors (Zacher, Rosing, Henning, et al., 2011) and owners of family businesses

(Zacher, Schmitt, & Gielnik, 2012). With regard to leadership, older (but not younger) professors with high generativity were perceived by their assistants as more effective leaders; this effect was mediated by assistants' perceptions of the quality of the leader-member exchange relationship. Among family business owners, generativity mediated the relationship between owner age and succession planning. In a different study by Zacher and colleagues (Zacher, Rosing, et al., 2011), older professors also scored higher than younger professors on another dimension of generativity: the concern for leaving a lasting legacy. Among older (but not younger) professors, legacy concerns positively predicted assistants' evaluations of transactional and transformational leadership behaviors. Finally, two studies suggested that generativity may also indirectly influence leadership effectiveness among older leaders through its positive effects on job satisfaction, work engagement, and a sense of personal growth (Clark & Arnold, 2008; Kooij et al., 2013). Thus, generativity points to distinctive preoccupations and behaviors (e.g., nurturance, care for the next generation, legacy concerns) which are relevant to leadership behaviors as well as effectiveness.

## 6.4 Age-Related Changes in Follower Attribution and Identification Processes

In this section, we review three theoretical approaches that help explain how, why, and when leader age, leader age-related traits and characteristics, follower age, and leader-follower age differences are related to leadership effectiveness. Leader-follower age differences are represented in our model as the interaction between leader age and follower age (Fig. 6.1).

### *6.4.1 Leadership Categorization Theory*

Leadership categorization theory is arguably the most prominent theory on followers' cognitive processes and their effects on leadership effectiveness (Lord, 1985; Lord, Foti, & De Vader, 1984). The theory suggests that followers' implicit leadership theories and prototypes of ideal leaders influence their perceptions and evaluations of actual leader characteristics and behaviors. Followers should perceive the quality of their relationship with the leader as high if the leader confirms followers' implicit theories of effective leaders or matches the prototype of an ideal leader. A positive match between followers' expectations and leader behaviors should also influence follower satisfaction, performance, and extra effort. It is plausible to assume that implicit leadership theories and leader prototypes change with follower age. For instance, on the one hand, younger followers might expect that leaders are effective mentors that support their career and psychosocial development. On the other hand, older followers might expect that leaders create a positive

social environment and recognize followers' work and life experience. In addition, as leaders age, the degree of consistency between their image and behavior, on the one hand, and followers' implicit theories and prototypes of effective leaders, on the other, may increase or diminish due to age-related changes in leader traits and characteristics. Thus, it is important to investigate the interactive effects of follower age and leader age, age-related traits and characteristics, and behaviors on leadership effectiveness.

Unfortunately, so far hardly any research has adopted leadership categorization theory to study age and leadership. In a recent exception, Zacher, Rosing, Henning, et al. (2011) drew on leadership categorization theory to propose that older (but not younger) professors are expected by their (mostly young) assistants to show high levels of generative behavior (i.e., supporting assistants' academic careers more than working on their own careers). When older professors fulfilled this expectation they were not only perceived as more effective leaders, their assistants also had higher levels of satisfaction with the leader and showed greater effort. In contrast, older professors with low generativity were evaluated less favorably. The interactive effects of leader age and generativity on leadership effectiveness were mediated by assistants' perceptions of the quality of the leader-member exchange relationship.

### *6.4.2 Relational Demography*

The relational demography approach examines how the demographic composition of dyads and teams impacts on work outcomes (Tsui, Egan, & O'Reilly, 1992). For instance, relational demography is concerned with the attitudinal and behavioral consequences of employees working together with same-aged or differently aged peers and supervisors. The approach generally predicts that age similarity leads to positive outcomes, whereas age differences lead to negative outcomes. An early study investigated the impact of age and age differences on supervisors' liking of subordinates and ratings of subordinate performance as well as subordinates' role ambiguity and conflict (Tsui & O'Reilly, 1989). Supervisors generally rated the performance of older subordinates lower and liked them less than younger subordinates. Subordinates in dyads with larger age differences reported somewhat higher role ambiguity, but supervisor ratings were not influenced by age differences. Another study reported that younger supervisors believed that older subordinates are more difficult to manage as they were seen as less cooperative and more resistant (Smith & Harrington, 1994).

A study by Shore, Cleveland, and Goldberg (2003) examined the effects of interactions between the chronological and subjective age of managers and their employees. Interestingly, chronological age interactions had the strongest and most consistent effects. Employees rated their job satisfaction, commitment, and performance highest when their manager had a similar age to their own, whereas age differences had negative effects on job satisfaction, commitment, and performance. In addition, younger managers rated younger employees higher on potential for promotion than older employees, whereas older managers rated younger and older employees similarly.

Similar results were found for the provision of training and development by managers to their employees. Contrary to the researchers' expectations, older managers rated older employees' performance lower than younger managers, whereas younger and older managers gave similar performance ratings to younger employees.

While most studies have applied the relational demography approach to examine supervisor-employee dyads, one study examined the effects of supervisor-work group age differences (Ferris, Judge, Chachere, & Liden, 1991). In contrast to predictions of the relational demography approach, results showed that younger supervisors evaluated the performance of employees in teams composed of mostly older employees more positively than the performance of employees in teams with mostly younger employees. In contrast, older supervisors rated employees in teams with mostly younger workers more positively than employees in teams with mostly older employees. The researchers suggested that supervisors rated employees in teams with an average age dissimilar to their own more positively to compensate for being less liked by team members due to the age difference.

It is important to note that the vast majority of studies employing a relational demography approach to age differences between leaders and followers have not found effects on follower job attitudes, follower perceptions of leader-member exchange and communication quality, follower ratings of leadership effectiveness, and supervisor ratings of follower performance (Basu & Green, 1995; Epitropaki & Martin, 1999; Goldberg, Riordan, & Zhang, 2008; Green, Anderson, & Shivers, 1996; Green, Whitten, & Medlin, 2005; Liden, Wayne, & Stilwell, 1993; Schaubroeck & Lam, 2002; Shore & Bleicken, 1991; Wesolowski & Mossholder, 1997). In addition, one study using the relational demography approach showed that employees who were older than their supervisors fared even better or were at least not disadvantaged compared to employees who were of the same age as their supervisors (Vecchio, 1993).

### *6.4.3 Organizational Age Norms*

Lawrence's (1984, 1988) theory of organizational age norms and career timetables has also been used to study the effects of age differences between leaders and their followers. The theory suggests that employees' attitudes and behaviors are influenced by their perceptions of age distributions within organizations as well as age-related social comparisons with other people at work, including their supervisors. Lawrence (1984) argued that employees use organizational age norms to evaluate their own career success, and empirically demonstrated that people who perceive themselves to be "behind time" in their careers have more negative job attitudes than people who perceive themselves to be "on time" or "ahead of time." Lawrence (1988) further suggested that people who violate organizational age norms (i.e., are younger or older than what is typically expected for a certain position) are perceived and judged negatively. In addition, age similarity of and age differences between people are evaluated in the context of organizational age norms, and lead to positive outcomes when they are consistent with shared expectations and social norms (Lawrence, 1988).

For age differences between supervisors and subordinates, organizational age norms typically involve an expectation that supervisors should be older than their subordinates, as attaining supervisory status usually requires several years' work experience and training (Tsui, Xin, & Egan, 1995). This implies that when supervisors are older than their subordinates, subordinates will evaluate their supervisors as well as their relationship quality positively. In contrast, a younger supervisor managing an older subordinate violates common organizational age norms, and subordinates will evaluate their supervisor and relationship quality negatively (Tsui et al., 1995). Consistently, a study showed that older employees rated their younger supervisors' leader effectiveness lower than younger workers did (Collins, Hair, & Rocco, 2009).

Thus, organizational age norms theory suggests that some age differences between supervisors and subordinates may lead to positive outcomes, whereas other age differences may lead to negative outcomes (Perry, Kulik, & Zhou, 1999). In contrast to the relational demography approach, the theory also predicts that age similarity between a supervisor and subordinates may lead to negative outcomes, as subordinates might feel that they are "behind time" compared to their supervisor. The feeling of being "behind time," in turn, may engender feelings of jealousy and competitiveness which negatively impact on leadership effectiveness. Consistent with this assumption, results reported by Pelled and Xin (2000) showed that supervisor-subordinate age similarity had negative effects on leader-member exchange quality and follower trust. Other researchers have found empirical support for both positive age similarity effects on leader-follower relationship outcomes (which are mediated by interpersonal attraction) and positive age dissimilarity effects (if age differences were consistent with organizational age norms; Tsui, Porter, & Egan, 2002).

So far only one study has examined the role of age norms and age-related social comparisons at the team level (Kearney, 2008). Specifically, Kearney argued that older (but not same aged) leaders should be perceived by followers as being in a legitimate position of power that justifies the use of transformational leadership behaviors as an influence tactic. Consistently, results showed that the relationship between transformational leadership behavior and team performance was positive when the difference between leader age and the average age of followers in leaders' teams was high, whereas the relationship was weak and not significant when leaders and followers were more similar in age.

## 6.5 Implications for Research and Practice

Future studies could profitably test different parts of our integrative lifespan model of leadership (Fig. 6.1). First, researchers might investigate age-related leader traits, characteristics, and behaviors as mediators of relationships between leader age and different forms of leadership effectiveness. In this regard, it is important to keep in mind that several countervailing mechanisms may underlie relatively weak or even

null relationships between leader age and leadership effectiveness. For instance, leader age may be positively related to conscientiousness and emotional stability, but negatively related to extraversion and openness to experience, and these opposing relationships between age and different personality characteristics may offset an overall age effect on leadership effectiveness.

Furthermore, follower and team age may moderate the effects of different leader behaviors on leadership effectiveness (Fig. 6.1). For instance, socioemotional selectivity theory (Carstensen et al., 1999) suggests that older followers may respond more positively to relational-oriented leader behaviors compared to task-oriented behaviors. Future research could use this theory and other lifespan psychology approaches (e.g., Baltes & Baltes, 1990; Heckhausen et al., 2010) to explore age-related changes in different motivations to lead (Chan & Drasgow, 2001) and to follow (Kark & Van Dijk, 2007). In addition, researchers should continue to examine associations between age, generativity, and leadership. For instance, agentic aspects of generativity concerned with productivity resemble task-oriented leader behaviors, whereas communal aspects of generativity concerned with nurturance resemble relational-oriented leader behaviors. Based on lifespan theories, it would be expected that the priority and effectiveness of these leader behaviors change with increasing leader and follower age.

Second, researchers could advance knowledge on the role of follower attribution and identification processes as mediators of relationships between leader age, follower age, their interaction, and leadership effectiveness. Researchers could also examine both leader behaviors and follower processes simultaneously as explanations of the associations between leader and follower age and leadership effectiveness. In this regard, the duration of the relationship between leaders and followers may constitute an important boundary condition, such that follower attributions and identification processes are more likely to affect leadership effectiveness in the early stages of the leader-follower relationship, whereas leader behaviors should become more important at later stages (DeRue et al., 2011). For instance, a study showed that demographic similarity positively predicted subordinates' perceptions of leader trustworthiness in relatively new relationships, whereas trustworthy behavior and shared perspective predicted perceived trustworthiness in older relationships (Levin, Whitener, & Cross, 2006; see also Somech, 2003).

Finally, it is important to acknowledge that situational characteristics (e.g., the nature of work performed, team age diversity, type of organization, nature of environment) as well as the cultural, social, and historical context of leadership may constitute boundary conditions of the age effects proposed in our model. Different leadership roles may require different levels of leader task competence (e.g., fluid and crystallized intelligence), interpersonal attributes (e.g., extraversion and agreeableness), and motivation to lead (e.g., nurturing, productive, or legacy-related aspects of generativity). The effectiveness of leaders at different ages depends, in part, on these role requirements, age-related changes in leader traits and characteristics, as well as the extent to which leaders and their work environment are able to compensate for age-related losses, and to capitalize on age-related growth, in age-related leader traits and characteristics.

Tsui et al. (1995) suggested that the age composition within teams (i.e., age diversity) might moderate the effects of age similarity and age differences in supervisor-subordinate dyads on mutual evaluations of effectiveness and relationship quality. Certain age compositions (e.g., only one versus several older employees working for a younger supervisor) may be perceived as more or less typical, which could weaken or strengthen age similarity and age differences effects. Similarly, supervisors who are younger or similar in age to their subordinates may be more common and accepted in information technology organizations, and among members of younger generations (Tsui et al., 2002). Tsui et al. also suggested that relational age norms may differ across cultures. For instance, the constellation of older supervisors working with younger subordinates may be more normative in East Asian cultures than in Western cultures due to differences in how older people and their strengths are valued. In a similar vein, age-related gains (e.g., in generativity) and age-related losses and reorganization (e.g., in fluid intelligence and extraversion) might impact differently on leadership effectiveness in different cultures.

Our lifespan model should have practical implications for organizations interested in maximizing leadership effectiveness of leaders at different ages. On the one hand, practitioners could design leadership roles consistent with theories and empirical evidence from the lifespan psychology literature. For instance, leaders' role requirements could capitalize on age-related gains in characteristics such as crystallized intelligence and generativity, whereas role resources could help compensate for age-related losses in characteristics such as fluid intelligence and extraversion. Motivational interventions for leaders should take developmental changes in the motivation to lead into account. On the other hand, practitioners should also be aware of how leader-follower age similarity and differences may impact on follower attributions, expectations, and identification processes. Depending on followers' implicit leadership theories and prototypes as well as relational age norms in the organization, practitioners could prepare leaders and followers of different ages for effective collaborations that make the most of different age-related strengths and motivations. In conclusion, we hope that our model inspires further research on age and leadership in order to provide practitioners with valuable knowledge on how to maximize leadership effectiveness across the lifespan.

**Acknowledgement** This work was supported by a Discovery Early Career Researcher Award (DE120100359) from the Australian Research Council (ARC) awarded to the first author, and by a Winter Research scholarship from The University of Queensland awarded to the third author.

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# Part II
# The Role of the Older Worker

# Chapter 7
# The Psychological Contracts of Older Employees

**Tim Vantilborgh, Nicky Dries, Ans de Vos, and P. Matthijs Bal**

## 7.1 Introduction

In recent decades, many developed countries have encountered demographic trends such as lower birth rates and increased life expectancies, which increased the average age of their working populations (Kooij, De Lange, Jansen, & Dikkers, 2008). Consequently, the proportion of older employees in the workforce is steadily rising, and is projected to reach 32 % of the entire workforce in developed countries by 2050 (United Nations, 2007). It is therefore not surprising that governments and organizations are calling upon researchers to investigate how older employees can be motivated to remain productive and to continue working instead of opting for early retirement (Bal, De Lange, Zacher, & Van der Heijden, 2013; Kanfer, Beier, & Ackerman, 2013).

In this chapter, we focus on the psychological contract as a key mechanism to understand what older employees expect from their employment relationships. The psychological contract describes an individual's beliefs regarding reciprocal obligations between her or himself and an organization (Rousseau, 1990). Put differently, it captures what an employee believes to owe the organization and what the employee

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_7

believes the organization owes him or her in return. Over the course of the last two decades, the psychological contract has become one of the most influential concepts in the organizational behavior literature due to its ability to explain social exchange relationships and predict employees' attitudes and behaviors (Conway & Briner, 2009). Despite the substantial evidence for these relationships, studies conducted thus far mainly focused on the psychological contracts of young and middle-aged employees, and people with little work experience (Ng & Feldman, 2009). At best, they treated age as a control variable (e.g., Raja, Johns, & Ntalianis, 2004). Nonetheless, scholars have recently begun to respond to the call for research into the psychological contract of older workers as a particular subgroup of employees (e.g., Bal, De Lange, Jansen, & Van der Velde, 2008; Bal, De Lange, et al., 2013; Ng & Feldman, 2009; Vantilborgh et al., 2013).

The aim of this chapter is to provide a review of this emergent stream of research in the literature. We briefly discuss psychological contract theory and three theoretical perspectives that have been used in the literature to discuss older employees' psychological contracts. Next, we relate these theoretical perspectives to the content and the process of the psychological contract, and provide an overview of empirical studies. In the case of the content of older employees' psychological contracts, we complement these empirical studies with new meta-analytical findings. Finally, we integrate these theories and empirical findings in the discussion, and offer recommendations for future research and practitioners.

## 7.2 The Psychological Contract of Older Employees

The psychological contract is rooted in social exchange theory (Blau, 1964) and is considered vital to understand how individuals experience their employment relationship (Shore & Barksdale, 1998). Employees can perceive various mutual obligations within their psychological contract. For example, an employee may believe that his organization is obliged to give him a pay raise in the near future and, in return, feel obliged to work additional hours for his organization. It is important to note that the psychological contract is subjective (Rousseau & Tijoriwala, 1998), meaning that it focuses on the employee's perception of the mutual obligations with her or his organization. Moreover, the psychological contract should be distinguished from expectations, as only those expectations with a promissory nature are part of the psychological contract (Rousseau & Tijoriwala). It is also important that while the psychological contract entails obligations between two parties, the majority of the literature focused on the employer side of the contract. We follow this focus, meaning that we discuss the obligations of the organization towards older employees as perceived by these employees.

Throughout this chapter, we distinguish the content (i.e., what employees believe that their organization is obligated to provide them) from the process (i.e., how employees react when perceived obligations are (not) met by the organization or when they perceive to owe less/more than the organization owes

them in return) of the psychological contract. We draw on three theoretical perspectives—socioemotional selectivity theory, the selection optimization with compensation model, and the contract malleability and replicability model—that have been used in the literature to argue that the content and the process of older[1] employees' psychological contracts differs from that of younger employees. We briefly introduce these theoretical perspectives below.

*Socioemotional selectivity theory* states that as people grow older they start to experience time as running out (Carstensen & Löckenhoff, 2004). In the context of paid employment, this narrowing time horizon can refer both to time left until retirement or time left in life in general (Zacher & Frese, 2009). Socioemotional selectivity theory therefore introduces the concept of future time perspective, which captures individuals' subjective beliefs of the amount of time and opportunities they have left in their future (Bal, De Lange, et al., 2013). As long as the future is perceived to be open-ended (i.e., high future time perspective), people prioritize goals that optimize the future. However, when people view their future as close-ended (i.e., low future time perspective), they focus on present-oriented goals that maximize emotional meaning. For example, they try to avoid negative states and intensify positive emotions. Put differently, a diminishing future time perspective causes people to focus on deriving socioemotional meaning from life as opposed to long-term benefits and problem solving.

The *selection optimization with compensation (SOC)* model states that people encounter opportunities and limitations throughout life, to which they can react with three strategies: selection, optimization, and compensation (Freund & Baltes, 1998). *Selection* refers to setting goals, meaning that people restrict their activities to a few important domains in life (Bajor & Baltes, 2003). On the one hand, people engage in elective selection, meaning that they identify a set of goals on which they focus their resources (e.g., focus on relationships with family members instead of on a career). On the other hand, people engage in loss-based selection, meaning that they restructure goals due to having experienced a loss that threatens one's current level of functioning (e.g., focus on a less stressful life and foregoing a job promotion after suffering a heart attack). Whereas selection refers to focusing on certain goals in life, optimization and compensation refer to the means to reach these goals. *Optimization* indicates that people try to enhance or maintain their means or strategies to achieve certain goals (e.g., dedicating time and effort to learn new media). *Compensation* means that people use alternative means to maintain a certain level of functioning when previous means or strategies are no longer viable or useful (e.g., delegating certain tasks that require knowledge of new technology to colleagues). While the SOC model assumes that everyone uses the three aforementioned strategies, the loss of resources—e.g., a diminished fluid memory—and the new opportunities—e.g., an improved crystalized memory—associated with aging increases the relevance of the model for older employees (Freund & Baltes, 1998; Kanfer & Ackerman, 2004).

[1] We follow the majority of the literature and consider employees who are older than 50 as "older employees" (Bal et al., 2008; Kanfer et al., 2013; Kooij et al., 2008).

The *contract malleability and replicability model* is used to explain why older employees react differently to psychological contract breach than younger employees (Ng & Feldman, 2009). C*ontract malleability* indicates the extent to which employees can tolerate deviations from what the other party is obligated in the psychological contract, without perceiving that their contract is violated. *Contract replicability* is defined as an employee's beliefs regarding the extent to which aspects of the psychological contract can also be obtained in other organizations (Ng & Feldman). Employees are believed to react less strongly to breach when contract malleability is high and contract replicability is low. Moreover, Ng and Feldman proposed that psychological contracts become more malleable and less replicable as employees grow older. They argue that this is due to older employees' improved ability to regulate their emotions and their more forgiving stance towards misconduct in social relationships.

## 7.3 The Content of Older Employees' Psychological Contracts

The content of the psychological contract refers to an employee's perception of *what* the specific inducements and contributions are that both parties owe each other (Conway & Briner, 2009). Typologies are commonly used to describe the content of the psychological contract, of which one of the most widely used is the transactional-relational psychological contract typology (Rousseau, 1990). Transactional contracts concern the exchange of highly specific economic inducements and contributions within a well-defined time frame (e.g., a certain amount of pay in exchange for a specified level of performance). Relational contracts entail the exchange of broader, subjectively understood socio-emotional inducements and contributions within an open-ended time frame (e.g., employee commitment in return for job security). Mutual trust and a desire to establish a long-term exchange relationship characterize these relational contracts. Both contract types were originally considered to represent opposite ends of a single dimension (e.g. Millward & Hopkins, 1998). However, scholars nowadays agree that they form independent dimensions, meaning that employees can perceive both transactional and relational obligations (e.g., Isaksson, De Cuyper, Oettel, & De Witte, 2010).

Socioemotional selectivity theory has been used to propose that age-related differences in the content of the psychological contract exist (e.g., Bal et al., 2008). The central argument being that as employees grow older, they focus on other goals in life and, hence, start to emphasize mutual obligations related to these goals. This argument is substantiated by a recent meta-analysis which showed a positive relationship between age and intrinsic motives, and a negative relationship between age and growth and extrinsic motives (Kooij, De Lange, Jansen, Kanfer, & Dikkers, 2011).

Bal and Kooij (2011) drew on this argument to test whether older employees reported a different psychological contract type than younger employees. They proposed that age moderated the relationship between work centrality and reporting a relational psychological contract. Building on the SOC model, they explained that older employees are faced with a loss of resources (e.g., diminishing physical capabilities and fluid memory) and therefore thoroughly consider where to invest remaining resources. As a result, they argued that older employees only develop relational psychological contracts with their organization if work occupies a central role in their life. These arguments were largely supported by their data. They found that age was negatively related to both transactional and relational obligations in the psychological contract. However, older employees who attached a central role to work in life were more likely to report a relational contract.

Bal and Kooij's (2011) findings contrast with an earlier study by Hess & Jepsen (2009) who found that baby-boomers (born between 1946 and 1964 and who currently can be considered as older employees) reported more transactional and relational obligations than employees belonging to generation X (born between 1965 and 1979). They argued that this might be due to generation-X's cynical attitude towards work. No differences could be discerned in the content of the psychological contract between baby-boomers and generation-Y employees (born between 1980 and 1994). Taking a more in-depth look at specific obligations in the psychological contract, Lub, Bijvank, Bal, Blomme, and Schalk (2012) compared generations and found that baby-boomers reported fewer obligations related to a stimulating job, intra-organizational mobility, and work-life balance than other generations.

In sum, the few studies to date that examined the content of older employees' psychological contracts yield mixed results. On the one hand, when relating content to age it appears that older employees perceive fewer transactional and relational obligations than young employees (Bal & Kooij, 2011). On the other hand, studies that relate content to generational differences suggest that older employees (i.e., baby-boomers) perceive more transactional and relational obligations than middle-aged employees belonging to generation-X (Hess & Jepsen, 2009). Moreover, the centrality of work in life (Bal & Kooij) and the specific obligations underlying the transactional-relational contract types (Lub et al., 2012) may need to be considered to fully untangle these differences between older and younger employees.

## 7.4 Meta-analysis

Given that research on the content of older employees' psychological contracts is scarce and yields mixed findings, we conducted a meta-analysis to test the relationship between age and organizational tenure on the one hand, and transactional and relational psychological contracts on the other. In June and July 2013, we searched a number of databases (Psycinfo, ABI-Inform, and Medline) for

papers published between 1989—the year of Rousseau's (1989) seminal article on the psychological contract—and 2013. We used combinations of the following search terms: age, tenure, relational psychological contract, transactional psychological contract. Studies were included if they contained an effect size for the relationship between age or organizational tenure on the one hand and transactional or relational contracts on the other. We only considered studies that examined transactional and relational obligations of the employer towards the employee, as perceived by the employee. Moreover, we only included studies that used samples of paid employees and that were written in English or Dutch.[2] Next to the database search, we examined reference lists of previous meta-analyses for additional articles (Bal et al., 2008; Zhao, Wayne, Glibkowski, & Bravo, 2007). The programs of the annual Academy of Management meetings (years 2008–2013) were scanned and authors who had presented papers relevant to our meta-analysis were contacted by e-mail. Finally, we distributed a call for relevant (un)published papers via the Organizational Behavior and Careers mailing lists of the Academy of Management. When two or more studies used the same sample, we included only the most recent study. This search strategy yielded 26 samples ($N_{respondents} = 7{,}784$) that could be used to analyze the relationship between age and the transactional and relational contract, and 26 samples ($N_{respondents} = 8{,}504$) that could be used to analyze the relationship between organizational tenure and the transactional and relational contract. We analyzed the data in R with the metafor package (Viechtbauer, 2010), using the Hunter-Schmidt estimator. Correlations between age/organizational tenure and transactional or relational contracts were adjusted for sample size and the internal reliability of the transactional and relational contract measures. All correlations were then submitted to a Fisher Z-transformation. We ran random effect models to estimate the true-score correlations.

Table 7.1 provides an overview of the sample characteristics, sample size, average age and organizational tenure, internal reliabilities of the transactional and relational contract, and their correlations with age and organizational tenure of the studies included in the meta-analysis. The mean age, weighted by sample size, was 35.20 years (mean ages ranged from 24.71 to 47.92 years in primary studies). The mean organizational tenure, weighted by sample size, was 8.38 years (mean tenures ranged from .48 to 14.68 years in primary studies). Fifty-two percent of the total sample was female. Correlations between age and transactional and relational psychological contracts ranged from −.35 to .17 and from −.35 to .29 respectively, while correlations between organizational tenure and transactional and relational psychological contracts ranged from −.31 to .19 and from −.35 to .35 respectively. The reliabilities of transactional and relational psychological contracts ranged from .64 to .89 and from .62 to .92 respectively.

Table 7.2 shows the number of studies ($k$) used in the meta-analyses, the total sample size ($N$), the average correlation, the true-score correlation ($\rho$) and its standard error, the 80 % credibility interval, the 95 % confidence interval, and the test

[2] The mother tongue of the authors.

**Table 7.1** Sample characteristics, sample size, average age and tenure, Pearson correlations and internal reliabilities of transactional and relational contracts with age and tenure

| Authors | Sample | $N$ | $M_{age}$ | $M_{\text{tenure}}$ | Transactional contract | | | Relational contract | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | $r_{age}$ | $r_{tenure}$ | $r_{yy}$ | $r_{age}$ | $r_{tenure}$ | $r_{yy}$ |
| Bal and Kooij (2011) | Dutch employees | 465 | 42.64 | 14.26 | −.01 | .12 | .71 | −.31 | −.22 | .82 |
| Bal, Kooij, and De Jong (2013) | Dutch employees | 1,058 | 43.33 | 14.68 | .10 | .15 | .71 | −.20 | −.18 | .82 |
| Bal, De Lange, Zacher, and Van der Heijden (2013) | Belgian and Dutch employees | 334 | 47.92 | na | −.02 | na | .87 | −.13 | na | .81 |
| Castanheira and Chambel (2009) | Portuguese customer service workers | 220 | 29.36 | na | na | na | na | −.09 | na | .78 |
| Chambel and Alcover (2011) | Portuguese call-center workers | 363 | 27.25 | 3.38 | −.01 | na | .84 | −.11 | na | .90 |
| Chambel and Castanheira (2006)—sample A | Portuguese factory workers | 339 | 29.83 | 3.00 | −.13 | −.08 | .80 | .13 | .08 | .80 |
| Chambel and Castanheira (2006)—sample B | Portuguese call-center workers | 191 | 26.89 | 2.75 | −.14 | −.07 | .81 | .14 | .07 | .81 |
| Cohen (2011) | Israeli bank staff | 313 | 39.90 | na | −.04 | na | .64 | .09 | na | .79 |
| Coyle-Shapiro and Kessler (2000) | UK employees and managers | 639 | na | 7.70 | na | .01 | .82 | na | .04 | .62 |
| Dabos and Rousseau (2004) | Latin-American faculty members | 96 | 45.63 | 11.26 | na | .02 | .85 | na | −.24 | .92 |
| De Cuyper and De Witte (2007) | Belgian employees | 447 | 34.00 | 10.00 | na | −.28 | .81 | na | .04 | .81 |
| Eatough (2013) | US employees | 97 | 41.8 | 8.7 | −.06 | −.04 | .80 | −.12 | −.19 | .88 |
| Gardner, Huang, Pierce, Niu, and Lee (2010) | Chinese employees | 491 | na | na | −.09 | −.14 | .77 | .12 | .12 | .87 |
| Haq, Jam, Azeem, Ali, and Fatima (2011) | Pakistani employees | 302 | 31.71 | na | −.15 | na | .89 | .05 | na | .89 |
| Ho, Rousseau, and Levesque (2006) | US employees | 46 | 39 | .48 | na | .15 | .72 | na | .05 | .90 |
| Jamil, Raja, and Darr (2013) | Pakistani employees | 361 | 33.68 | 7.68 | −.17 | −.14 | .77 | −.01 | .07 | .82 |

(continued)

**Table 7.1** (continued)

| Authors | Sample | *N* | $M_{age}$ | $M_{tenure}$ | Transactional contract | | | Relational contract | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | $r_{age}$ | $r_{tenure}$ | $r_{yy}$ | $r_{age}$ | $r_{tenure}$ | $r_{yy}$ |
| Lub, Blomme, and Bal (2011) | International hotel employees | 102 | 29.80 | 2.68 | .00 | −.03 | .68 | −.29 | −.26 | .87 |
| Luksyte, Spitzmueller, and Maynard (2011) | US employees | 215 | 24.71 | 2.76 | na | −.15 | .79 | na | .06 | .88 |
| Purvis and Cropley (2003) | UK nurses | 223 | 32.30 | 4.60 | .17 | .19 | .81 | −.03 | −.13 | .87 |
| Raja, Johns, and Bilgrami (2011) | Pakistani employees | 331 | 30.81 | 4.21 | −.09 | −.07 | .85 | .09 | .07 | .85 |
| Raja, Johns, and Ntalianis (2004) | Pakistani employees | 197 | 38.81 | 12.25 | .08 | .12 | .72 | .29 | .35 | .79 |
| Ravlin, Liao, Morell, Au, and Thomas (2012) | International employees | 352 | na | na | −.23 | −.13 | .82 | −.35 | −.35 | .78 |
| Richard, McMillan-Capehart, Bhuian, and Taylor (2009) | US employees | 200 | na | 14.00 | −.29 | −.29 | .75 | −.07 | −.01 | .78 |
| Schieven (2009) | Dutch employees | 75 | 32.11 | na | −.16 | na | .74 | .16 | na | .74 |
| Shih and Chen (2011) | Taiwanese employees | 485 | 36.60 | 9.74 | na | .07 | .74 | . | .12 | .90 |
| Syed (2010) | . | 406 | 27.9 | 4.23 | −.11 | −.18 | .75 | −.05 | −.04 | .71 |
| Uen and Chien (2010) | Taiwanese knowledge workers | 127 | 33.11 | na | −.27 | na | .72 | .22 | . | .89 |
| Zagenczyk, Restubog, Kiewitz, Kiazad, and Tang (2011) —sample A | Philippine employees | 199 | na | na | −.12 | .13 | .79 | na | na | na |
| Zagenczyk et al. (2011) —sample B | Philippine employees | 156 | 29.8 | 5.5 | −.14 | −.10 | .80 | .12 | .01 | .90 |
| Zagenczyk et al. (2011) —sample C | Philippine employees | 152 | 32.72 | na | −.35 | −.31 | .79 | .07 | −.05 | .82 |
| Zagenczyk et al. (2011) —sample D | Philippine employees | 259 | 30.71 | na | −.18 | −.12 | .74 | .15 | .06 | .88 |
| Zhao and Chen (2008)—sample A | US employees | 165 | 38.70 | 6.82 | −.17 | −.20 | .88 | −.05 | .00 | .90 |
| Zhao and Chen (2008)—sample B | Chinese employees | 505 | 33.10 | 6.75 | −.17 | −.12 | .78 | −.09 | −.18 | .85 |

*na=no data reported in study

**Table 7.2** Meta-analytic results of relationships between age and tenure on the one hand and transactional and relational contracts on the other

| Relationship | *K* | *N* | Mean *r* | $\rho$ | *SE* of $\rho$ | 80 % credibility interval | | 95 % confidence interval | | *Q* |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Lower | Upper | Lower | Upper | |
| Age with transactional contract | 26 | 7,763 | −.11 | −.12*** | .03 | −.37 | .13 | −.17 | −.06 | 143.53*** |
| Age with relational contract | 26 | 7,784 | −.01 | −.02 | .04 | −.36 | .33 | −.09 | .05 | 251.58*** |
| Tenure with transactional contract | 26 | 8,504 | −.06 | −.07* | .03 | −.38 | .24 | −.13 | −.002 | 218.64*** |
| Tenure with relational contract | 25 | 8,305 | −.03 | −.03 | .03 | −.35 | .29 | −.10 | .04 | 222.65*** |

*$p < .05$; ***$p < .001$

for heterogeneity of the true effects (*Q*). As can be seen in this table, the true-score correlations of the relationship between age and transactional contracts ($\rho = -.12$, $p < .001$) and organizational tenure and transactional contracts ($\rho = -.07$, $p < .05$) were statistically significant. With increasing age and tenure, employees tend to report less transactional contracts. As age and tenure were often correlated in the primary studies (average $r = .54$), we performed an additional analysis in which we treated the correlation between age and tenure as a covariate. The results indicated that the true-score correlations between age and transactional contracts and between tenure and transactional contracts were contingent upon the correlation between age and tenure (see Fig. 7.1). In particular, the true-score correlation between age and transactional contracts became statistically significant when the correlation between age and tenure exceeded .25 in the primary studies. Likewise, the true-score correlation between tenure and transactional contracts became statistically significant when the correlation between age and tenure exceeded .47 in the primary studies. True-score correlations between age/tenure and relational contracts did not significantly differ from zero for varying values of the age-tenure correlation. This implies that both age and tenure are related to transactional contracts, and that these effects are to a certain extent intertwined. Finally, the regression tests for funnel plot asymmetry were not statistically significant when estimating the true-score correlations between age and transactional contracts ($t(17) = -1.05$, *ns.*), age and relational contracts ($t(16) = .96$, *ns.*), tenure and transactional contracts ($t(17) = -.61$, *ns.*), and tenure and relational contracts ($t(16) = .55$, *ns.*). This suggests a low likelihood of publication bias influencing our findings. In sum, we can conclude from this meta-analysis that as employees grow older and gain more work-related experience, they tend to perceive fewer transactional obligations, while the perception of relational obligations remains stable.

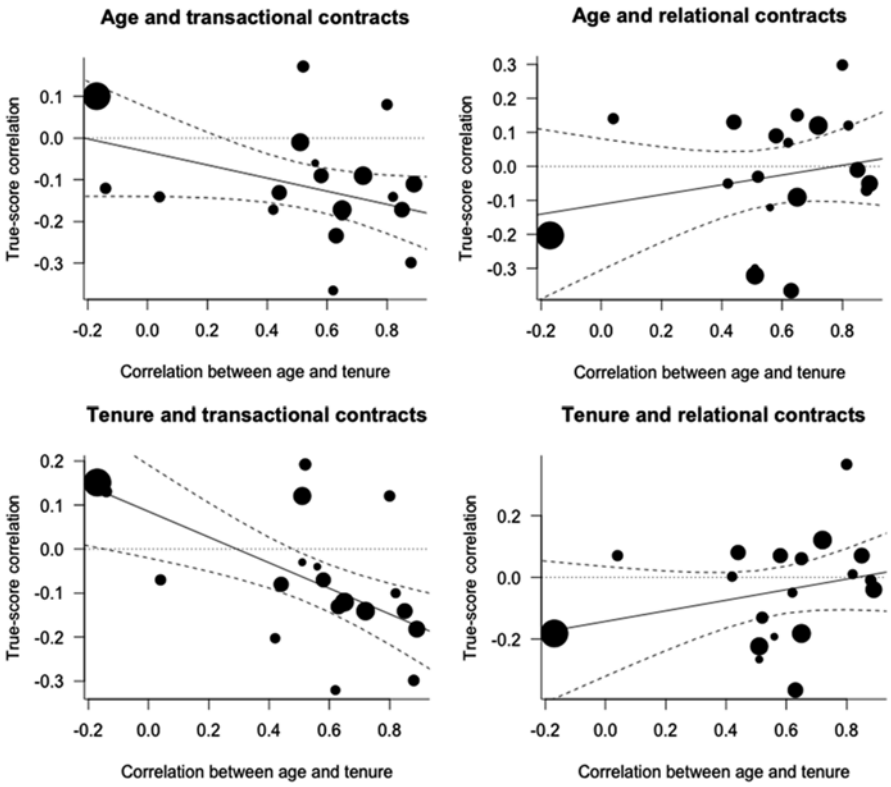


**Fig. 7.1** Plots of the true-score correlations found in the meta-analysis while controlling for the correlation between age and tenure (*Notes. Dashed lines* represent confidence bands. *Dots* represent correlations in primary studies)

## 7.5 The Process of Older Employees' Psychological Contracts

### *7.5.1 Breach and Fulfillment*

Morrison and Robinson (1997) explain that employees perceive a breach when they become cognitively aware that their organization failed to meet one or more obligations in the psychological contract. Put differently, employees compare the inducements that the organization is obliged to provide them to the inducements they actually receive (Vantilborgh et al., 2012). Psychological contract breach generally results in negative outcomes for the employee and the employer, such as feelings of violation, reduced trust, commitment, and performance, and increased turnover intentions and deviant behaviors (Bal et al., 2008; Zhao et al., 2007). These relationships between psychological contract breach and outcomes are commonly explained

by social exchange theory (Blau, 1964) and the norm of reciprocity (Gouldner, 1960). When employees perceive that their organization is not living up to its end of the deal, they reciprocate with negative behaviors and alter their behavior in order to redress the balance in their psychological contract.

Socioemotional selectivity theory has mostly been used to argue that older employees react differently to breach compared to younger and middle-aged employees. In 2008, Bal and colleagues conducted a large-scale meta-analysis on reactions to psychological contract breach and the moderating role of age. They hypothesized that older employees would react less intensely—in terms of organizational commitment, trust, and job satisfaction—to breaches in their psychological contract than younger employees. This hypothesis was largely supported: older employees reported a smaller decrease in organizational commitment and trust following a perceived breach than younger employees. However, they also found that older employees reported a stronger decline in job satisfaction than younger employees. A possible explanation for this latter finding is that the moderating variable in their analysis—i.e., age—is an umbrella variable that subsumes several underlying processes. Recent studies have therefore started to explore these underlying processes, which may help to further unravel differences between younger and older employees.

A number of studies examined the role of future time perspective in this regard. First, Bal and colleagues (2010) demonstrated that older employees with an open future time perspective react more strongly to psychological contract fulfillment than those with a limited future time perspective. In particular, the former employees perceive more in-role, citizenship, and high performance obligations of their own when their organization fulfills transactional and relational obligations. Second, De Lange and colleagues (2011) showed that employees with an open future time perspective reported a stronger decline in work motivation when their organization broke relational obligations than employees with a limited future time perspective. In line with socioemotional selectivity theory and Bal and colleagues' (2008) meta-analysis, this finding suggests that older employees, who are more likely to experience a limited future time perspective, react less strongly to relational contract breaches than younger employees. Third, Bal and colleagues (2013) showed that future time perspective moderates relationships between psychological contract fulfillment and organizational commitment. In particular, employees with a limited future time perspective who experience relational fulfillment report increased continuance commitment. In other words, they feel that leaving the organization would require them to sacrifice the socio-emotional inducements included in their relational contract. In contrast, employees with an open future time perspective report increased normative commitment, meaning that receiving socio-emotional inducements inspires them to stay in the organization out of a sense of reciprocity. Reverse relationships could be discerned for transactional contract fulfillment. Following transactional contract fulfillment, employees with a limited future time perspective developed normative commitment, as the short-term nature of economic inducements triggered an immediate sense of reciprocity. Employees with an open future time perspective reported an increased continuance commitment in case of

transactional fulfillment, meaning that they believed that leaving the organization required considerable (economic) sacrifices.

In contrast to socioemotional selectivity theory, the SOC model and the concept of contract replicability have scarcely been drawn upon when studying older employees' reactions to breach and fulfillment. Nonetheless, both offer useful perspectives to better understand these relationships. First, one might argue based on the SOC model that older employees who optimize their means to achieve certain goals may respond differently to breach and fulfillment of obligations related to these goals. For example, an older employee who focuses his resources on achieving a healthy work-life balance in favor of career opportunities may respond less negatively when the organization fails to provide chances for promotion. In contrast, this employee may respond more negatively when the organization does not live up to obligations related to work-life balance. Second, perceptions of contract replicability may explain why older employees react differently to breach (Ng & Feldman, 2009). Ng and Feldman (2008) showed that employees who perceive that their contract is unreplicable in other organizations experienced higher levels of affective, normative and continuance commitment. These relationships were moderated by age, as older employees were especially likely to develop an emotional bond (i.e., affective commitment) and a sense of reciprocity (i.e., normative commitment) when they perceived that their contract was unreplicable.

### *7.5.2 The Degree of Balance*

The degree of balance forms the second process—next to breach and fulfillment—by which the psychological contract influences outcomes. It received far less attention in the literature, which is striking as balance captures an essential feature of the psychological contract, namely exchange (De Cuyper, Rigotti, De Witte, & Mohr, 2008). The degree of balance refers to employees' comparisons between the level of inducements obliged by the organization to the level of contributions they are obliged to the organization in return (De Cuyper et al., 2008; Vantilborgh et al., 2013). Four types (see Fig. 7.2) are commonly used to describe the degree of balance: mutual low obligations (i.e., both the employer and the employee have few obligations); mutual high obligations (i.e., both the employer and the employee have many obligations); organization over-obligation (i.e., the employer has many obligations while the employee has few obligations); and organization under-obligation (i.e., the employer has few obligations while the employee has many obligations) (Shore & Barksdale, 1998). Links can be drawn between the degree of balance and the content of the psychological contract, as mutual high obligations contracts resemble the relational contract type, whereas mutual low obligations resemble the transactional contract type (De Cuyper et al.). Moreover, unbalanced contracts (i.e., organization over- and under-obligation) have been related to psychological contract breach (De Cuyper et al.). Research suggests that employees who perceive high mutual obligations tend to be more committed to their

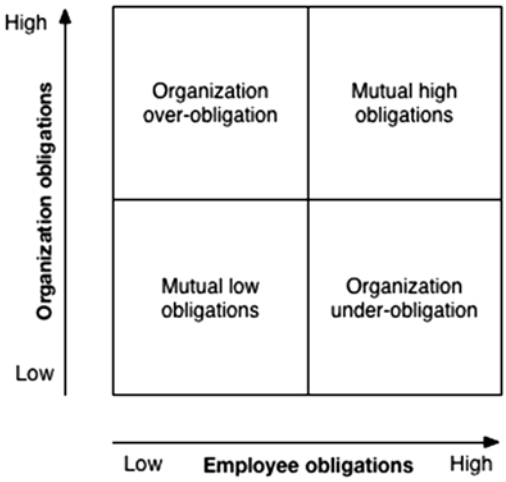


**Fig. 7.2** Four types that can be discerned in the degree of psychological contract balance

organization, more satisfied with their job and life in general, and experience less negative emotions (De Cuyper et al.).

To date and to our knowledge, only one study examined the relationship between age and psychological contract balance. Vantilborgh and colleagues (2013) demonstrated, in a sample of volunteers, that older volunteers were more likely to report organization under-obligation, while younger volunteers were more likely to report organization over-obligation. They explained these differences based on socioemotional selectivity theory, arguing that older people were more likely to engage in exchanges where few inducements are promised in return for their contributions, as they attach less value to gaining inducements compared to maintaining the relationship. The SOC model offers an additional explanation, as compensation strategies used by older people may affect the degree of balance in the psychological contract. For example, when people feel that they have to exert additional effort to compensate for certain age-related losses (e.g., diminishing physical and fluid memory capabilities), they are more likely to interpret the exchange as organization under-obligation. Vantilborgh et al. also demonstrated that reactions to various degrees of psychological contract imbalance depended on the volunteer's age. Older volunteers were more inclined to leave their organization when faced with organization over-obligation than younger volunteers. While the context of this study was quite specific—namely volunteers working in non-profit organizations—its findings may be relevant to paid employees. There is tentative evidence suggesting that older employees' perceive more obligations on their own behalf than younger employees (Schalk, 2004). This might be because older employees are more benevolent, and hence their own level of contributions is less dependent on the level of inducements received from their organization (Wagner & Rush, 2000). This could mean that older paid employees are also more likely to perceive organization under-obligation or mutual high obligations than younger paid employees. However, additional research is required to test the relationship between age and degree of balance in a

context of paid employment. Care should be exerted when generalizing Vantilborgh and colleagues' findings, as the altruistic nature of volunteering can itself influence the degree of balance in exchanges, with volunteers attaching less value to receiving inducements than paid employees.

## 7.6 Discussion

Theoretical and empirical insights suggest that older employees perceive different obligations in their psychological contract and react differently to breach, fulfillment and the degree of balance in their contract than younger employees. Our meta-analysis suggests that older employees are less likely to perceive transactional obligations in their contract: they have lower expectations regarding tangible inducements in the short-term from their organization, such as commensurate pay and well-defined working hours (Conway & Briner, 2009). Our meta-analysis also indicates that older employees perceive similar levels of relational obligations as younger employees. Hence, there appears to be no decrease in expecting socio-emotional inducements that strengthen the long-term relationship with the organization, such as job security and attention to the personal well-being of the employee (Conway & Briner). An alternative explanation for the non-significant relationships between age/tenure and the relational contract in our meta-analysis may be that different components of the relational contract attenuate its overall relationship with age/tenure. While older employees may value the socio-emotional gratification component present in the relational contract, younger employees may value the opportunities for growth and the learning components in this type of contract. Moreover, older employees who do not attach a central role to work in life may report lower levels of relational obligations (Bal & Kooij, 2011).

In general, we can conclude from the literature that older employees tend to react less intensely to breaches in their psychological contract. They experience smaller decreases in commitment and trust when perceiving a breach in their psychological contract (Bal et al., 2008). At the same time, they become more dissatisfied when perceiving a breach. It is possible that older employees consider it unlikely that they will be able to negotiate a similar contract in a different organization (i.e., low contract replicability; Ng & Feldman, 2009). As a result, they disgruntledly stay in the organization when perceiving a breach and 'by necessity' remain committed and trusting. However, the literature suggests that not every older employee reacts similarly to contract breach and fulfillment. In particular, future time perspective needs to be taken into account (Bal et al., 2010; Bal, De Lange, et al., 2013). When older employees perceive that they have ample time left in the organization and in life in general, they tend to react more positively to contract fulfillment and more negatively to contract breach (Bal et al., 2010). When they perceive that they have little time left, older employees start to focus on other goals in life, rendering breach and fulfillment of the psychological contract less relevant. Future time perspective also determines the type of commitment older employees develop when they perceive that the organization fulfills its obligations (Bal, De Lange, et al., 2013).

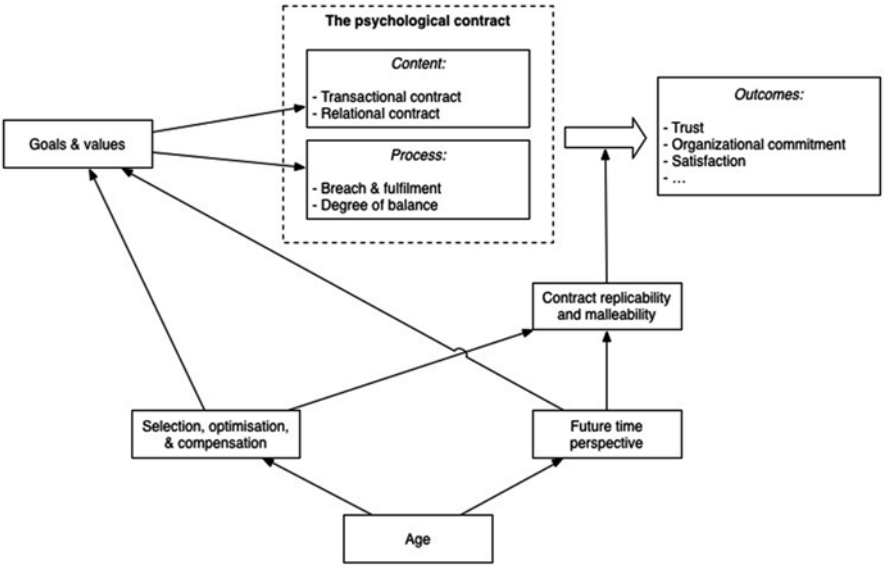


**Fig. 7.3** Factors that influence the content and process of older employees' psychological contracts

Finally, tentative evidence suggests that older employees are more likely to perceive a high amount of obligations on their own behalf, resulting in a degree of contract balance that can best be described as either high mutual obligations or organization under-obligation (Schalk, 2004; Vantilborgh et al., 2013). A state of mutual high obligations tends to be desirable, as it has been associated with positive outcomes such as high levels of job and life satisfaction (De Cuyper et al., 2008). In contrast, organization under-obligation is less desirable (De Cuyper et al.), as employees will be likely to lower their own obligations over time to regain balance in their psychological contract.

While empirical findings to date clearly indicate that the content and process of older employees' psychological contracts differs from that of younger employees, the underlying mechanisms explaining these differences are not yet fully understood. Figure 7.3 provides an overview of such factors. As can be seen in this figure, lifespan theories propose that aging triggers certain processes. On the one hand aging is associated with a narrowing future time perspective, while on the other it necessitates selection, optimization, and compensation strategies (Bajor & Baltes, 2003). These changes in future time perspective and strategies lead to shifting priorities in goals and values (e.g., a decreasing importance of growth and an increasing importance of social relationships). Goals and values in turn influence the content of the psychological contract, as employees seek out exchange agreements or construe their current exchange relationship in line with their goals and values (De Vos, Buyens, & Schalk, 2005). Goals and values also influence the process of the contract, as prioritized goals become salient in the psychological contract, causing employees to monitor whether the obligations related to these prioritized goals

are fulfilled or not (Morrison & Robinson, 1997). Likewise, a new priority in goals may elicit a shift in the preferred degree of psychological contract balance (Vantilborgh et al., 2013).

Lastly, selection, optimization and compensation strategies and future time perspective influence how older workers respond to the psychological contract through perceptions of contract replicability and malleability (Ng & Feldman, 2009). For example, diminishing resources due to aging may cause employees to optimize their current job. These older employees may believe that negotiating a similar deal in another organization is unlikely, creating the perception that their current contract is not replicable. As a result, they will react less negatively to breach. At the same time, the improved emotion regulation skills of older employees—according to socioemotional selectivity theory—will improve older employees' tolerance for deviations in the psychological contract (i.e., high contract malleability).

### *7.6.1 Research Agenda*

We believe that two major challenges for future research on older employees' psychological contracts need to be addressed. The first challenge is conceptual, as research needs to move beyond relating age or tenure to the psychological contract. Age and tenure are merely umbrella concepts, which subsume several changes in people's lives and careers (Bal, De Lange, et al., 2013). Instead, attention should be paid to studying the mechanisms underlying these relationships. While recent studies have started to explore the role of future time perspective (e.g., Bal et al., 2010; De Lange et al., 2011), the majority of the mechanisms linking older employees' characteristics to the content and the process of the psychological contract (see Fig. 7.3) have not yet been empirically tested. For example, it is not clearly understood how changing goals and values relate to changes in the desired and actual content of employees' psychological contract. Future research should also take into account the role of the environment in which older employees work. For example, Ng and Feldman (2009) argue that age dissimilarity determines whether employees will perceive their contract as replicable and malleable. As such, an older employee working in a team with young colleagues may react less intensely to psychological contract breach than an older employee working in a team with similarly aged colleagues, because he or she occupies a minority status in the former situation. Relatedly, in line with the majority of research to date, we compared older employees' psychological contract to those of younger employees. However, older employees form a heterogeneous group, meaning that future studies should explore psychological contract differences within this group of older employees. The second challenge is methodological, as future studies should ideally adopt longitudinal or cross-sequential designs (Kanfer & Ackerman, 2004). As shown in our meta-analysis, the effects of older employees' characteristics are intertwined and cannot be fully disentangled in cross-sectional research (e.g., Vantilborgh et al., 2013) or in meta-analyses based on predominantly cross-sectional primary studies (e.g., Bal et al., 2008). To date,

evidence is available that psychological contracts (content and process) are subject to change over time but this has only been studied for a very specific time period, namely the socialization period (e.g. De Vos, Buyens & Schalk, 2003; Lee, Liu, Rousseau, Hui, & Chen, 2011). Psychological contracts are conceived as a mental model and once established, it is the lens through which employees perceive and evaluate their employment relationship. This model is unlikely to change unless clear events force individuals to reconsider the terms of their employment relationship (Rousseau, 2001). It would therefore be interesting to examine under what conditions older employees become likely to change their psychological contract.

Overall, we believe that the topic of older employees' psychological contracts offers a rich and exciting agenda for future research. Given the societal relevance of this line of research, we urge scholars to not merely treat age or tenure as control variables, but rather to consider their substantive effects and the underlying mechanisms linking them to the content and the process of the psychological contract.

### *7.6.2 Recommendations for Practitioners*

Organizations trying to implement age-conscious Human Resource policies should be aware that it is not aging itself that determines the mutual obligations that older employees perceive and how they react to (un)fulfilled obligations (Bal, De Lange, et al., 2013). Rather, there are a number of underlying mechanisms that are influenced by the age of employees. Organizations should therefore do well to ascertain these underlying mechanisms. For example, organizations could regularly dialogue with employees to inquire if they perceive an open future in the organization and what goals and values they prioritize. These results could then be used to design tailor-made Human Resource policies, adjusted to the specific needs of employees. This may require that organizations take a more flexible stand towards the needs of different age groups and use idiosyncratic deals (Bal et al., 2010).

While prior findings suggest that older employees react less negatively to psychological contract breach, organizations should still strive to prevent breaches (De Lange et al., 2011). This can be done by creating realistic expectations through effective communication (Rousseau, 1995). The direct supervisor of employees plays an important role in this regard, as he or she represent the organization and forms the first and foremost actor to communicate promises to employees. For older employees, it seems advisable to communicate on mutual expectations and, if necessary, renegotiate the content of the psychological contract at set intervals. This would ensure that there is a fit between the goals and values of older employees and the content of the psychological contract, and will decrease the likelihood of psychological contract breaches due to incongruent expectations of both parties in the contract (Morrison & Robinson, 1997).

If psychological contract breach cannot be prevented, organizations can still take steps to reduce the negative consequences of the breach. Morrison and Robinson (1997) stress the importance of ensuring that employees (1) correctly

attribute the reason of the breach and (2) perceive that, while an obligation was not met, the procedures used by the organization were fair. In case of older employees, organizations may not easily notice that they have experienced psychological contract breach, as they do not react as intensely as their younger colleagues (Bal et al., 2008). Nonetheless, perceptions of contract breach will have deleterious effects for older employees as they may remain in the organization, but at the same time psychologically withdraw due to increased dissatisfaction. This may be especially true if these older employees belief to have little chance of finding a similar deal in another organization or if they perceive to have little future left in the organization (Bal et al., 2010; Bal, De Lange, et al., 2013; Ng & Feldman, 2009). An open organizational climate where employees—young and old—can voice their complaints therefore seems advisable.

### *7.6.3 Conclusions*

Based on the literature and on our own meta-analysis, we can conclude that the content and process of older employees' psychological contracts differs from that of younger employees. Content-wise, older employees are less likely to perceive transactional obligations, but perceive the same amount of relational obligations as younger employees. Process-wise, older employees tend to react less strongly to negative situations such as psychological contract breach and psychological contract imbalance characterized by organization under-obligation. Socioemotional selectivity theory, the selection, optimization, and compensation model, and the contract replicability and malleability model are able to explain these differences. We recommend future studies to assess the underlying mechanisms proposed by these theories and models.

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# Chapter 8
# Idiosyncratic Deals for Older Workers: Increased Heterogeneity Among Older Workers Enhance the Need for I-Deals

**P. Matthijs Bal and Paul G.W. Jansen**

## 8.1 Introduction

The rapid aging of the workforce throughout the Western world and parts of Asia, including Japan and China, poses many challenges on contemporary organizations (European Commission, 2010; Wang & Shultz, 2010). The Babyboom generation, consisting of workers born between 1945 and 1965, constitutes a large part of the current workforce. Due to decreased fertility rates, there are fewer younger workers entering the labor market, as a consequence of which the percentage of older workers is rapidly increasing (Truxillo & Fraccaroli, 2013). Consequently, organizations are increasingly aware that the employee population is changing, and that strategies to employ, motivate, and retain workers have to be adapted accordingly. It is no longer sufficient for organizations to focus on employing younger workers (e.g., through designing traineeships for graduates), because the influx of younger workers in the labor market is stagnating, which is in particular present in certain sectors, such as technical occupations and health care (Polat, Bal, & Jansen, 2012). Hence, organizations increasingly will have to rely on older workers, and try to retain older workers, and motivate them to stay longer in the workforce. Similarly, governments across Europe are also increasing official retirement ages, and making it financially less attractive for older workers to retire early (European Commission).

Despite this heightened awareness of the need to retain older workers, there are only very few organizations who successfully achieve aims to retain older workers. However, it is not only important to keep them within the workforce, but also to ensure that older workers remain motivated, productive, and healthy contributors to

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_8

organizational performance (Wang & Shultz, 2010). To do so, it has been argued that organizations should implement an individualized approach to treating older workers (Bal, De Jong, Jansen, & Bakker, 2012), and that older workers may benefit more than younger workers from flexible work arrangements (Pitt-Catsouphes & Matz-Costa, 2008). This is due to the increased heterogeneity among older workers, implying that older workers have more heterogeneous needs in their work than younger workers (Dannefer, 2003). Hence, especially individual arrangements targeting flexibility in the employment relationship will benefit older workers, and keep them motivated in their work, productive, and healthy. The current chapter will accordingly explore the opportunities, and challenges of an individualized approach to treating older workers in organizations. We will first describe the theoretical basis for the increased individual heterogeneity among older people. Furthermore, we will outline the rise of individualized arrangements in the employment relationship, after which we will describe the theoretical basis for individualized treatment of older workers in organizations, discuss the empirical studies on this topic, and the contextual factors that may hinder or foster the effectiveness of individualized treatment. We will end the chapter by discussing how managers can negotiate and manage individualized agreements with (older) workers.

## 8.2 Increased Heterogeneity Among Older Workers

First, we argue that the majority of research that has focused on work motivation of older workers has ignored the notion of increased heterogeneity with age. Traditionally, research on aging at work has focused on differences in various work attitudes and behaviors between younger and older workers. For instance, the classic review of Rhodes (1983) investigated the relation between age and job attitudes and behavior, including satisfaction, commitment and performance. Moreover, more recent meta-analytic work has looked at similar relationships of age with various types of job performance (Ng & Feldman, 2008), work motives (Kooij, De Lange, Jansen, Kanfer, & Dikkers, 2011), and turnover (Ng & Feldman, 2009). The basic assumption of most of these studies is that the aging process is associated with changes in the attitudes people hold of their jobs, and their behavior at work. Along similar lines, recent research has increasingly focused on age as a moderator (e.g., Bal, De Lange, Jansen, & Van der Velde, 2008; Bal, De Lange, Zacher, & Van der Heijden, 2013; Zaniboni, Truxillo, & Fraccaroli, 2013), assuming that older workers respond differently from younger workers to inducements from the employer. For instance, Bal and colleagues (2008) found that younger workers in general tend to react more strongly to psychological contract breaches than older workers. Moreover, research from Shultz and colleagues (2010) showed that younger workers were more likely to experience stress in response to high job demands than older workers, while various job resources such as autonomy buffered the negative impact of high job demands on stress differently for younger versus older workers. All of these studies show that age may be directly related to work

outcomes, but also indirectly, influencing the effects of job experiences (e.g., contract breach, job demands) on work outcomes.

Hence, the foundation of this line of research is in *intergroup* differences; younger workers as a group differ in their attitudes, work behaviors, and reactions to job experiences from older workers as a group of employees within the organization. However, previous research has traditionally shown mixed and inconsistent results regarding effects of age (Ng & Feldman, 2008; Rhodes, 1983), and usually (very) small effect sizes, which may be limited in relevance for theory and practice. One explanation of this lack of relevance has been addressed by Kooij and colleagues (2008), who proposed that the aging process constitutes a combination of various age-related changes that people experience over time. Thus, age serves as an umbrella-variable in which various changes are captured that take place when people become older. For instance, while one 50-year old employee may be very healthy and consequently motivated to work, another 50-year old employee might be burnt out, and not motivated to work. *Functional or biological age*, referring to the physical and cognitive capabilities employees need to carry out in their work, may determine motivation and productivity, and distinguishes *within* groups of younger or older workers. In addition to a *between-groups* approach, looking at differences between younger and older workers, it is necessary to take a *within-group* approach, and thus investigating differences within groups of employees in the same age range to ascertain the processes that predict motivation, productivity and health.

It is thus important to investigate the heterogeneity within groups of younger and older workers as well (Bal et al., 2012; Nelson & Dannefer, 1992). More specifically, ample research has shown that heterogeneity increases with age, and that this process manifests itself in various domains (Light, Grigsby, & Bligh, 1996). We therefore argue that in order to understand how older workers' motivation, productivity and health can be maintained at higher age, it is crucial to understand the increased heterogeneity among older workers, and hence, the increased need to adopt an individualized approach to motivate older workers.

Already in the early 1990s, Nelson and Dannefer (1992) pointed towards this issue, in their article in *The Gerontologist*, in which they criticized the majority of research in gerontology for theorizing on age diversity, but in reality never investigating diversity *within* age groups. In their meta-analytic review, Nelson and Dannefer concluded that in 65 % of the gerontological studies they reviewed, a pattern of increasing variability with age was found, and that this increasing variability with age was present across physical, personality, and cognitive domains. Follow-up research showed that even at the phenotypical level (thus the biochemical characteristics of a person), people have increased heterogeneity in genetic expression with age (Light et al., 1996; Somel, Khaitovich, Bahn, Pääbo, & Lachmann, 2006). Moreover, even though it has been argued that personality develops primarily until young adulthood, research shows that personality changes across adulthood, and that with increasing age, personality differences within age groups increase as well (Caspi, Roberts, & Shiner, 2005; Van Lieshout, 2000, 2006). Thus, people become more heterogeneous in personality when they become older, while younger people are more similar in terms of personality traits. Furthermore, more recent research also

showed that emotional experiences tend to become more complex and heterogeneous when people age; in an experimental study by Charles (2005) older people showed more complex emotions than younger people after viewing a film clip containing injustices (see also Kellough & Knight, 2012). Finally, reaction times, an important indicator of cognitive aging, also become more variable when people become older (Deary & Der, 2005). In sum, there is ample evidence to state that older people are more different from each other than younger people are different from other younger people.

There are a number of theoretical explanations for this increased heterogeneity. First, individuals select or are selected by specific environments which are similar to or suit their personality, through which their personality is reinforced over time. Hence, differences in personality among people tend to become greater over time (Light et al., 1996). This process has been referred to as the amplification of differences between people over time, in which existing characteristics are reinforced as people become older. Another explanation has been offered by sociologists, who have argued that social status characteristics, such as gender, social class, and race, determine the social system in which an individual operates (Light et al.). An individual is born within a social system, or a social environment, which predicts the extent to which personality is formed. Thus, the environment influences how personality is shaped over time, and the older people become, the more their personalities are further shaped by the characteristics of the social class they live in. Because classes differ among each other, such as socioeconomic status, the influence of class on people's personalities will differ as well, giving rise to increasing differences over the life course. A final explanation, as outlined shortly above, is genetic (Light et al.; Somel et al., 2006). Genes do not only influence how personality is shaped over the course of one's life (e.g., a genetic disposition to be introvert is amplified over the life course), but also how the environment shapes the personality of a child (e.g., children with high intellectual skills are more likely to be raised by parents who are intellectual themselves). Thus, the expression of genotypes into behavior is strengthened such that differences in phenotypes will increase. Consequently, and in line with findings that phenotypes become more diverse over the life course (Somel et al.), there is evidence for increased phenotypic variability among people over the life course.

## 8.3 Increased Heterogeneity in the Workplace

There is very little research available in Organizational Behavior and Human Resource Management based on this notion of increased heterogeneity among older workers. However, some models and studies have implicitly departed from a standpoint that integrates research on older workers with increased heterogeneity among older workers. The lifespan model of Kooij et al. (2008) includes age as a variable that captures various changes throughout life, and assumes that because people experience these changes in an idiosyncratic manner, the older people

become, the more these underlying age-related changes will determine work motivation and not just chronological age. Kooij and colleagues distinguished chronological age, functional age (i.e., cognitive abilities and physical health), psychosocial age (i.e., self-perceptions and social perceptions), organizational age (e.g., tenure and career stage), and finally lifespan age (i.e., life stage or family situation). Kooij et al. did not explicitly assume that older workers are more heterogeneous, but only stated that individuals with the same chronological age may differ substantially in other operationalizations of age. Furthermore, there is increased interest in the influence of age diversity on work outcomes (e.g., Kunze, Boehm, & Bruch, 2011; Kunze & Bruch, 2010), but this still refers to age diversity within teams or organizations and so excludes diversity within groups of older workers.

However, there is some evidence for the notion of increased heterogeneity among older workers. A study of Bal and Kooij (2011) showed that among younger workers, work centrality (i.e., how central work is in the lives of people) was not a predictor of their psychological contract with their organization, while among older workers, the higher their work centrality, the more they were focused on a relational, long-term psychological contract with their organization. Their findings indicate that while younger workers were looking for relational contracts regardless of how central work was in their lives, for older workers the level of work centrality determined their relationship with and investment in the organization. This provides indirect evidence for the notion that among younger workers employment arrangements have a direct positive effect, while for older workers other aspects in life are important in ascertaining how they respond to employment arrangements. Furthermore, the study of Bal and colleagues (2012) explicitly integrated the heterogeneity perspective in their study on the effects of idiosyncratic deals on motivation to continue working. They found that I-deals indeed related to higher motivation to continue working after retirement, based on the idea that to be able to continue working, I-deals may help older workers to realize their needs.

In sum, although there is still a need for more research into greater heterogeneity among older workers, there is some evidence that this perspective may contribute to further understanding of the needs, attitudes, and behaviors of older workers. In addition, organizations have already started with implementing individualized career patterns and work arrangements for older workers (Benko & Weisberg, 2007; Pitt-Catsouphes & Matz-Costa, 2008). Based on the idea that older workers become more and more heterogeneous, it is no longer sufficient to assume that a unified approach to maintaining older workers' motivation, health and productivity is enough. However, although younger workers are more alike than older workers (Bal & Kooij, 2011), we observe that Human Resource Management (HRM) traditionally focuses more on the needs and wishes of younger workers than of older workers (Bal, Kooij, & De Jong, 2013). For instance, traineeships have traditionally been designed for younger workers only. Therefore, there is a gap between the knowledge about the heterogeneous aging process that has been generated in gerontology, and the use of this knowledge in Organizational Behavior and HRM. We therefore propose that an individualized approach to older workers is necessary to be able to maintain older workers' motivation, productivity and health,

while younger workers may still benefit from standardized work arrangements. Hence, individualized agreements about work arrangements, such as I-deals, are crucial for older workers. In the next section, we will elaborate on the utility of I-deals in organizations as well as for older workers.

## 8.4 Individualized Agreements for Older Workers

Delery and Doty (1996), in their paper on modes of theorizing in strategic HRM, explained that both a universalistic approach to HRM as well as a contingency approach to HRM may be necessary when designing human resource systems in organizations. A universalistic approach to HRM, which assumes that HR practices universally benefit employees, has become the primary mode of theorizing in HR research over time. For instance, a number of articles has focused on the main effects of 'high performance' HR practices on commitment and performance (Gardner, Wright, & Moynihan, 2011; Kehoe & Wright, 2013). However, the contingency approach to HRM, which assumes that to be effective, HR practices have to be in line with other aspects of the organization, has received much less attention (Bal, Kooij, et al., 2013; Boxall & Macky, 2009). This is strange, because with increasing diversity of workplaces, it seems imperative that organizations should take a diversified approach to motivate their workforce through HR practices. Especially with the increasing number of older workers in organizations, it is important that organizations are aware that the universalistic approach towards HRM is no longer sufficient, and should be replaced by a contingency approach (Bal, Kooij, et al.). This contingency approach dictates that organizations, when they design their strategic HR policies and practices, should take into account the diversity of the workforce, and accordingly the diverse work-related needs of the workers in the organization (Delery & Doty).

With the increasing number of older workers in the workforce, and hence, the increasing heterogeneity in the needs and motivations of employees in organizations, it is crucial that organizations take a more individualized approach to motivating (older) workers. At the same time, we have noticed the rise of individualized agreements in the workplace (Rousseau, 2001, 2005). Due to individualization of Western society (Welten, 2012), workplaces also have individualized over the last decades, with less influence for unions, and more leeway for individual employees to negotiate individualized work arrangements with their employers (Rousseau, 2005). Moreover, organizations increasingly offer valued employees special arrangement packages in order to retain them for the company. Inducements such as bonuses, training programs, and individualized work schedules have been offered to valuable employees, such that they remain with the company and increase their efforts to benefit the organization (Hornung, Rousseau, & Glaser, 2008). These individualized arrangements have been referred to as idiosyncratic deals, or 'I-deals' for short (Rousseau, 2005). I-deals are not arrangements which are available to every employee, but they can be part of the contingent HR-strategy of an organization,

which may focus on individualization of work arrangements with employees (Bal et al., 2012; Bal & Dorenbosch, 2014).

I-deals are idiosyncratically negotiated agreements between an individual employee and the organization, rather than that the terms of employment are a priori fully set by the employer (Rousseau, Ho, & Greenberg, 2006). According to Rousseau (2005), who wrote the seminal work on I-deals, there are a number of factors that distinguish I-deals from other forms of individualized treatment, such as favoritism or cronyism. First, I-deals are heterogeneous among employees, such that employees may have negotiated different I-deals with the same employer. When an individual arrangement becomes available to every employee in the organization, the arrangement becomes an HR practice, and is no longer an I-deal (Rousseau). Hence, I-deals arise when employees negotiate work arrangements that deviate from organizational HR practices. I-deals should benefit both employee and employer; the employer may offer I-deals to attract or retain employees, and the employees' contract terms become more aligned towards personal preferences (Rousseau, Hornung, & Kim, 2009). Finally, I-deals vary in scope, such that some employees might have negotiated a single specific agreement with the employer (e.g., flexible working times to care for older parents), whereas other employees may have a completely individually negotiated set of employment arrangements. I-deals are not only idiosyncratic, but also *ideal* in the sense of benefiting both parties, since employees can fulfill their needs in their work, while organizations benefit through greater employee motivation and retention of valuable employees (Rousseau, 1995).

I-deals are different from flexible work arrangements (FWAs; Allen, Johnson, Kiburz, & Shockley, 2012). Flexible work arrangements are defined as HR practices that permit flexibility in where and when work is completed (Allen et al., 2012). This typically is standardized throughout organizations, and hence, allow all employees the right to adjust their working schedules. FWAs have been designed in response to the need of parents to combine work and family life, and are not necessarily individually negotiated. Moreover, I-deals can entail any agreement between employee and organization about any aspect of work, while FWAs traditionally target working hours and the place where work is conducted. In sum, in contrast to FWAs, I-deals are individually negotiated and can entail more aspects of work than FWAs.

I-deals can be negotiated before employment, such as during the recruitment process (i.e., ex ante I-deals), but they can also be negotiated during employment (i.e., ex post I-deals). While ex ante I-deals will be primarily negotiated by (future) employees because of their valuable skills that the company wants to obtain, ex post I-deals will be negotiated when employees have skills that the company wants to retain, or as a way of rewarding loyal employees. Research on I-deals has shown that in general, employees tend to negotiate I-deals on four different dimensions (Rosen, Slater, Chang, & Johnson, 2013): Task and work responsibilities, schedule flexibility, location flexibility, and financial incentives. Task and work responsibilities I-deals refer to those arrangements employees negotiate concerning the tasks they conduct at work, as well as the responsibilities the employee has at work.

Schedule flexibility concerns the working hours of the employee, and can be negotiated in relation to the number of hours worked during the week, or the time the employees will be at work. Belatedly is location flexibility, which refers to the place where the work is conducted. For instance, employees can negotiate that they conduct part of their work from home or another location. Finally, financial I-deals concern the individual deals with respect to salary and received bonuses.

Theoretically, the effects of I-deals on employee outcomes have been explained using social exchange theory, and in particular the norm of reciprocity (Blau, 1964; Gouldner, 1960). According to social exchange theory, when an employee and an employer commit to each other in an exchange relationship, reciprocal obligations between the two parties drive behaviors of the two parties. I-deals serve as a basis for reciprocity between the employee and the organization, strengthening the employment relationship through the mutual obligations that have been agreed upon by the two parties. More specifically, the organization negotiates with the employee a certain arrangement, and in return, the employee becomes more committed, stays with the organization, and may perform at a higher level.

Moreover, the effects of I-deals can also be explained using work adjustment theory (Baltes, Briggs, Huff, Wright, & Neuman, 1999), which postulates that through a customized set of work arrangements, employees achieve greater correspondence between work and private life, and hence avoid work-family conflict and retain a healthy work-life balance (Allen et al., 2012; Hornung et al., 2008). Because I-deals may create a fit between the needs and abilities of the employee and the demands of the job, employees are happier and better able to conduct their work for a longer period. Previous research has indeed shown that employees who negotiate I-deals become more attached to the organization (Hornung et al.), have a more favorable relationship with the organization (Rousseau et al., 2009) and contribute to a higher degree (Anand, Vidyarthi, Liden, & Rousseau, 2010; Hornung et al., 2008). For instance, a study of Hornung and colleagues showed that flexibility I-deals reduced work-family conflict, while developmental I-deals enhanced commitment, performance expectations, and working overtime. Finally, recent research also showed that I-deals are important for the motivation to continue working beyond retirement (Bal et al., 2012). I-deals may thus not only be beneficial for employee motivation and productivity, but also for health. A large-scale study among organizations in the Netherlands indeed showed that when employees were able to individually negotiate deals with respect to work schedules, sickness absence in those companies was significantly lower (Bal & Dorenbosch, 2014). In sum, I-deals may be positively influencing employee motivation, health and productivity. However, at the same time, development I-deals also have been found to positively relate to work-family conflict (Hornung et al.), thus indicating potential negative effects of I-deals. It is therefore important to ascertain when and how I-deals have positive outcomes.

Based on the theoretical considerations and previous research, negotiation of I-deals with employees constitutes a crucial organizational intervention to increase employee motivation, performance and health. According to lifespan personality research (e.g., Caspi et al., 2005; Roberts, Walton, & Viechtbauer, 2006;

Van Lieshout, 2000, 2006), interpersonal differences tend to be greater among older people than among younger people. Therefore, older workers are likely to have more diverse needs, preferences, and motives in how they fulfill their work roles, and how they perceive the role of work in their lives (Bal & Kooij, 2011). This implies that appropriate interventions to influence older workers' motivation and productivity will not consist of general HR practices but of opportunities to negotiate individually-targeted I-deals with the employer about work arrangements (Armstrong-Stassen & Ursel, 2009). Moreover, I-deals will have a symbolic value to the employee, since it is a proof that the organization values and concerns for the employee, thus increasing organizational attachment in the long run (Hornung et al., 2008; Rousseau et al., 2009).

## 8.5 Older Workers and I-Deals

We propose that I-deals will be particularly important for older workers. Despite the popular notion that contemporary younger workers are self-confident, narcissistic, and high-demanding, and hence would be more likely to feel entitled to special work arrangements such as I-deals (Twenge, Campbell, Hoffman, & Lance, 2010), individualized work arrangements will be more important for older workers than for younger workers. Because younger workers are typically focused on building their career, they are likely to look for similar resources they can obtain from their organizations, such as high pay, fringe benefits including mobile phones and laptops, and developmental opportunities (Bal & Kooij, 2011). Extrinsic resources, such as salary and promotion, are indicators for younger workers that they are valued by their organization, while those resources become less important when people grow older (Kooij et al., 2011). Because older workers become more different from other older workers, their needs for the resources that they obtain from their organization, also become more heterogeneous. Hence, the opportunity to negotiate I-deals with their organization will be more important for older workers than it is for younger workers. Consequently, I-deals are the primary basis for designing strategic HR decisions among organizations that employ older workers. Another argument for increased utility of I-deals for older workers can be based on attribution theory. According to this theory, people seek causal explanations for the behavior of other people (Kelley & Michela, 1980). Thus, when younger workers start negotiating I-deals with their organizations, managers may attribute this behavior of younger workers to self-serving purposes, rather than organization-serving motives, which will be more likely the case among older workers (Leslie, Manchester, Park, & Mehng, 2012). Because managers may have stereotypical beliefs about younger workers, they tend to attribute the requests of younger workers for I-deals more negatively, because younger workers are described as less loyal, and more likely to switch employers frequently (Twenge et al., 2010). Older workers, however, may be more likely to have paid their dues to the organization, and expect to be rewarded for their loyalty to the organization. Hence, managers will be more likely to attribute

older workers' requests for I-deals to organization-serving purposes, such as to facilitate the older worker to remain active in the organization, and to be able to maintain health, and balance between work and life.

While there is very little direct evidence for the particular relevance of I-deals for older workers, there are a number of studies that do support this notion. In a study of Pitt-Catsouphes and Matz-Costa (2008) among almost 200,000 employees in the US, it was found that the effect of flexibility at work on work engagement was stronger for older workers than for younger workers. In other words, they ascertained that flexibility in work schedules was more strongly related to higher work engagement among older workers, while younger workers did not profit that much from flexibility in their work schedules. Hence, this supports the notion of higher utility of flexibility for older workers. Another study of Bal and colleagues (2012) found that I-deals were related to motivation to continue working after retirement. Based on the same notion as describe earlier, it was expected that I-deals would create a stronger fit between the abilities of older workers and what they want from work, which consequently would enhance their motivation to continue working. The study indeed revealed that this was the case; among a sample of more than 1,000 employees in a Dutch health care organization, I-deals positively related to motivation to continue working beyond retirement. Finally, in another study among almost 5,000 Dutch organizations, Bal and Dorenbosch (2014) found that availability and use of I-deals were related to higher organizational performance as well as lower sickness absence and employee turnover. Moreover, it was found that especially flexibility I-deals reduced sickness absence in organizations with many older workers. From this study, it can be concluded that the possibility of negotiating flexibility at work is important for older workers to be able to conduct their work. However, we also expect that these potential effects of I-deals for older workers are dependent upon a number of factors.

## 8.6 The Role of Type of I-Deals, and Psychological and Contextual Factors

Despite accumulating evidence that I-deals contribute to the bottom line, and that I-deals may enhance commitment, motivation, and retention, and reduce absence (Hornung, Rousseau, Weigl, Muller, & Glaser, 2014), it is not self-evident that effects of I-deals will always occur. Researchers normally do not find consistent effects of I-deals on work outcomes, as some I-deals may directly relate to outcomes, while others may only be related to outcomes under certain conditions (Hornung et al., 2008; Rousseau et al., 2009; Van der Meij & Bal, 2013). For instance, development I-deals may sometimes even have negative effects because development means investment in work, and hence less time for family and non-work concerns (Bal & Dorenbosch, 2014; Hornung et al., 2008). Moreover, researchers typically do find few effects of financial I-deals on work outcomes (Rosen et al., 2013; Van der Meij & Bal, 2013). Thus, the question is also under

which conditions which types of I-deals are most beneficial for older workers. We argue that the strength of the effects of I-deals on work outcomes for older workers depends upon the type of I-deal, the team or department around the older worker, and the psychological processes underlying the utility of I-deals for older workers.

First, there is some recent evidence for different effects for younger and older workers of different types of I-deals on work outcomes. As argued earlier, younger workers have more similar needs in their work, such as salary, fringe benefits, and career development (Bal & Kooij, 2011; Kooij et al., 2011). Hence, provision of I-deals is less important for them, and if younger workers are able to negotiate I-deals, they tend to value financial and developmental I-deals, through which they contribute to and stay with the organization (Bal & Dorenbosch, 2014). However, due to the aging process, older workers experience gradual losses of physical abilities and gradually decreasing fluid intelligence, though progressing in different speed (Baltes, 1997). Hence, and due to their more heterogeneous needs, older workers tend to value flexibility in their work more than younger workers. Subsequently, flexibility I-deals are more highly valued by older workers, because flexibility allows older workers to obtain a better balance between what they find important in work, and what they bring into their work, such as their abilities, experience, and knowledge. In line with this, Bal and colleagues (2012) found that flexibility I-deals were the strongest predictor of motivation to continue working after retirement, and hence can be regarded as the most important I-deal for older workers. However, research on I-deals has so far focused on a limited number of I-deal types (task and development, schedule flexibility, location flexibility, and financial I-deals; Rosen et al., 2013). Thus, it is important for further research that more specific deals are investigated that older workers tend to negotiate, such as reduced workload, with their employer in order to be able to conduct their work for a longer time.

Next to the I-deal type, it is also important to take into account the context in which I-deals are negotiated. For instance, there is increasing evidence (Greenberg, Roberge, Ho, & Rousseau, 2004; Lai, Rousseau, & Chang, 2009; Rousseau, 2005) that there are three parties involved in negotiation of I-deals: the employee, the organization, and coworkers. This raises the issue of fairness: when an employee is able to negotiate an I-deal with the organization about for instance flexible working schedules, coworkers might react negatively when they perceive the I-deal as unfair. Therefore, acceptance of coworkers towards I-deals is an important precondition for the successful implementation of I-deals in the workplace (Lai et al., 2009). When older workers are granted special arrangements because of their loyalty towards the organization, younger workers may react adversely, and may attribute this to undeserved entitlements of older workers which they cannot obtain themselves. Based on this notion, Bal and colleagues (2012) indeed found that development I-deals only contributed to higher motivation to continue working beyond retirement when there was a supportive climate for older workers in the unit. When a climate was prevalent where older workers were stimulated to withdraw from their work roles when they were approaching their retirement, development I-deals were no longer predicting motivation to continue working, because in order to be able to benefit from I-deals and transfer it to the workplace, older workers need the support of their

managers, coworkers, and to some extent, society. The study showed that when managers and coworkers were supportive of older workers developing themselves, development I-deals indeed related positively to continue working (Bal et al.).

Finally, it is not only the type of I-deal and the environment that predicts the effectiveness of I-deal usage for older workers, but also to a great extent the psychological processes that take place within the older worker. As outlined above, people age differently, and the older people become, the more they differentiate in terms of their personalities, needs, attitudes, and behaviors. Hence, 'the older worker' does not exist, and the way older workers perceive their work in their lives is important in ascertaining the investment of older workers in their work and organization. While some older workers mentally retire long before they can retire, and look out for the date when they can officially retire from work, others may be more successful in the strategies that they have employed to retain work motivation throughout the lifespan (Kooij et al., 2008). The model of successful aging by Baltes (1997) indeed describes successful aging as being able to cope with age-related losses, such as declining physical capabilities and less fluid intelligence, by employing SOC-strategies (Selection, Optimization, and Compensation). SOC-strategies include Selecting a narrower range of goals one will pursue at work, Optimizing the tasks one still carries out at work, while Compensation indicates employing alternative means when one is no longer able to conduct specific tasks to carry out the job (Bal, Kooij, et al., 2013). Research has shown that when older workers use SOC-strategies, they are more engaged, committed and show a higher focus on opportunities at work (Bal, Kooij, et al., 2013; Zacher & Frese, 2011). Hence, the extent to which I-deals will be beneficial for older workers is also determined by the extent to which older workers engage in strategies that enable successful aging at work, such as SOC-strategies. People who focus on SOC-strategies as a way to cope with age-related losses, will be particularly responsive to individualized agreements that help shape their job towards their capabilities and needs.

## 8.7 Discussion

This chapter analyzed the need for idiosyncratic deals for older workers. It set out to explain that the older people become, the more heterogeneous they become from their peers, due to increased intragroup differences in personalities, needs, and work-related attitudes and behaviors. Hence, while a simplified approach to younger workers may be sufficient in organizations to attract and motivate these younger workers, for older workers this is no longer enough. Consequently, while younger workers may be motivated by economic rewards, developmental opportunities, and possibilities to build their career (Bal & Kooij, 2011; Freund, 2006), older workers are motivated by different things at work, and become more differentiated. Thus, an individualized approach to motivating older workers is crucial, and the use of I-deals in organizations may enable older workers to make individualized agreements with their organizations about how they will fill the time until their

retirement. I-deals about accommodated work arrangements can be made, such as reduced work hours, lower job demands, and exemption from night shifts. Moreover, I-deals about job content can also be negotiated, such as I-deals on special projects, coaching roles, and job shifts. Through these individualized agreements, older workers can maintain their health, work motivation, and productivity (Bal & Dorenbosch, 2014; Kooij et al., 2008), and thus remain active until their (official) retirement age.

However, we also explained that the potential engaging effects of I-deals are also dependent upon the type of I-deal, the extent to which the environment around the older worker is supportive of the transfer of a negotiated I-deal to the workplace, and the psychological strategies that older workers follow to conquer age-related losses, such as selecting a narrower range of goals that older workers want to achieve in work (Zacher & Frese, 2011). Thus, I-deals do not operate within a social vacuum, but are influenced by many factors, including the direct environment (e.g., coworkers), organizational structures (e.g., size of the organization), and psychological factors of older workers themselves. Consequently, research on the benefits of I-deals of older workers should take a contextualized approach, in which the situation of the older worker within the team, organization, and country should be taken into account.

There are many opportunities for future research in this area, since no study to date has explicitly showed what type of I-deals older workers negotiate. Therefore, showing how an individualized approach to arranging work may benefit motivation, will be crucial to ascertain the usefulness of I-deals in organizations. But next to researching negotiation of I-deals, it is equally important to investigate how I-deals are managed, and how responsibility of negotiated agreements is taken by employee or manager. There is a growing body of literature on whether employees negotiate individualized work arrangements, but there is hardly any evidence of how I-deals are managed, and how I-deals influence behavior over time. For instance, one question pertains as to for how long negotiated I-deals are valid. When an employee negotiates an adapted work schedule, do the employee and the manager agree upon the time frame of the I-deal, or how long the I-deal applies to the employee? Moreover, another question concerns what specific I-deals are negotiated by older workers. The existing typologies of I-deal types (e.g., Hornung et al., 2008; Rosen et al., 2013), are insufficient to explain the individual agreements that older workers will negotiate with their organizations. These and other questions can guide further research on I-deals for older workers.

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# Chapter 9
# Successful Aging at Work: The Role of Job Crafting

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## 9.1 Introduction

As the proportion of older workers that comprise the active workforce continues to increase worldwide (Phillips & Sui, 2012), researchers have focused greater attention on how to manage and retain older workers (e.g., Armstrong-Stassen & Ursel, 2009). Consistent with early theories on aging (e.g., Cumming & Henry, 1961) that viewed individuals as passive recipients in the aging process, many organizational studies have viewed older workers as passive recipients or products of their work environment, such as HR practices. For example, Armstrong-Stassen and Ursel (2009) examined whether training and development practices that older workers receive influence their intention to remain. Similarly, Bal, De Lange, Jansen, and Van der Velde (2008) examined how older workers respond to psychological contract breach. Although these studies are important for understanding how older workers are likely to react to their work environment, they do not address whether and how older workers might actively shape their work environment.

Over the past two decades there has been increasing evidence from both the lifespan psychology and organizational psychology literatures to support the notion that older workers take an active role in shaping their environment. Findings in

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_9

lifespan development, for example, show that people exercise agency in dealing with the biological, psychological, and social changes that occur across the lifespan (Featherman, 1992; Freund & Baltes, 2002; Ryff, 1989). Consistent with the notion, several researchers have shown that older workers use action-regulation strategies aimed at changing their environment to adapt to age-related changes (e.g., Wahl, Iwarsson, & Oswald, 2011). A second stream of research, on proactive work behavior (e.g., Frese, Garst, & Fay, 2007; Parker & Collins, 2010), provides further evidence for the notion that older workers exercise agency in the workplace (Ng & Feldman, 2013; Van Veldhoven & Dorenbosch, 2008). Proactive work behaviors are defined as self-initiated, future- and change-oriented behaviors (Grant & Ashford, 2008; Parker, Bindl, & Strauss, 2010) that may be directed toward different targets at a variety of levels (individual/self, co-workers/team, and the organization; see, e.g., Grant & Ashford, 2008; Griffin, Neal, & Parker, 2007). Job crafting is a specific form of proactive work behavior defined as the self-initiated changes that individuals make in the task or in relational boundaries of their work that are aimed at improving person-job fit (Tims, Bakker, & Derks, 2012; Wrzesniewski & Dutton, 2001). Job crafting has a positive influence on worker outcomes, such as engagement and performance (Petrou, Demerouti, Peeters, Schaufeli, & Hetland, 2012; Tims et al., 2012).

We propose that job crafting offers older workers a mechanism by which to age successfully at work by allowing workers to continuously adjust their job to intrapersonal changes that are part of the aging process. Although there have been a few studies that focus on proactive behavior among older workers, we are aware of no studies examining job crafting among older workers. We argue that this produces an important knowledge gap for the literature on successful aging at work, but also for the literature on job crafting. Since motives and abilities change with age (e.g., Kooij, De Lange, Jansen, Kanfer, & Dikkers, 2011) and people use strategies to age successfully in life (Baltes & Baltes, 1990; Kanfer & Ackerman, 2004), we will suggest below that older workers may craft their job differently than younger workers (see also Fried, Grant, Levi, Hadani, & Slowik, 2007), and that these specific activities and forms of job crafting are not considered in the existing job crafting literature (e.g., Ghitulescu, 2006; Tims et al., 2012).

This chapter aims to increase our understanding of older workers as job crafters by drawing upon literature on lifespan development and aging at work to propose specific activities and forms of job crafting relevant for older workers. The chapter is organized as follows. In the next section, we introduce the concept of job crafting, with an emphasis on the different forms of job crafting. Next, we discuss why job crafting is important for successful aging at work. We then elaborate on important lifespan theories that help to understand how work motives and abilities change with age and which crafting strategies older people use to deal with age-related losses. Based on this literature and the literature on (successful) aging at work, we conclude by proposing specific forms of job crafting that are likely to be most relevant for older workers.

## 9.2 Being Active at Work: Crafting the Job

Traditionally, job design models, such as the Job Characteristics Model (JCM; Hackman & Oldham, 1976) and the Job Demands – Resources Model (JD-R; Demerouti, Bakker, Nachreiner, & Schaufeli, 2001) have emphasized a top-down approach in the design of jobs (Hornung, Rousseau, Glaser, Angerer, & Weigl, 2010). In this approach, employees are selected to work in existing jobs designed by the organization. For example, the JCM proposed that stimulating jobs consist of five perceived job dimensions; skill variety, task identity, task significance, autonomy, and feedback, whereas the JD-R model is a more generic model that states that every job contains specific job demands (e.g., workload) and resources (e.g., social support) to meet these demands and fulfill work goals.

Although earlier research (e.g., Katz, 1978) acknowledged that perceived job characteristics are not static but dynamic, more recent research also acknowledges that employees play an active role in changing their job characteristics over time (Fried et al., 2007; Ilgen & Hollenbeck, 1991). Since worker abilities develop and interests change over time, it is reasonable to expect that employees (try to) change their job characteristics in ways that permit a continuing good fit between job demands and worker resources. For example, workers may engage in job change negotiation, which refers to explicit attempts to negotiate changes to one's job so that it better fits one's skills and abilities (Ashford & Black, 1996). Parker and Collins (2010) labeled this type of job negotiation behavior as proactive person-environment (P-E) fit behavior, and defined it as 'changing oneself or the situation to achieve greater compatibility between one's own attributes and the organizational environment' (p. 638).

Since job crafting refers to changing one's environment to achieve a better fit between oneself and this environment, job crafting is also a type of proactive P-E fit behavior (Grant & Parker, 2009). Wrzesniewski and Dutton (2001, p. 179) introduced the concept of job crafting, which they defined as 'the physical and cognitive changes individuals make in the task or relational boundaries of their work'. They argued that employees craft the boundaries of their jobs to improve their experience of work, particularly in terms of the meaning of work and their work identity. Job crafting is initiated by employees (i.e., bottom-up) and not explicitly authorized by the employer (Hornung et al., 2010). Hence, in the job crafting perspective, employees are not passive recipients of job tasks, but they actively alter their jobs, customizing the job to their personal characteristics (Wrzesniewski & Dutton, 2001). In line with this reasoning, we define job crafting as *the self-initiated changes individuals make in the task or relational boundaries of their work aimed at improving person-job fit* (see also Tims et al., 2012).

*Forms of job crafting.* Wrzesniewski and Dutton (2001) proposed three forms of job crafting in their conceptual model; altering the type or number of tasks, altering the number or nature of interactions with others, and altering the view of the job. Task boundaries are changed when employees alter the type, number, content or

scope of tasks that they carry out. These changes may be in the direction of expanding one's job to include additional responsibilities, but also in the direction of narrowing one's job to the minimum necessary to get the job done. Employees can also alter their work routines by performing the same tasks in different or novel ways (Ghitulescu, 2006). Relational boundaries are changed when employees alter the range, nature, or number of their interactions at work (e.g., talking more with colleagues who are helpful and inspiring). Employees may choose to interact more or less frequently with some people, and their relationship closeness may range from very close to very distant ties, depending on personal preferences. Employees may also choose to establish more frequent or closer ties with members of certain occupational groups in the organization than with members of other groups (Ghitulescu). Finally, cognitive boundaries are adapted when employees alter their views on work. For example, employees can view work as a set of discrete tasks or as a whole piece, or they can view it as a trivial piece or as having broader significance for others, the organization, or society.

Since job crafting can have many forms in practice (Wrzesniewski & Dutton, 2001), recent studies have focused on further specifying different forms of job crafting (see Table 9.1 for an overview). In her dissertation, Ghitulescu (2006) measured the three forms of job crafting (i.e., task, relational, and cognitive crafting) as proposed by Wrzesniewski and Dutton (2001) among special education teachers. Since no measure of task crafting was yet available, she conducted focus group discussions to understand the specific behaviors through which teachers craft the

**Table 9.1** Job crafting forms

| Authors | Forms of job crafting |
|---|---|
| Wrzesniewski and Dutton (2001) | Task crafting: altering the type number, content or scope of tasks |
| | Relational crafting: altering the range, number or nature of interactions with others |
| | Cognitive crafting: altering the view of the job |
| Ghitulescu (2006) | Expanding job to include additional tasks |
| | Tailoring/customizing tasks |
| | Relational crafting |
| | Cognitive crafting |
| Tims, Bakker, and Derks (2012) | Increasing structural job resources |
| | Increasing social job resources |
| | Increasing challenging job demands |
| | Decreasing hindering job demands |
| Nielsen and Abildgaard (2012) | Increasing challenging job demands |
| | Decreasing social job demands |
| | Increasing social job resources |
| | Increasing quantitative job demands |
| | Decreasing hindering job demands |
| Kroon, Kooij, and Van Veldhoven (2013) | Crafting challenging job demands |
| | Crafting reduced workload |

tasks related to their job. Results of the focus group discussions suggested two distinct forms of task crafting. The first form was tailoring (or customizing) tasks and the second form was expanding tasks. As described by Ghitulescu, job crafting through tailoring pertains to modifying teaching practices to meet the needs of the students in ways that are not specified by the job. For example, one teacher reported that she did not use flexible grouping in her class, because it did not work with her students. In contrast, job crafting via expanding tasks refers to activities that supplement or expand job boundaries. For example, one teacher reported that when teaching mathematics, she tried to create practical lessons for life, such as using money as an example for students to learn. Although these job crafting practices are aimed at achieving work goals rather than improving person-job fit, we do include them in our Table 9.1 on job crafting forms.

Whereas Ghitulescu (2006) focused on job crafting in terms of the process and scope of activities for achieving work goals, Tims et al. (2012) focused on job crafting directed toward improving person-job fit. Tims et al. defined job crafting as the self-initiated changes that employees may make to balance their job demands and job resources with their personal abilities and needs (Tims & Bakker, 2010), and identified four forms of job crafting; (1) increasing the level of structural job resources (i.e., those aspects of the job that are functional in achieving work goals, or stimulate personal growth, learning, and development; Bakker & Demerouti, 2007), such as variety, opportunities for development, and autonomy, (2) increasing the level of social job resources, such as social support, supervisory coaching, and feedback, (3) increasing the level of challenging job demands (i.e., all aspects of the job that require sustained physical and/or psychological effort or skills but that are also experienced as rewarding; LePine, Podsakoff, & LePine, 2005), such as new projects, and (4) decreasing the level of hindering emotional and mental job demands (i.e., all aspects of the job that require sustained physical and/or psychological effort or skills and may therefore be associated with physical or psychological costs; Bakker & Demerouti), related to working with people and working with knowledge (Tims et al.). Tims et al. also developed and validated a scale to measure these four job crafting forms.

Using the Tims et al. (2012) scale, Nielsen and Abildgaard (2012) developed and validated a job crafting scale for the assessment of job crafting behavior among blue collar workers. Building upon interviews with blue collar workers, Nielsen and Abildgaard proposed five (rather than four) forms of job crafting: increasing challenging job demands (i.e., individual's crafting to engage in new activities), decreasing social job demands (i.e., individual's active attempts to avoid emotionally challenging situations), increasing social job resources (i.e., individual's job crafting to maximize feedback from the social context), increasing quantitative job demands (i.e., individual's active attempts to create more work for him or herself), and decreasing hindering job demands (i.e., individual's active attempts to organize work such that it was the least stressful).

A final distinction in forms of job crafting was proposed by Kroon, Kooij and Van Veldhoven (2013). In their study on the influence of team context on job crafting, they distinguished between crafting challenging job demands (similar to the

Tims et al. dimension of increasing challenging job demands) and crafting directed toward reducing one's workload (i.e., reducing task responsibilities or seeking help from colleagues to reduce the workload).

*Effects of job crafting.* Despite the differences in operationalization of job crafting, individuals who engage in job crafting are more likely to experience their job as more meaningful and engaging (Berg, Dutton, & Wrzesniewski, 2008; Petrou et al., 2012; Tims et al., 2012, 2013; Wrzesniewski & Dutton, 2001). Further, recent research has demonstrated that job crafting is positively associated with job performance (Ghitulescu, 2006; Tims et al., 2012). Workers who craft their job are more committed to the decisions they make, the problems they solve, and the goals they set in their work, and are thus more motivated to perform (Ghitulescu). In addition, job crafters have a better understanding of their job, the tasks involved and how these tasks relate to each other, are able to make higher quality decisions in their work (Ghitulescu), and may work more efficiently and be more productive (Leana, Appelbaum, & Shevchuk, 2009). In addition, job crafting is positively associated with employability (Tims et al., 2012). Workers who craft their job are better able to continuously fulfill, acquire or create work.

However, the influence of job crafting on worker outcomes depends on the form of job crafting. For example, Tims et al. (2012) found that job crafting focused on decreasing hindering job demands was not associated with employability and performance, and was even negatively associated with engagement. Similarly, Kroon et al. (2013) found that job crafting focused on reducing workload was unrelated to engagement. Finally, Nielsen and Abildgaard (2012) found that, over time, only job crafting forms directed toward increasing challenging job demands, increasing quantitative job demands, and increasing social job resources positively affected engagement and satisfaction (see also Tims et al., 2013). Nevertheless, research on (the influence of) different forms of job crafting is in its infancy, and current research on job crafting mainly focuses on crafting more stimulating and challenging jobs (Fried et al., 2007). However, older workers are likely to craft their jobs in other ways.

## 9.3 The Importance of Job Crafting Among Older Workers

Agency refers to the process of becoming a change agent in one's own life by means of intentional and proactive behaviors (Bandura, 2001). These processes of agency are also evident in theories of aging. The environmental proactivity hypothesis, for example, suggests that older adults are not simply pawns of their environment but can proactively change environments to meet their own needs and to maintain independence (Lawton, 1989; Wahl et al., 2011). Similarly, Featherman, Smith, and Peterson (1990) recognize the changing relationship between the self and the environment. Featherman et al. (1990) propose that successful aging involves adaptive competence, which refers to a generalized capacity to respond with resilience to challenges arising from one's body, mind, self, and environment. In the same line of

reasoning, Ouwehand, De Ridder, and Bensing (2007) argue that older people do not simply cope with decline, but also continue to actively develop themselves and strive for personal goals by creating environments that make success possible.

Building on this lifespan literature, we argue that older workers will also exercise agency at work and will adjust their jobs in ways that permit sustained correspondence between their jobs and age-related changes in work-related motives and abilities. Moreover, we propose that job crafting is a crucial mechanism by which older workers may exercise agency and foster successful aging at work. Because work motives and abilities change with age (e.g., Kanfer & Ackerman, 2004; Kooij et al., 2011; Kooij, De Lange, Jansen, & Dikkers, 2013; Warr, 2001), person-job fit may shift over time among older workers with long job tenure. For example, work-related growth motives and physical abilities decrease and intrinsic work motives and crystallized intelligence increase with age. Hence, as for instance utility workers age they are more likely to experience difficulty performing the more strenuous physical tasks associated with the job, but are more likely to have critical job knowledge that facilitates problem-solving. At the same time, job mobility among older workers is low (Hansson, DeKoekkoek, Neece, & Patterson, 1997). Reduced job mobility suggests that older workers are more likely to stay in their current job, resulting in potential person-job misfit over time (Edwards, 1991; Kanfer, Beier, & Ackerman, 2013). In line with this reasoning, Robson, Hansson, Abalos, and Booth (2006) argue that successful aging at work involves adjusting the job to what individual employees want and still can do. Through job crafting, older workers are able to realign job demands with age-related changes in personal resources, which in turn may enhance work motivation (Kanfer et al., 2013). Job crafting may also enhance work motivation by allowing older workers to increase the psychological challenge associated with job performance. For example, among older workers who have been in the same job for a long time, tasks that once were personally challenging and motivating can become routine and boring (Hornung et al., 2010; Robson & Hansson, 2007). At the same time, older workers are more likely to experience career plateauing than younger workers (Armstrong-Stassen, 2008). Since job crafting increases older workers' person-job fit and their interest in the job, they will age more successfully at work.

The second reason why job crafting is crucial for successful aging at work is the individualized, bottom-up approach of job crafting (Hornung et al., 2010). Although changes in work motives and abilities are similar among older workers, individual differences increase with age, making it harder for organizations to develop standard policies for this heterogeneous group of older workers (Bal, De Jong, Jansen, & Bakker, 2012; Greller & Simpson, 1999; Hansson, Robson, & Limas, 2001; see also Chap. 8 of this book). This notion is supported by personality research in which it is argued that the personality of an individual is shaped over time, resulting in increased differences in preferences, dislikes, attitudes, and inclinations as people develop over the life course (Caspi, Roberts, & Shiner, 2005; Nelson & Dannefer, 1992; Van Lieshout, 2000). Furthermore, due to their long work experience and job tenure, older workers know their own abilities and motives and the tasks and requirements their job involves (Sanders & McCready, 2009). As such, the individualized

approach of job crafting is the most appropriate approach for older works to adapt the job to age-related changes they experience, and to age successfully at work.

A number of studies indeed suggests that job crafting may result in successful aging at work. For example, Shkop (1982) found that older managers continue working when they can modify their job (e.g., enrich their jobs with special assignments, such as consulting or training younger employees) or change jobs. Similarly, Robson et al. (2006) found that older workers' strategies to adjust the job to what they can and want to do, is positively correlated with self-perceived successful aging (see also Robson & Hansson, 2007). In addition, earlier studies (e.g., Abraham & Hansson, 1995; Yeung & Fung, 2009) found positive effects of applying action-regulation strategies at work, such as delegating low priority responsibilities to others, on self-reported ability, performance maintenance, goal attainment, and sales productivity among older workers. In sum, job crafting may be important for successful aging at work. However, based on the literature on lifespan development and aging at work, we expect that older workers will use different activities and forms of job crafting than younger workers.

## 9.4 Older Workers as Job Crafters

In order to understand how older workers will craft their jobs, we need more insight in age-related changes and strategies older individuals use to deal with these changes. Therefore, we use Kanfer and Ackerman (2004) framework on aging and work motivation and the Selection Optimization and Compensation (SOC) model (Baltes & Baltes, 1990) to identify different job crafting forms and activities of older workers (see Table 9.2 for an overview).

Kanfer and Ackerman (2004) identified four types of intra-individual change as people age; losses, gains, reorganization, and exchange. Losses occur, for example, in physical abilities and in fluid intelligence, such as working memory and processing of new information. Gains occur, for example, in crystallized intelligence, such as general knowledge, vocabulary, and verbal comprehension (Ackerman, 1996). These age-related changes have important implications in the work setting and are likely to influence job crafting activities. Kanfer and Ackerman, for example, proposed that work motivation among older workers might be enhanced via strategies aimed at tailored reconfiguration of work roles. Older workers might compensate for declines in fluid intelligence by avoiding tasks that require speed in working memory and by focusing more on job tasks that require high levels of job knowledge. For example, older information system analysts may be more effective than younger analysts and thus may take on more tasks in sales or service work that demands high level of broad job knowledge, but less effective than younger workers and so reduce tasks that demand rapid troubleshooting of complex new software (Sharit & Czaja, 2012).

The third and fourth type of normative, age-related change pertains to a gradual reorganization and exchange in the constellation of motives that support work-related

**Table 9.2** Job crafting forms and activities of older workers

| Kanfer and Ackerman (2004) | SOC model | Job crafting forms (existing forms) | Example job crafting activities |
|---|---|---|---|
| Loss | Loss-based selection and compensation | Accommodative (decreasing hindering and social job demands/ crafting reduced workload/ increasing social job resources) | Reduce work volume by taking on fewer clients (Meltzer, 1981) |
| | | | Take on assistant (Birren, 1969) |
| Gains | Optimization | Developmental (expanding job to include additional tasks/increasing challenging and quantitative job demands/ increasing structural and social job resources) | Use professional colleagues to aid new learning (Birren, 1969) |
| | | | Regularly take on assignments outside of specialty (Robson & Hansson, 2007) |
| Reorganization and exchange | Elective selection | Utilization | Participate in mentoring coworkers to retain knowledge and skills (Robson & Hansson, 2007) |
| | | | Taking on tasks that activate unused skills and resources (Freund & Baltes, 1998)[a] |

[a]Although Freund and Baltes (1998) categorize this as compensation, activating unused skills and resources refers to the utilization of existing skills and resources, and thus to utilization job crafting

action. One example of such a reorganization is the age-related shift in social motives that often occurs in mid and late work life. As proposed by Carstensen's (1995) Socioemotional Selectivity Theory, observed shifts in social motives away from behaviors aimed at gaining resources and toward behaviors aimed at obtaining affective rewards and supporting one's identity occur as a consequence of age-related changes in the perception of time-from perceptions of time during the first half of life as expansive and open-ended to perceptions of time during the last half of life as more limited. As older people perceive their future time as more limited than younger people, they are likely to give higher priority to emotionally meaningful social interactions and goals, such as generativity and emotional intimacy (see also Lang & Carstensen, 2002), and to focus on positive experiences which makes them better at regulating their emotions (Charles & Carstensen, 2010). In the context of work and aging, the reorganization of social motives suggests that older workers are more likely to prefer social interactions that affirm their competencies than social interactions that offer future opportunities for career progress.

In addition, the Selection, Optimization and Compensation (SOC) model (Baltes & Baltes, 1990) suggests that motives change with age. According to the SOC model people will Select viable outcomes, Optimize resources to reach these

outcomes, and Compensate for resource losses. The model's underlying assumption is that limited internal and external resources (e.g., mental capacity, physical strength, social support) require people to make choices regarding the allocation of those resources. According to the SOC model, resources allocated to growth (i.e., reaching higher levels of functioning) will decrease with age, whereas resources for maintenance (i.e., maintaining current levels of functioning in the face of new challenges) and regulation of loss (i.e., functioning adequately at lower levels) will increase with age (Baltes, Staudinger, & Lindenberger, 1999; Baltes & Baltes). This proposition is supported by Freund (2006), who found that during young adulthood the dominant goal focus was on optimization (i.e., growth), but that older adults showed a stronger focus on compensation goals directed toward prevention of further resource loss (see also, Ebner, Freund, & Baltes, 2006).

Since motives and goals change with age, work motives also change with age. Sterns and Huyck (2001, p. 452) argue that evidence is accumulating that "intrinsic rewards of work, satisfaction, relationships with coworkers, and a sense of participating in meaningful work become more important as an individual ages". Kooij et al. (2011) found indeed that work-related growth and extrinsic motives (e.g., advancement and compensation) decrease, and that work-related intrinsic motives (e.g., accomplishment, use of skills, helping people, generativity, contributing to society, and autonomy) increase with age (see also Kooij et al., 2013; McAdams & de St. Aubin, 1992). Kanfer and Ackerman (2004) argue that individuals change their work role in accordance with age-related reorganization and exchange of motives for action. Therefore, older workers are likely to craft their jobs by increasing skill-variety (see also Zaniboni, Truxillo, & Fraccaroli, 2013), accepting increased responsibility for the totality of assignments to increase task identity, taking on increased latitude in decision making, and taking on tasks through which they can build meaningful relationships, increase the amount of help and mentoring provided to others, and impact other people, the organization, and society to make lasting contributions that benefit future generations (Fried et al., 2007; Grant & Wade-Benzoni, 2009).

The four types of age-related change as identified by Kanfer and Ackerman (2004) are closely related to self-regulation strategies as distinguished in the earlier mentioned SOC model (Baltes & Baltes, 1990; see column 2 in Table 9.2). Since self-regulation strategies involve goal selection and pursuit (Zimmerman, 1998), Freund and Baltes (2002) placed the SOC model within an action-theoretical framework, emphasizing the importance of goals. Within this framework selection is primarily concerned with setting and selecting goals based on what one still can (loss-based selection) and what one prefers to do at work (so called elective selection). In the work context, selection involves, for example, choosing to focus more on those aspects of the job that are considered the most interesting or challenging, abandoning goals and tasks that are unattainable or cannot be accomplished anymore, reducing overall workload, involving others in less central tasks, delegating low priority responsibilities, or committing to one or two important goals.

Optimization involves means to achieve these goals. Optimization refers to the obtainment, improvement, and coordinated use of personal resources, such as time

and energy, to achieve important goals. Specific optimization behaviors in the workplace include polishing rusty skills and abilities, focusing efforts on maintaining and maximizing job skills and abilities, practicing, modeling successful others, and investing more time and effort into goal pursuit. Finally, compensation refers to the acquisition and use of alternative means to reach goals. Older employees might use compensation strategies at work, such as taking additional breaks, asking coworkers for help, hiring an assistant, or taking advantage of opportunities to demonstrate special skills and abilities to supervisors and coworkers (Abraham & Hansson, 1995; Bal, Kooij, & De Jong, 2013; Young, Baltes, & Pratt, 2007; Zacher & Frese, 2011).

In addition to the use of SOC strategies at work, researchers have identified other strategies older workers use to successfully age at work (see also column 4 in Table 9.2). Birren (1969) interviewed 100 older professionals about work behaviors and found that older professionals take on an assistant and use professional colleagues for advice and assistance to keep up with the field or aid new learning (Park, 1994). Meltzer (1981) examined strategies that older lawyers used to reduce stress at work. Meltzer found that these older lawyers reduced their work volume, by taking on fewer clients and working fewer hours, and began to specialize in more routine, less conflicted areas of the law, by avoiding the courtroom and restricting representation to former clients with whom they had a comfortable relationship.

More recently, Robson and Hansson (2007) aimed to identify self-directed strategies to successfully age at work. They asked participants aged 23–61 to list up to five activities or strategies they have used to maintain or develop their status in five potentially important areas, namely intellectual abilities, adaptability, positive relationships, personal security, and occupational growth. Strategies that participants mentioned were, among others, seek help from coworkers, participate in professional organizations, assist others when needed, take tough assignments that no one else wants, turn down extra work if it would prevent meeting deadlines, delegate certain tasks to coworkers, tackle one project at a time, regularly attend workshops to sharpen knowledge and skills, regularly take on assignments outside of specialty, and often participate in mentoring coworkers to retain knowledge and skills.

In sum, the literature on lifespan development and successful aging at work hints at possible job crafting activities that older workers might engage in. The strategies mentioned earlier suggest that older workers initiate changes in their job that enable them to fulfill their changed motives and to adapt to changed abilities, thereby restoring their person-job fit.

## 9.5 Conclusion

As many scholars have noted, two of the most striking differences between work during most of the twentieth century and work at the start of the twenty-first century pertain to the nature of work and the nature of the workforce. Consistent with the

industrial economies dominant through much of the twentieth century, jobs were designed largely by organizations based on principles of production and market efficiency. That is, workers were selected for jobs based on the perceived fit of knowledge, skills, and abilities to job demands at the time of hire, and job demands were largely considered non-negotiable. In this "top-down" approach to employment, workers might have some discretion on how the work was performed but typically had little influence on the work role itself. During the past few decades, however, the flattening of organizational structures and the increased use of teams, for example, have dramatically changed the way that jobs are designed and developed. Although workers are still hired into jobs largely on the basis of perceived fit of their competencies to job demands, there is growing recognition and interest in understanding how workers shape their work role, and the effects that this proactive crafting of one's job may have on individual and organizational outcomes.

At the same time, the workforce is aging and the proportion of older workers is increasing. For many of these workers, age-related changes in person attributes have created varying degrees of misalignment in person-job fit. For some individuals who have performed the same work role for decades, misalignment may manifest in boredom and lack of task engagement. For other older workers engaged in physically demanding jobs, misalignment may result as a consequence of age-related changes in physical capabilities and health. Job crafting, or reorganization of the work role to promote better person-job fit, represents a key method by which to sustain older worker motivation and work ability in their current workplace.

In this chapter we summarized major developments in the nascent field of job crafting and integrated this work with the more well-developed literatures on adult development and workforce aging. Specifically, building upon the Baltes and Baltes (1990) SOC model of lifespan development and Kanfer and Ackerman (2004) analysis of age-related changes related to work, we suggest three primary forms of job crafting among older workers:

(1) Accommodative crafting, which refers to crafting activities directed toward regulating losses (Baltes & Baltes, 1990), such as hiring an assistant, delegating low priority responsibilities, looking for other ways to achieve goals, and using a professional network for advice and assistance;
(2) Developmental crafting, which refers to crafting activities that are directed toward learning new skills (Robson et al., 2006) or growth (Baltes & Baltes, 1990), such as taking tough assignments, participating in professional organizations, and regularly attending workshops to sharpen knowledge and skills;
(3) Utilization crafting, which refers to crafting activities focusing on utilizing existing skills and knowledge, such as focusing on most interesting tasks that optimize existing knowledge and skills, taking on tasks that activate unused skills and resources, focusing on new attainable goals, and taking on tasks through which one can build meaningful relationships and increase the amount of help and mentoring provided to others.

Future research should explore these specific job crafting activities and forms among older workers and their effects on successful aging at work. As demonstrated

in Table 9.2, the existing literature on job crafting does not focus on utilization crafting. In addition, the scarce research on SOC strategies at work (e.g., Zacher & Frese, 2011) does not focus on SOC strategies aimed at utilizing existing knowledge or fulfilling changed motives. Therefore, this job crafting form needs specific attention.

We also note that job crafting activities and forms may differ between different occupations. As a result, it is important that future research examines job crafting across a range of occupations, including nurses, construction workers, and managers. A related issue pertains to the process and outcomes of job crafting among older workers across ranks. For example, although findings in the SOC literature suggest that SOC strategies in the workplace can only be effectively applied when an individual has some degree of job autonomy (Abraham & Hansson, 1995; Baltes & Dickson, 2001), Berg, Wrzesniewski, and Dutton (2010) found evidence of job crafting taking place at all ranks in the organization. Another area in which additional research is sorely needed pertains to the criterion construct space. To date, research on job crafting has focused on the effects of job crafting on worker attitudes and affect. In order to effectively expand this research topic to older workers, research is needed to examine the effects of older worker job crafting on a broader set of consequences, including for example, job stress, work-nonwork conflict, job withdrawal behaviors (e.g., absence), and time to retirement.

A final research direction pertains to understanding the constellation of person and situational characteristics associated with more and less effective job crafting behavior among older workers. In research on job crafting less attention has been given to understanding the person and situational factors that contribute to worker engagement in job crafting. In contrast, research on older workers derived from theories of aging provides rich suggestions for the person-job conditions in which older workers are most likely to benefit from job crafting, and the effects that job crafting can be expected to have on worker outcomes. It is also unclear how organizational and human resource policies affect the incidence of job crafting. Although job crafting is typically initiated by employees and not explicitly authorized by the organization, Wrzesniewski and Dutton (2001) argue that organizations can stimulate job crafting behavior through Human Resource Management (HRM). By stimulating older workers to adapt their job to age-related intra-individual changes, organizations can help their older workers to successfully age at work.

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# Chapter 10
# Aging Workers' Learning and Employability

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## 10.1 The Importance of Learning for Aging Workers

Workforces across the world are aging, and governments are taking more and more policy actions to encourage aging workers to extend their working lives beyond the usual retirement age. In addition, employers are stimulated to retain older workers and act accordingly to sustain their employability (Dymock, Billett, Klieve, Johnson, & Martin, 2012). However, in general, the employment prospects of older workers remain weak. People above the age of 50 are often the first to be fired and the last to be recruited. If our aging societies are to continue to prosper, aging workers need to stay active in the labor market. Moreover, the demand for labor and skills is exceeding supply across diverse economic sectors (Armstrong-Stassen & Schlosser, 2008). Employers need to realize that the recruitment pool of the future will be disproportionately composed of aging workers, who are confronted with changing job requirements (Pillay, Kelly, & Tones, 2006). Therefore, it is important to facilitate the learning and development of aging workers. If aging workers do not learn, their job-related knowledge and skills can become outdated or obsolete. Consequently,

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_10

these workers are most likely to leave the labor market early, either voluntarily or involuntarily (Armstrong-Stassen & Schlosser). Furthermore, as traditional careers with long-term employment in a single organization are disappearing, greater self-direction in learning is encouraged (Raemdonck, 2006).

In this chapter we will first focus upon the concept of age and how it relates to employability. Based upon previous research we will discuss the link between formal as well as informal learning activities and older workers' employability. We will demonstrate that age as such is not always the strongest predictor of learning and employability. Moreover, we will identify age-related individual and organizational obstacles for work-related learning. Two of the most prominent individual obstacles are motivation to learn and capability to learn. Organizational barriers are due to negative stereotypes about elderly people at the workplace and by a lack of supportive learning climate for older workers. Finally, we formulate conclusions and recommendations for research and Human Resource Development practices.

## 10.2 Age-Related Changes in Learning and Employability

### *10.2.1 Age*

The demographic shift warrants increased attention to age-related changes – especially in the workplace (Ilmarinen, 2001). However, the previous academic debate mostly lacks consideration of how such changes affect employability and learning (Fröhlich, Beausaert, & Segers, 2013a). Research on this topic also gets hampered by the fact that age is a very broad concept that may be viewed from different perspectives (De Lange et al., 2006; Schalk et al., 2010; Sterns & Miklos, 1995); for instance:

- functional age, which is based on the ability of a person to perform certain tasks on a daily basis (Sharkey, 1987),
- psychological age, which refers to how old a person feels subjectively (Stephan, Demulier, & Terracciano, 2012; Symons, 2011),
- organizational age, which is based on the tenure in an organization,
- life-span age, which considers biological and societal factors in an integrative way and focuses on the roles people take during their lives (R. Schulz & Heckhausen, 1996; Super, 1980), or
- chronological age, which is a measure of time passed since birth.

These different perspectives make findings less comparable with each other. Both in research and practice, however, chronological age is used most prominently and it is this conceptualization we will use in the rest of this chapter.

### *10.2.2 Employability*

Employability is the ability to acquire and maintain employment (Hillage & Pollard, 1998; Van der Heijde & Van der Heijden, 2006). In other words, employable employees recognize and realize career opportunities more easily (Fugate, Kinicki, & Ashforth, 2004). While the concept of employability dates back to the mid of the last century, the recent changes in the workplace, such as the trend towards inter-organizational careers (Briscoe, Hall, & Frautschy DeMuth, 2006; Brown & Hesketh, 2004; D. T. Hall, 2004; McDonald, Brown, & Bradley, 2005), the fast pace of organizational and environmental changes, and increasingly self-managed careers (Hall, 2004), have increased interest in this topic. Since definitions of employability based on job descriptions can hardly keep up with the rapidly changing job requirements and labor market demands, competences seem a more stable and reliable base for them. To address the requirements of today's fast changing business environment, a broad package of competences (Wright & Snell, 1998), that includes social and adaptive competences (Rodriguez, Patel, Bright, Gregory, & Gowing, 2002) on top of technical domain knowledge, needs to be considered. Van der Heijde and Van der Heijden include *occupational expertise* as an important prerequisite for employability, but note that also other factors weigh heavily. Proactive, self-initiated screening and preparation for potential changes in job and career requirements and conditions (*anticipation and optimization*) and reactive adaptation and resilience to them (*personal flexibility*) are needed in today's fast moving business world. Furthermore, identification with the organization's goals and the ability to work together with others are important (*corporate sense*). Last, *balance*, i.e., appropriately weighing employer's interests against one's own interests, was identified as a key competence of employability.

One factor that is often found in the popular discussion of employability is chronological age. Stereotypically, it is often proclaimed that older employees are less likely to adapt to change or have out of date knowledge. Empirical studies, however, do not provide consistent evidence for this. While many studies find negative relationships between age and employability (e.g. Berntson, Näswall, & Sverke, 2008; Raemdonck, Tillema, Grip, Valcke, & Segers, 2012; Rothwell & Arnold, 2007; Van der Heijden, 2002; Wittekind, Raeder, & Grote, 2010) and related concepts, such as workability (Nielsen, 1999), career opportunities, and proactivity towards development (Van Veldhoven & Dorenbosch, 2008), some other studies present positive or insignificant effects of age on employability. For example, Van der Heijden, Boon, Van der Klink, and Meijs (2009) reported age to be positively related to corporate sense. Fröhlich, Beausaert, and Segers (2013b), too, found positive relations of chronological age with occupational expertise and personal flexibility among the 780 respondents of their intersectoral study in Austria and the Netherlands. In sum, the empirical evidence is far less clear than common stereo - types would suggest.

One hypothesis for the inconsistent effects could be that the relative importance of the competences changes with increasing age or career stage. Previous research

indicates that employees at a later stage of their career and life value generativity more than younger employees (Lang & Carstensen, 2002; Mor-Barak, 1995; M. J. Sanders & McCready, 2010), i.e., the process of passing along values and knowledge to the next generation (Erikson, 1997). Van der Heijden and colleagues (2009) indeed reported chronological age to be positively related to corporate sense, which arguably incorporates parts of the generativity concept.

The inconsistent findings presented above may also hint at conceptual weaknesses of chronological age as a measure, which are often ignored. One such weakness is the difficulty to disentangle age effects from cohort and period effects (B. H. Hall, Mairesse, & Turner, 2007; Hobcraft, Menken, & Preston, 1982; Palmore, 1978). Moreover, since people become more heterogeneous the older they get (Carstensen, 2006; Staudinger & Bowen, 2011), the less suitable age is as predictor.

### *10.2.3 Formal and Informal Learning Activities*

One needs to learn in order to improve one's own employability (Fröhlich et al., 2013b; Fröhlich, Beausaert, & Segers, 2013c; Van der Heijden et al., 2009). Learning may happen either formally, i.e., inside a structure deliberately created for that purpose, or informally. Informal learning is less pre-structured, more in control of the learner, embedded in daily working activities of the employee and therefore often a by-product of some other activity, and may happen unconsciously (cf. Livingstone, 2001; Marsick & Watkins, 2001) or in implicit, reactive, or deliberate ways (Eraut, 2007). Eraut and Van der Heijden and colleagues suggested that informal learning is needed to optimize overall learning efficiency, while Cross (2007) found that informal learning was superior in terms of efficiency and effectiveness. However, as formal and informal learning can be seen as opposing ends on a continuum (Eraut, 2004), both need to be taken into account.

Formal learning means "learning that occurs in an organized and structured environment […] and is explicitly designated as learning" (CEDEFOP, 2008, p. 85). It received the majority of attention in past human resource development practice and research, but is increasingly challenged for its often insufficient transfer to the workplace (Blume, Ford, Baldwin, & Huang, 2010; Ford & Weissbein, 1997). Nevertheless, it is an important measure for human resource development, since it is arguably easier to plan and observe than informal learning.

In the domain of informal learning, Eraut (2004) distinguishes implicit, reactive, and deliberative informal learning. *Implicit learning* is unconscious and not recognized by the learners themselves. He argues that learning from experience mostly has such an implicit component – for example during the process for (workplace) socialization. *Reactive learning* is more conscious. This learning is intended and has a component of reflection. However, it happens in midst of some other activity, and therefore may receive only partial attention. *Deliberate learning* happens in work situations where time is specifically allotted for learning (Tynjälä, 2012).

Eraut (2007) identifies encounters and relationships at work and opportunities for receiving feedback and support as important factors for learning at work. Additionally, he mentions participation in group activities, work alongside others, and consultations among the activities most conducive for learning.

### *10.2.4 Learning Activities and Employability*

Empirical research shows that formal learning contributes to one's employability. For instance, Groot and van den Brink (2000) studied the effects of education and training on employability among Dutch employees and found positive effects. Sanders and de Grip's (2004) study among low-skilled workers showed a positive effect of formal training on intra-firm employability, but did not find any effect of training on external employability. In their sample of 215 Dutch non-academic university staff members, Van der Heijden and colleagues (2009) found positive relationships between formal learning and three sub-dimensions of employability, i.e., occupational expertise, anticipation and optimization, and corporate sense. Fröhlich et al., (2013b) found that the number of hours spent in formal learning activities positively affects anticipation and optimization. Van Loo's (2005) study among administration employees showed that employees' investment in a vocational training to counter skill deficiencies raised their chance of remaining employed. These consistent findings suggest that formal learning positively affects employability.

Informal learning is important to consider, as many studies found a link to employability. Van der Heijden et al. (2009) found networking within and outside the own organization (Bozionelos, 2003) to positively affect all five dimensions of employability. Moreover, interaction with one's supervisor had positive effects on balance and corporate sense. Van der Rijt, Van den Bossche, van de Wiel, Segers, and Gijselaers (2012) found feedback seeking to affect perceived career development positively among employees in the financial sector in an early career stage. Especially the quality of feedback had a positive impact on perceived career development – and not the mere frequency of feedback. Fröhlich et al., (2013b) found several forms of informal learning – e.g. information seeking, feedback seeking, and help seeking – to positively affect occupational expertise, anticipation and optimization, and personal flexibility. A longitudinal study by Raemdonck, Tillema and colleagues (2012) examined the relation between self-directed learning and employability in low-qualified employees working in different industry sectors. They found that self-directed learning did not predict job retention or horizontal job mobility. However, higher levels of self-directed learning did predict higher chances for vertical job mobility.

In sum, it is important to note that while both formal and informal learning may be functional to improve overall employability, there still might be differences in terms of specific learning contents. For instance, the finding that formal learning

affects anticipation and optimization only – but not occupational expertise or personal flexibility (Fröhlich et al., 2013b) – might indicate that formal learning activities are especially well suited to learn about new domains. Informal learning, for which also effects on occupational expertise and personal flexibility were found (Fröhlich et al.), may subsequently be efficient for further developing knowledge, skills, and abilities.

### *10.2.5 Learning Activities and Age*

Previous research indicates that older people are less interested in formal training (Kanfer & Ackerman, 2004; Livingstone, 1999; Warr, 2001; Warr & Birdi, 1998) and are offered fewer opportunities to attend them (Grima, 2011; Van Vianen, Dalhoeven, & de Pater, 2011). When older employees eventually participate in such training, their training performance is on average weaker compared to their younger colleagues (Colquitt, LePine, & Noe, 2000; Kubeck, Delp, Haslett, & McDaniel, 1996). These consistent findings suggest a negative relationship between chronological age and formal learning activity. Contrarily, Van der Heijden et al. (2009) found a positive relationship between chronological age and formal learning activities outside the current job's domain. Koller and Plath (2000) found no age-related differences in terms of attendance of formal learning activities.

Findings of studies researching a link between age and informal learning (and related concepts) are inconclusive: some studies find a decrease in informal learning with higher age (Gupta, Govindarajan, & Malhotra, 1999; Tikkanen, 2002; Van der Heijden et al., 2009), some found no effect (Livingstone, 1999; M. Schulz & Stamov-Roßnagel, 2010), and some found even positive relationships (Berg & Chyung, 2008; Kyndt, Dochy, & Nijs, 2009).

These inconsistent findings suggest that other factors than chronological age are more important when it comes to informal learning (Fröhlich et al., 2013a, 2013c). Individuals may be more in control of their own learning effort (Marsick & Watkins, 2001) and less dependent on employers' resources or others' stereotypes. This higher independence from the employer's budget is especially important for older employees, who are rarely sent to (often costly) trainings and workshops. Even negative self-perceptions may be circumvented, as informal learning is often not even perceived as learning by the learners themselves (Eraut, 2004, p. 249).

In conclusion, the relationships between chronological age, work-related learning, and employability are high on the agendas of both human resource development practitioners and researchers. However, especially the evidence for effects of chronological age is inconclusive. While this may be attributed to conceptual shortcomings of chronological age, research on other factors – e.g. individual and organizational obstacles – might provide more satisfying answers.

## 10.3 Individual Obstacles Related to the Learning of Aging Workers

Two of the most investigated individual factors influencing learning are the motivation and capability to learn. Both factors might explain age-related changes in learning behavior and employability.

### *10.3.1 Motivation to Learn*

Motivation is a crucial factor in the process of learning. Noe (1986, p. 734) defines motivation to learn as a "*specific desire of the trainee to learn the content of the training program*". Motivation to learn is an important predictor of learning initiative and cognitive, emotional and behavioral engagement in learning (Eccles & Wigfield, 2002). In the literature it is often maintained that motivation to learn changes when aging: aging workers themselves often see little benefit of investing their time and effort in learning. They can harbor negative attitudes regarding the value of learning (Tikkanen, 2002), lack self-confidence (Kanfer & Ackerman, 2004), and have low self-efficacy or expectations of success of their engagement and persistence in the training (Maurer, 2001).

#### 10.3.1.1 Two Perspectives of Age-Related Changes in Motivation to Learn

Two perspectives of age-related changes in motivation to learn can be found in literature (Gegenfurthner & Vauras, 2012). In the first perspective, a decline in motivation to learn with age is put forward while in the second perspective, a motivational maintenance is assumed.

Two age-related theories of motivation are relevant to explain why some authors assume a decrease of motivation to learn among aging workers. These theories are the expectancy theory in a life-span context (Kanfer & Ackerman, 2004) and the socio-emotional selectivity theory (Carstensen, 2006). Kanfer and Ackerman's theory is based on the cognitive changes related to the process of aging. The capacity related to the fluid intelligence (=cognitive processes underlying reasoning skills) decreases because of limited neuronal plasticity while the capacity related to the crystallized intelligence (=knowledge that comes from prior learning and past experiences) increases because of accumulated experience (see Sect. 10.3.2). According to the expectancy theory in a life-span context these cognitive changes impact work motivation. As motivation is a function of effort, performance and utility, aging workers need to expose much more effort in order to reach the same performance level as their younger colleagues. Lower effort-performance expectations due to cognitive retardation, will result in an age-related motivational decrease (Gegenfurtner & Vauras, 2012). Moreover, aging workers often attained the highest possible career level which

influences their perception of the utility of high performance and external rewards which go along with high performance (promotion, bonus etc.). Finally, these researchers also assume less effort for high performance because of a decrease in vocational interest with age. This life-span approach of expectancy theory leads to the conclusion that motivation to learn declines with age (Gegenfurtner & Vauras, 2012).

The perspective of age-related decrease in motivation to learn is also present in Carstensen's socio-emotional selectivity theory. In line with the expectancy theory, this theory also represents a lifespan theory of motivation. The socioemotional selectivity theory focuses on the role of people's time perspective in the pursuit of their goals. Carstensen (2006) and Mather and Carstensen (2005) state that when people perceive the time available in future as limited, they pursue goals directed towards psychological well-being and short-term benefits. Conversely, when people perceive time as open-ended, they prioritize goals related to knowledge acquisition, experiencing novelty and information gathering (Carstensen, 2006; Fröchlich et al., 2013a). When workers are thus approaching retirement age, they perceive their time at work as "time left" and will therefore focus on work goals related to the maintenance and optimization of emotional states instead of goals related to work-related learning and development (Gegenfurtner & Vauras, 2012). The reorganization of goals among aging workers is not caused by increased age as such, but rather by a shift in future time perspective (Meurant & Raemdonck, 2014). Several empirical studies have indeed demonstrated that increased chronological age is positively related to a narrow future time perspective which explains why older workers undertake fewer learning activities (e.g. De Lange, Bal, Van der Heijden, De Jong, & Schaufeli, 2011; Frohlich et al., 2013a; Zacher & Frese, 2009).

Contrary to the expectancy theory and the socioemotional selectivity theory (first perspective), the second perspective assumes an *age-related motivational maintenance*. In this perspective, motivation to learn remains constant across the working life. According to Gegenfurtner and Vauras (2012) this perspective is not represented by specific theories in educational psychology but is well supported in adult education literature (Knowles, 1975; Mackeracher, 2004; Tough, 1971 and in research on interest (Krapp, 2005), psychosocial research on aging (Atchley, 1989) and workplace curiosity (Reio & Choi, 2006). When Knowles introduced the term 'andragogy' in adult education literature, he described the adult learner as someone who (1) has an independent self-concept and who directs his or her own learning and (2) who is motivated to learn but rather by internal than by external factors. Tough found out that older adult learners engage yearly in several self-directed learning projects initiated by these adults themselves as a response to their daily needs and problems. In the research on interest, Krapp stated in his person-object theory of interest that the relation between an object and personal interest increases with time. Consequently, motivation to learn new content related to the object of interest would also increase with age as learners strive toward deepening their knowledge in relation to the object of interest (Gegenfurtner & Vauras). In psychosocial research on aging, Atchley (1989) states in his continuity theory of normal aging that, in making adaptive choices, middle-aged and older adults attempt to preserve and maintain existing internal (such as personality, beliefs) and external

(such as relationships, social roles) structures; and they prefer to accomplish this objective by using strategies tied to their past experiences of themselves and their social world. Continuity is thus an adaptive strategy that is promoted by both individual preference and social approval. Middle-aged and older adults will usually continue the same activities, behaviors, personalities, beliefs and relationships as they did in their earlier years of life. Motivation to learn is therefore consistent throughout the life course. At last, the perspective of age-related motivational maintenance is also found in the research on workplace curiosity. Curiosity positively influences socialization-related learning (Reio & Wiswell, 2000) and cognitive novelty seeking (Reio & Choi, 2006) among aging workers. As learning motivation is associated with curiosity, Gegenfurtner and Vauras conclude that motivation to learn continues over the course of a working life.

#### 10.3.1.2 An Exemplary Empirical Study on Motivation to Learn

Research on motivation to learn and more specific on goal pursuit and the content of occupational goals in relation to age is still very limited. Differences in occupational goals should, however, be taken into account in order to motivate employees at work. Meurant, Raemdonck, Zacher, and Frenay (2012) surveyed 562 employees from different age groups and professions in Belgium. The researchers investigated employees' most important occupational goals and the relative importance of training and development goals. The results showed that employees who put forward goals in the area of organizational citizenship, team work and cooperation, and adjustable work hours were significantly older. Employees who prioritized goals from the areas of training and development, pay/career progression and new challenges were significantly younger. No age differences were found concerning goals related to employment security and well-being; both types of goals were equally important to all age groups. These results were partly in line with a research done by Zacher, Degner, Seevaldt, Frese, and Lüdde (2009) in a German sample of 150 employees working in the service sector. Zacher and colleagues also found that goals from the area of organizational citizenship were more important for older employees and goals from the area of training and pay/career more important to younger employees. After controlling for gender, education and work characteristics, no age-differences were found in the goal areas job security and well-being but, different than our results, also in the goal areas teamwork, working time, and new challenges. Furthermore, Meurant et al. (2012) also investigated the personal factors that explain the variation in importance attributed to training and development goals and in learning intention. Consistent with the theoretical framework developed by Carstensen (2006) and Kanfer and Ackerman (2004), the results showed that chronological age was a significant negative predictor of the importance assigned to training and development goals. As employees get older, they ascribe less importance to training and development goals. However, when the authors controlled for educational level and job tenure, the effect of age disappeared. More specifically, the lower the educational level and the more years working in the

same job, the less employees put forward training and development goals. The study also revealed that perceiving opportunities at work (one of the two dimensions of future time perspective) was mediating the relationships between age and importance of training and development goals and between job tenure and importance of training and development goals. In other words, these results indicate that increased age/job tenure leads to fewer perceived opportunities at work and in turn the employee pays less attention to training and development goals. This finding suggests that the extent to which individuals perceive learning opportunities in their work environment is a better proximal predictor of the workers' willingness to emphasize training and development goals than chronological age. Furthermore, the study by Meurant et al. showed that work centrality and learning self-efficacy were stronger predictors of importance assigned to training and development goals and that work centrality, learning self-efficacy and proactive personality were better predictors of intention to learn than chronological age. Finally, the results showed that importance attributed to training and development goals was positively related to intention to learn at work.

In conclusion, we state that chronological age in itself may not be the most important factor explaining differences in occupational goal preferences and more specifically in predicting why employees prioritize training and development goals. Age has a more indirect effect. Variables such as remaining opportunities at work, self-efficacy for learning, and work centrality are stronger predictors of importance assigned to training and development goals or intentions to learn. Similar conclusions were reached by Maurer, Weiss, and Barbeite (2003) and Maurer, Lippstreu, and Judge (2008) when they proposed and tested a comprehensive model of employee involvement in learning and development activity.

### *10.3.2 Capability to Learn*

In addition to the issue related to the aging workers' motivation to learn, some researchers have studied the learning capacities of aging workers. In the literature it is stated that aging workers have less capability to learn in comparison to their younger colleagues, especially because of the general cognitive and sensorial decline associated with age. Aging employees are slower in performing learning tasks and experience more difficulties to reach the same performance level as younger workers at the end of a training program (Billett, Dymock, Johnson, & Martin, 2011; Gaillard & Desmette, 2010). This belief is consistent with the idea, highlighted in developmental psychology, of a *deceleration of cognitive functioning* with increased age. According to some authors (e.g. Horn & Cattel, 1967), two types of intellectual capabilities can be distinguished, each one being affected differently by the process of aging. As indicated before, fluid intelligence abilities (Gf) refer to the cognitive processes underlying reasoning skills. Gf is often associated with working memory, abstract reasoning and novel problem resolution (Kanfer & Ackerman, 2004). This kind of intelligence ability is sensitive to the effect of age and begins to decrease from the age of 25 (e.g. Schaie, 1996). Crystallized intelligence

abilities (Gc) involve knowledge that comes from prior learning and past experiences and that individuals accumulate across the lifespan. Gc continues thus to increase during adulthood. Another type of decline that may affect the learning capacities of aging workers is the *sensorial system*, such as a decline in audition, vision and perceptual/motor skills that could affect aging workers' capacities to learn new knowledge and skills (Czaja & Sharit, 2009). For example, aging workers may experience difficulties to perceive and comprehend visual information or difficulties in following the exchanges in a group conversation during a workshop.

This general decline in cognitive and sensorial domains impact the way aging workers acquire new knowledge and skills. A meta-analysis of Kubeck et al., (1996) showed that, indeed, aging workers completed the training tasks slower than their younger colleagues. They also needed more time to complete the training program and to acquire new skills and had less mastery of the training content. Kubeck et al. however also pointed out that many of the studies included in the meta-analysis were experimental studies, in which individuals were removed from their actual work context. In such experimental designs, individuals are asked to learn non work-related materials (for example, a list of words) and may therefore not be able to use the strategies elaborated in their work setting. The effect of chronological age may thus be overestimated. Furthermore, Kubeck et al. and Callahan, Kiker and Cross (2003) showed that the type of training may have impacted the relationship between chronological age and training outcomes. For example, having the opportunity to learn on one's own pace would reduce performance differences between younger and older workers (Kubeck et al.). Research from Schulz and Stamov-Roßnagel (2010) also demonstrated that in learning settings where aging workers had little control over their learning (i.e., time and instructional constraints set by external person) and where molecular learning took place (learning of relatively isolated and novel information in single training sessions), learning outcomes (such as performance) were less favorable. No age differences in learning outcomes were found in learning situations where workers were able to learn at their own pace and for learning tasks which allowed the use of everyday experience and general knowledge ("molar learning"). Finally, Charness (2009) stressed the importance of experience when learning to use software. Age differences were found in the novice groups, but performances were equivalent for the experienced users at the end of the training.

One could argue that the research related to the learning capability of aging workers pays little attention to the different strategies aging workers apply in order to compensate for the age-related changes. Charness (2008) pointed out that despite the cognitive and physical changes, aging workers have some cognitive plasticity to rely on. Baltes and Baltes' (1990) Selection Compensation Optimization theory is a relevant model to understand why some older workers developed cognitive plasticity and therefore are still actively engaged in learning activities. In the face of diminishing capabilities, aging adults become more *selective* about their time investment and choose to focus their efforts on some goals and activities on basis of their own motivation and the environmental constraints (Charness, 2009). O*ptimization* is the process through which individuals develop new ways to improve

their functioning in order to reach the selected goals. Finally, *compensation* refers to the facilities that individuals will establish in order to compensate the loss of capacities and the obstacles they encounter in the pursuit of their goals. For example, in the work context, older workers can choose to focus on the development of computer skills and renounce to learn a new language (selection). In order to accomplish this goal, the person can decide to take a longer time period to accomplish the training and to learn at his/her own pace (optimization). Finally, the older worker may use a dictaphone during the training sessions. Recording allows him/her to cope with hearing loss and/or lack of speed when taking notes (compensation). Active use of SOC strategies can have positive effects on older workers' self-efficacy for learning and participation in learning activities at work. These strategies might thus also be important for motivation to learn.

## 10.4 Organizational Obstacles Related to the Learning of Aging Workers

Besides individual factors, learning of aging workers is also influenced by organizational obstacles such as the discriminating age stereotypes and the lack of a supportive learning culture. Below we will elaborate on both organizational obstacles.

### *10.4.1 Discriminating Age Related Stereotypes*

Workplace age stereotypes are beliefs and expectations about workers based on their age (Hamilton & Sherman, 1994). These opinions are mostly negative and inaccurate (Fiske & Neuberg, 1990). In general, research on age stereotypes indicates that older workers are perceived as being less motivated and having less ability to work, learn, and develop. It is believed that older workers are waiting for their retirement, resistant to using innovative technologies and to be less employable. They are thought of as slower at information processing and consequently having difficulties remaining up to date. In addition, it is believed that they have difficulties with dealing with new challenges in a flexible and creative way (Gaillard & Desmette, 2010). More specifically, in relation to learning and development of older workers even more negative stereotypes are in place: First, employers expect a lower return on investment from sending older employees to training and in contrast they see more future possibilities and potential in the younger workers, therefore investing less in training for the older employees (Fouarge & Schils, 2009; Van Selm & Van der Heijden, 2013). Second, research found that supervisors often believe that older workers are not able to work with new technologies, and therefore they do not train them to work with the new technologies and machines (Maurer, 2001).

Because of these age-related stereotypes, older workers might behave accordingly and lose self-confidence in their ability to learn.

However, not all stereotypes on older workers are negative (see also Chapter 3 by Lisa Finkelstein). For example, older employees are perceived as having more verbal and interpersonal skills, better social judgment and emotional balance. They are warmer and more friendly, more reliable and experienced (Cuddy & Fiske, 2002; Cuddy, Norton, & Fiske, 2005; Gaillard & Desmette, 2010; Segal, Qualls, & Smyer, 2010).

How should an organization that puts the learning and development of their (older) employees high on the agenda deal with those stereotypes then? For example, Gaillard and Desmette (2010) found that employees showed less early retirement intentions when they were exposed to positive stereotypic information than to negative or no stereotypic information. In addition, the employees who were confronted with positive stereotypic information were more highly motivated to learn and develop. Another example is given by Levy (1996) who found that age stereotypes can influence judgments about oneself and cognitive performance. More specifically, activating negative age stereotypes tended to worsen memory performance, memory self-efficacy and views of aging in old people. These research findings seem to indicate that avoiding negative stereotypes about older workers might have a positive effect on their learning and development and in turn their performance.

### *10.4.2 A Supportive Organizational Learning Climate for Aging Workers*

In general, organizational support in terms of management, financial, technical or personnel support is a powerful lever to make employees learn. For example, it is important that organizations provide enough resources such as internet, books or financial aids because these means support employees in their daily work and learning efforts (Ellinger, 2005). However, most employers do not invest in older workers and older employees rarely receive on-the-job training (Pillay et al., 2006; Armstrong-Stassen, 2008). In contrast, employers prefer to invest in young potentials as they are perceived as being more productive, adaptable and open to change (Maurer, Barbeite, Weiss & Lippstreu, 2008). In general, until today 'the most prominent delivery method, with more than 60 % of organizations and companies implementing it, continues to be (traditional) instructor-led classrooms, where participants are considered as a container for a commodity called knowledge (Rehm, 2013, p. 2). U.S. organizations, for example, spent in 2009 approximately $125.88 billion on training and development activities (ASTD, 2010)', while older employees especially prefer more informal ways of learning (Schulz & Stamov-Roßnagel, 2010). In other words, when setting up learning and development programs organizations do not sufficiently take into account the preferences of older employees; they are not part of the organizational learning culture. Zwick (2011) concludes that the fact that firms do not offer the appropriate (informal) learning and development

programs might be seen as a reason for lower training effectiveness of older employees. Learning and development programs should pay more attention to training needs, interests and motivation of older employees. It is assumed that an organizational culture that incorporates these elements can strengthen the learning behavior of older workers (Marsick & Watkins, 2001). Moreover, it was argued that the learning culture is crucial for an employee's informal learning (Li et al., 2009; Marsick & Watkins, 2003). Knowing different people in the organization and having the possibility to ask questions as well as to seek for help, positively influenced an employee's informal learning. Next, it was found that open and active communication is crucial to facilitate informal learning (Jeon & Kim, 2012). However, Berg and Chyung (2008) did not find a significant relationship between organizational learning culture and informal learning. Choi and Jacobs (2011), also found no direct significant relationship with informal learning, but an indirect effect of the work environment on informal learning through formal learning was found.

Marsick and Watkins (2003) argue that an organizational learning culture is especially built by management who can influence employees' learning. They are in the position to set expectations and shape and support desired results. In turn these results can be measured and rewarded. Honey and Mumford (1996) indicate that a manager who wants to develop a learning culture needs to (1) model learning behavior and related practices, (2) plan and provide learning opportunities, (3) build in learning into the organizational processes and (4) act as a champion in learning. Employees need to be stimulated in practicing informal learning, have the resources in terms of time and space to experiment, exchange information and reflect upon that information (Ortenblad, 2004). In sum, an optimal learning culture knows mutual respect and trust, tolerant judgments, much collaboration and less competition and an eagerness to share what employees know and feel (Zarraga & Bonache, 2003).

## 10.5 Conclusions and Recommendations

Given the fast changing society and the aging workforce, practice and theory are paying more attention to the relationships between chronological age, work-related learning, and employability. However, research is not conclusive when it comes to effects of chronological age. One weakness is the difficulty to disentangle age effects from cohort effects (Hall et al., 2007; Hobcraft et al., 1982; Palmore, 1978). Furthermore, since people become more heterogeneous when they become older (Carstensen, 2006; Staudinger & Bowen, 2011), the less useful age is in predicting work-related learning. These effects may be attributed to conceptual shortcomings of chronological age. Moreover, in general a negative effect of age on learning and employability is found, however, when other variables such as tenure and future time perspective are taken into account in the same analysis, the effect of age is no longer significant. In addition, research on other individual and organizational factors might provide more satisfying answers. Examples of frequently researched

individual factors are motivation and capability to learn, which were both discussed in this chapter. The literature on motivation to learn reflects two perspectives. One the one hand, there is the expectancy value theory in a life-span context and the socio-emotional selectivity theory which argue for a decline in motivation to learn with age. On the other hand, there is a second perspective, building further on previous research streams such as the adult education literature which assumes a motivational maintenance. The literature on learning capabilities of older workers indicates a decline in cognitive and physical abilities. However, research indicated that older workers are able to develop strategies to compensate for those drawbacks. An organization may want to consider focusing on helping to train employees in selection, optimization and compensation strategy use (SOC). Next to individual obstacles, there are organizational obstacles that interfere in the learning and employability of older workers. First, we referred to stereotypes towards older workers and second we discussed the lack of a supportive learning culture as potential obstacle. With respect to the stereotypes towards aging workers, it can be concluded that negative stereotypes in general, as well as towards the learning and development of older workers, might prevent older workers from getting the support they need. In addition, a supportive organizational learning culture that takes into account the training needs, career expectations, interests, motivation and aspired work goals of older employees, might benefit their employability. In that way learning is more often done on a voluntary basis and one has more opportunities to pace learning in accordance with one's capabilities and needs. Therefore, learners might choose learning formats which suit better their particular learning needs and which increase opportunities for the use of experience-based strategies (crystalized intelligence) and professional knowledge (Schulz & Stamov-Roßnagel, 2010). Especially for older adult learners, informal self-directed learning in the workplace might offer more opportunities to compensate for cognitive aging effects, such as lower self-confidence (Schulz & Stamov-Roßnagel). For example, in order to deal with negative stereotypes towards older workers, Maurer, Wrenn, and Weiss (2003) suggest to set up coaching tracks in which an older employee coaches a younger employee in order to encourage younger employees to work and share expertise with older employees. Building further on research of Taylor, Crino, and Rubenfeld (1989) it could be expected that this will result in more positive impressions of job performance of aging workers. In sum, keeping up employability of all cohorts of employees not only depends upon personal learning initiatives, but also on adjusted public and organizational policies and related practices. The key to employability is the result of fruitful interaction between individuals and their environment.

### *10.5.1 Future Research Perspectives*

Given the research reported above on age, learning and employability of older workers, various suggestions for future research can be formulated. First, concerning age, future research could look into different conceptualizations of age

(e.g. chronological age versus functional age) and their influence on learning and employability. Similarly, the concept of future time perspective as a proxy measure for age can contribute to a better insight into the relation between age, learning and employability. Second, making a distinction between groups of older workers, might give a more fine-grained view upon differences in their learning and employability. For example, a distinction could be made between workers based on their self-efficacy for learning or educational level. Especially lower educated older employees are a group at risk when it comes to learning and employability. Third, the formal and informal learning of aging employees and to which extent both contribute to employability should be studied in more detail. As reported above, it is suggested that older workers have a preference for informal learning situations, since it allows self-pacing. The question remains how to characterize their informal learning and how to support it. Intervention studies on the informal learning of aging workers could be set up, for example, by means of coaching trajectories in which older and younger workers collaborate and exchange expertise. Fourth, interventions could also be set up in order to test how stereotypes about older workers can be avoided or changed. For example, training could be organized in which supervisors reflect on their thinking towards older workers. By making supervisors aware of stereotypical thinking and its consequences, the intervention could change the way they approach and support older workers. Fifth, research on the use of compensation strategies in real learning situations is poorly investigated. Future research could focus on appropriateness of different strategies depending on the difficulty of the learning task (e.g. routine versus complex learning task). Finally, future research should look further into the relation between organizational learning culture, older employees learning and their employability, by combining quantitative and qualitative methods, and comparing characteristics of different organizational settings. For example, differences in culture could be expected between profit and non-profit organizations or a competitive or collaborative working environment.

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# Part III
# Working Beyond Retirement

# Chapter 11
# Intentions to Continue Working and Its Predictors

**René Schalk and Donatienne Desmette**

The chapter addresses the concept of intention to continue working among older workers. How can it be defined? How is it different or related to concepts such as work motivation, commitment and intention to retire early? We review the findings regarding the personal, organizational and context factors that predict it. We discuss Human Resource Management practices that could influence employee intentions to continue working.

What we know about managing and retaining older workers is quite limited, despite the fact that the average age of the workforce in the western world is going up (Templer, Armstrong-Strassen, & Cattaneo, 2010, p. 480). European socioeconomic data (Eurostat, 2010) show that although the average exit age from the labor market in the EU increased very gradually between 2001 and 2009, from 59.9 to 61.4 years of age (61.8 years for men, and 60.0 years for women), this is still not on the level of the normative retirement age of 65 years in 2010. Attention is needed regarding the retention of older workers due to demographic shifts and their implications for organizational needs. Simply put, organizations need to retain older workers. Both because they want to keep the older workers' knowledge "on board" and depend on older workers as the availability of younger workers declines.

However, despite that the importance attached to the work-role may be reinforced with aging (e.g., Warr, 2008), not all motivated older workers will intend to

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_11

continue working (Kanfer, Beier, & Ackerman, 2013; Kooij, 2010). We need to understand the influences on the employees' intentions to continue working. In doing so, the HR practices to stimulate older employees to stay at work longer can be better identified.

The intention to continue working (ICW) is one of the many work-related attitudes people have (consisting of cognitions, affect, and intentions to behave). It refers to wanting to continue to stay employed, regardless whether this is in the current organization or in another one, before or after retirement.

## 11.1 The Intention to Continue to Work

Motivation to retire and motivation to stay at work are often viewed as two sides of the same coin (Kanfer et al., 2013). However, ICW is not just the intention to not retire. It refers to the willingness of midlife and older adults to participate in the labor force in any observable work arrangement as long as possible (Kanfer et al.). Therefore, it is a positive inclination to stay working, not only before but also after the normative retirement age (Kanfer et al.; Shacklock, 2009). ICW can be operationalized in a straightforward way by asking employees how long they want, or expect, to keep working. Operationalizations in recent studies (e.g., Armstrong-Strassen, 2008; Kooij, 2010) include items such as: "If I were completely free to choose, I would prefer to continue working", "I want to keep working as long as I can", "I expect to keep on working as long as possible". Because the goals underlying ICW remain relevant regardless of retirement status (Kanfer et al.), people who are retirees or who are in a transition phase to retirement or in bridge employment can also be included in studies on intentions to continue working (e.g., Templer et al., 2010).

Motivation to retire and ICW, although not two sides of the same coin, might share the same antecedents and have the same consequences. Therefore, we describe in the following first the reasons why older workers may want to retire, and after that the reasons why older people would like to stay working.

## 11.2 The Intention to Retire

Understanding the desire to retire, especially to retire earlier than the normative retirement age, is important to put the desire to continue working among older workers, perhaps even after the age of retirement into perspective. Probably most researched in the literature on the attitudes of older workers related to work is voluntary retirement, including through early retirement schemes (Greller & Stroh, 2003; Shacklock, 2009). Following Beehr (1986), Ekerdt and DeViney (1993) and Feldman (1994), voluntary retirement is defined here as the final exit from an organizational position or career path of considerable duration, taken by individuals

of a certain age with the intent to reduce their psychological investment in work, and closing a process of gradual disengagement from work. The question we address here is which factors explain the process of early withdrawal from labor. The literature has investigated three major types of influence, that is individual factors (including demographics and family indicators), factors related to work and the organization, and macroeconomic and environmental factors, such as pension policies, taxes, as well as norms, and age stereotypes (e.g., Feldman & Beehr, 2011; Wang & Shultz, 2010).

### *11.2.1 Individual Factors Influencing Voluntary Retirement*

In general, research highlights that personal characteristics such as age and gender, health, and financial constraints/opportunities, and family status are significant factors in the intention to retire early. Also attitudes to employment, the career, and organization play a role.

Regarding age, some studies show that the more people age, the more they think or want to retire early (e.g., Adams, Prescher, Beehr, & Lespito, 2002; Jones & McIntosh, 2010; Petkoska & Earl, 2009). Others studies show, on the contrary, that the planned or desired age of retirement will be more distant when the worker is older (Shultz & Taylor, 2001; Zappala, Depolo, Fraccaroli, & Guglielmi, 2008). In addition to differences caused by measurement issues (i.e., intention versus desired age of retirement), the main limitation of data regarding the relationship between age and the attitude to voluntarily retire is the limited role calendar age plays. More pertinent is eligibility for a pension program (Giandra, Cahill, & Quinn, 2009; Kubicek, Korunka, Hoonakker, & Raymo, 2010; Raymo, Warren, Sweeney, Hauser, & Ho, 2010). Similarly, socioeconomic status plays a role, both in terms of education as of income. Higher educated workers and/or those occupying a higher professional status are less likely to retire early (Cambois, Barnay, & Robine, 2010; Kubicek et al., 2010). This might be because they are in less physically demanding jobs, and/or in more intrinsically motivating jobs, and/or because they want to use their training, and compensate for their later entry into the labor market (Singh & Verma, 2003). Regarding financial constraints, income seems to play a less important role than subjective assessments of the anticipation of future financial difficulties in the retired status (Kubicek et al.). The less older workers expect financial difficulties at the end of their working life, the more positive are their attitudes towards retirement (Adams, 1999; Barnes-Farrell, 2003; Gaillard & Desmette, 2008a, 2008b).

Regarding gender effects, data are mixed and often better understood by using a multifaceted approach. The family situation of the worker should be taken into account (Pienta & Hayward, 2002; Szinovacz, DeViney, & Davey, 2001). Difficulties in balancing professional and private roles, can play a role, especially for women (Kossek & Ozeki, 1998; Raymo & Sweeney, 2006). For example, having more dependents promotes the retirement decision of women and inhibits the decision

with men (Isaksson & Johansson, 2000; Talaga & Beehr, 1995). Besides the influence of social roles leading women to combine care and domestic work, the impact of financial responsibility also plays a role because the wages of women are often secondary and can be more easily missed than the man's wages (Pienta & Hayward). Apart from factors related to practical needs, marital status is another important issue to consider. Married couples tend to prefer to retire from professional life at approximately the same time (Henkens, 1999; Ho & Raymo, 2009; Pienta & Hayward), and marital relationship satisfaction predicts early withdrawal (e.g., Kubicek et al., 2010). In general, early retirement will be more likely when older workers don't feel anxious at the idea of not working (Topa, Moriano, Depolo, Alcover, & Morales, 2009; Zaniboni, Sarchelli, Fraccaroli, & Depolo, 2008).

Health seems to be an important predictor of voluntary retirement. Health problems, both mental (e.g., Doshi, Cen, & Polsky, 2008; Harkonmaki, Lahelma, Martikainene, Rahkonene, & Silbentoinen, 2006; Sutinen, Kivimäki, Elovainio, & Forma, 2005), as well as physical (Adams et al., 2002; Desmette & Gaillard, 2008; Kubicek et al., 2010; Zaniboni et al., 2008) stimulate early termination of professional activity, although the relationships found are not always significant (e.g., Zappala et al., 2008), and the strength of the relationship with retirement decision is somewhat low overall (see the meta-analysis of Topa et al., 2009, r = .14). Note, however, that older workers in these empirical studies are "survivors" who either have avoided involuntary early retirement or dismissal or have refused voluntary retirement.

In terms of attitudes towards the job and/or the organization, job satisfaction (Adams, 1999; Adams & Beehr, 1998; Hanisch & Hulin, 1990; Kubicek et al., 2010), organizational commitment (Adams et al., 2002; Adams & Beehr, 1998; Le Blanc, Hajjar, & Baubion-Broye, 2008; Taylor & Shore, 1995; Zaniboni et al., 2008), commitment to work (Topa et al., 2009; Zappala et al., 2008), and the feeling of being a recognized and valued by the organization (Armstrong-Strassen & Schlosser, 2011) are also likely to reduce the intention to retire. The findings are not always consistent, however (see Adams et al.; Zappala et al., for some contrary results), which might be caused by the occurrence of non-linear effects, or by differences in the focus of the attitude (for example, career versus work). When people perceive that they have reached their career goals (Adams, 1999; Hanisch & Hulin, 1990, 1991) or when they no longer have the opportunity to further develop a career (Settersten, 1998; Settersten & Hagestad, 1996; Zaniboni et al., 2008), early retirement will more often occur.

Feeling "old" can also have an effect. The more workers over 45+ self-categorize as "older workers", the more they are willing to retire early (Desmette & Gaillard, 2008; Gaillard & Desmette, 2008a; Zaniboni et al., 2008). These workers also tend to disengage themselves from the work domain (Desmette & Gaillard; Gaillard & Desmette, 2008a, 2008b). In this perspective, rather than a normative behavior related to subjective age, early retirement can be seen as a strategy by which an individual seeks to escape the stigma associated with the category of older workers (Lagacé, Tougas, Laplante, & Neveu, 2010). Gaillard and Desmette (2010), by means of an experimental design, have shown that categorization on the basis of age

induces similar effects as the explicit use of negative stereotypes associated to aging towards older works. On the other hand, when older workers are not reminded on their age (Gaillard & Desmette, 2008b), or when positive age-related stereotypes are made salient (Gaillard & Desmette, 2010), better cognitive performance and reduced intention to withdrawal are observed.

### *11.2.2 Organizational Factors Influencing Voluntary Retirement*

Organizational factors in the decision to retire include aspects of the individual's professional life, that is the characteristics of the job (such as working conditions). Findings on the influence of difficult working conditions, in the physical realm in particular (e.g., carrying heavy loads) as well as working overtime are clear. These factors are related to early withdrawal from the labor market (Blekesaume & Solem, 2005; Elovainio et al., 2005; Schreurs, De Cuyper, Van Emmerik, Notelaers, & De Witte, 2011; Sutinen et al., 2005; Topa et al., 2009). High job demands are a major threat to continued employment, especially through its impact on the health of the worker. Similarly, the option of early retirement will be favored when individual employees experience stress in the work environment (Doshi et al., 2008; Herzog, House, & Morgan, 1991; Lin & Hsieh, 2001).

In contrast, autonomy in carrying out tasks reduces early departure (Desmette & Gaillard, 2008; Elovainio et al., 2005; Henkens & Tazelaar, 1994; Sutinen et al., 2005). The importance of control may partly explain the later withdrawal of certain occupational groups that have greater decision-making latitude, such as managers (Cambois et al., 2010). In this respect, the tension related to work can also be experienced in a positive way (as a stimulus) and be a factor in job retention (e.g., Blekesaume & Solem, 2005; Schreurs et al., 2011).

### *11.2.3 Societal Predictors of Early Retirement*

The prospect people think they have regarding retirement is determined by economic and social factors. At the macro-level, the type of social security system is of influence on retirement (Jeungkun, 2009). The rate of workers taking early retirement tends to be lower in countries with a strong incentive to be employed and low retirement incentives (e.g., Sweden, and the United States) than in those countries that promote leaving employment rather than employment (e.g., France, Belgium), or countries that do not have policies in place that frame the end of career (e.g., Poland). These public policies frame cultural norms and individual preferences on the standard length of the career (Ekerdt, Kosloski, & DeViney, 2000; Guillemard, 2007; Kholi, 2002). However, they also foster the image of unmotivated and unproductive older workers who will be consequently hampered by discrimination in

employment (e.g., Guillemard; Posthuma & Campion, 2009). Moreover, these age stereotypes contribute to older workers' withdrawal behavior (Gaillard & Desmette, 2010; Lagacé et al., 2010).

## 11.3 Beyond the Intention to Unretire, the Desire to Continue Working

The intention to continue working is not just the opposite of a low desire to retire. Rather, ICW refers to the motivation to stay in any formal work arrangement as long as possible, possibly even after the normal age for retiring (Kanfer et al., 2013; Shacklock, 2009). In our view, formal work arrangements do not include volunteering without the obligation to work (e.g., Morrow-Howell, 2010). In other words, we consider any form of paid work, in an organizational setting as well as self-employment. Most studies focus on the intention to retire and very few examine the factors contributing to the ICW (Shacklock, 2009; Templer et al., 2010). We summarize the results below. It should be noted that antecedents of ICW have been studied mainly on the individual level. Studies on organizational factors are scarce, and the influence of societal factors has largely been ignored so far.

### *11.3.1 Individual Factors*

For three age-related factors (calendar age, health and future time perspective) negative relationships were found with ICW (Kooij, 2010). In addition, financial aspects play a role in the intention to continue working. For example, staying can be necessary to keep the benefits of health care plans or pension schemes (D'Amato & Herzfeldt, 2008; Raymo et al., 2010), and additional benefits for schooling and education (Ng & Feldman, 2009; Riordan, Griffith, & Weatherly, 2003). However, the role of the economic aspects is suggested to be of lower importance than the realization of later-life employment preferences (Raymo et al., 2010). In particular, older workers who are more satisfied with their careers are less likely to be motivated to continue working for financial reasons than their counterparts who express lower career satisfaction (Templer et al., 2010). Investigating older workers' motives and how the organization can contribute to their fulfillment therefore seems of prime importance.

Regarding work values and their relationships to ICW, Dendinger, Adams, and Jacobsen (2005) identified four reasons to continue working based on Mor-Barak's (1995) meanings of work: financial (i.e., monetary rewards), social (i.e., to interact with others and obtain positive regards from others), personal (i.e., to obtain intrinsic and self-rewards) and generative (i.e., the developmental stage borrowed from Erikson (1959) to transmit knowledge and experience to younger generations).

As Templer et al. (2010) note, financial motives and fulfillment motives are the two reasons most often cited by older workers to continue working. Related to the increasing importance of intrinsic motives with aging (see also Kooij, De Lange, Jansen, Kanfer, & Dikkers, 2011), work values have been shown to play a significant role in older workers' employment decisions (Smola & Sutton, 2002; Smyer & Pitt-Catsouphes, 2007). In particular, Templer et al. showed that older workers for whom working was a central aspect of their life, and who felt that they were making a valued contribution to the organization were more motivated to continue working because of the fulfillment derived from their work than their counterparts who valued their work and their contribution to the organization as less central in their life. Armstrong-Strassen and Schlosser (2011) and Armstrong-Strassen and Ursel (2009) also found a relation between work centrality and intention to continue working.

ICW can be expected to be higher when employees get in their work what they value. Therefore, studies on what older employees value, or what in their view leads to success can provide leads on how to encourage ICW. An interesting study in this respect was performed by Robson and Hansson (2007, see also Robson, Hansson, Abalos, & Booth, 2006) who studied the dimensions of work that were valued by workers aged from 40 to 72 years, in relation to their perceived success in professional life. Controlling for individual and organizational characteristics, they showed that of seven dimensions, those ensuring security requirements, relational development (similar to generativity), lifelong learning as well as career management were valued as contributing the most to perceived success in professional life by older workers. Kooij et al. (2011) observed an increasing need for security in the job with age. In the same vein, changes in goal orientation seem to occur with age. Older people are becoming more prevention than promotion focused, that is, they favor avoiding losses rather than seeking gains (Ebner, Freund, & Baltes, 2006). As an example, Boone, McKechine, and Swanberg (2011) showed that the clarity of the professional role was particularly important for employees between 55 and 65 years of age. ICW will be influenced by these changes in goal orientation.

Moreover, employees who anticipate that they are soon reaching the end of their careers, will increasingly distance themselves from work and reorient their interests (Ekerdt & DeVinney, 1993; Smola & Sutton, 2002). In their three-step model of the retirement decision-making process, Feldman and Beehr (2011) highlight how workers progressively may disengage from their work and come closer to the entry into retirement. In particular, in the individual assessment of the willingness to retire, opportunities for growth in new activities are taken into consideration, as well as the prospects of continuity in roles to achieve a range a valued outcomes. Viewed from this perspective, bridge employment is likely to help to soften the transition from work to retirement by creating a balance between increasing distancing and continuity.

The changes in social and/or generativity motives with age have received far less attention in research than changes in finances and work centrality. According to the socioemotional selectivity theory, the role of social relationships would be more prominent with age (Carstensen, 1992), and people would be more focused on

gaining positive emotions rather than to gain professional status (Kooij et al., 2011; Robson & Hanson, 2007). This implies that work would be less central. Templer et al. (2010) showed that work centrality positively predicted older workers' generativity motives. The motivation to continue working for the opportunity to pass along their knowledge, expertise and experience to younger generations was sustained by the feeling that working was an important aspect of their life and that they were making a valued contribution to the organization.

With respect to career development and lifelong learning, it is often assumed that the need to gain additional knowledge and the need for career development decline with age. However, the motivation to continue working is in fact positively related to the availability of development HR practices through affective commitment (Kooij, 2010). In addition, Armstrong-Strassen and Ursel (2009) found that training practices influence ICW via Perceived Organizational Support (POS), and Armstrong-Strassen and Schlosser (2008) found a positive association between development orientation and ICW.

Overall, the relationship with the employer will be strengthened when employees get older and are longer tenured, associated with a high degree of organizational commitment and ICW. That explains why the overall impact of the breach of the psychological contract (i.e., the perception that the organization has failed to fulfill its obligations to the worker, Morrison & Robinson, 1997), is more pronounced on older workers' job satisfaction and less on organizational commitment (Bal, De Lange, Jansen, & Van Der Velde, 2008). It seems that older people are more focused on the positive aspects of their relationship with the employer, so it is the dimension of satisfaction that depends heavily on relational aspects, which is most affected by the breach of the psychological contract.

### *11.3.2 Organizational Factors*

With respect to HR practices, the results of the meta-analysis by Kooij, Jansen, Dikkers, and de Lange (2010) show positive effects on ICW of tailor-made HR practices that reflect the age of individual workers, such as using certain rewards (e.g., through increased recognition) or flexible work schedules for older workers.

However, HR practices that are aimed towards older workers can also have perverted effects. Being reminded on their age increases older workers' withdrawal from work (Gaillard & Desmette, 2010), and results in a decrease in cognitive performance as well (Gaillard & Desmette, 2008b). In effect, age specific practices can contribute to age prejudice: when younger workers perceive that their older colleagues benefit from preferential treatment, they judge the group of older workers as a whole as less competent (Iweins, Desmette, & Yzerbyt, 2012). In other words, like for gender or race (e.g., Heilman & Welle, 2006), perceiving affirmative action associated with age can elicit negative attitudes towards those who benefit exclusively from this preferential treatment.

Certain characteristics of the organizational context can influence the fulfillment of social needs and motives at work. When an older worker perceives that older workers are treated and valued regardless of their age (age-related permeability), intergenerational contacts are better. Indeed, older workers are less likely to adopt a confrontational attitude vis-à-vis younger workers (e.g., Desmette & Gaillard, 2008), they devalue the work domain less (e.g., Gaillard & Desmette, 2008a), and they are more committed to the organization (Gaillard & Desmette, 2008a). Nonetheless, self-identifying as an older worker (Desmette & Gaillard), or being confronted with negative age stereotypes (Gaillard & Desmette, 2010) reduces the willingness to learn and to develop the career, which will lead to lower ICW.

As far as we know, no studies have been done on the effect of societal factors on ICW. However, we expect that societal developments and norms have a strong impact on ICW, as is the case with the intention to retire.

## 11.4 Implications

The overview of findings in the literature on the intention to retire and on ICW leads to the following conclusions. First, ICW is influenced by factors on different levels. Organizational, individual, and social factors influence ICW. Organizations supportive of older workers sustain their intention to continue work. When the individual's personal and professional life makes work possible and enjoyable, older workers tend to want to stay employed. When the norm in society is to retire early, this will be reflected in ICW. Organizations can create conditions that make continuing to work unattractive. Individual health and access to pensions can also motivate willingness to withdraw from the labor market.

In focusing here on the organizational factors under management's control, we note that ICW is associated with the older worker's attitudes towards the job, team, and organization as a whole. Employees who are engaged and motivated for their job will have a higher ICW, provided that society and the organization provide the opportunities to do so. In the same vein, organizational factors, such as age stigmatization, and inter group team permeability will foster ICW. Organizations that take account of the dimensions that are valued in work by employees will positively influence ICW of their employees.

Findings on the intention to retire mainly focus on problems that increase this intention, such as high job demands and workload, limited availability of autonomy, recognition, opportunities for development, individual problems with health and/or balancing work and private life, and contextual factors such as stigmatization. In contrast, the literature on ICW highlights positive aspects, such as the importance of later life employment preferences (e.g., financial, social, recognition, security), and the importance of HR practices for development and counteracting stereotypes. Based on the literature, the following four recommendations can be formulated.

### *11.4.1 Provide Diversity in HR Practices*

Policies, practices and programs should be able to fulfill different needs of employees. For example, the diversity of career stages, and the diversity in dimensions that are valued by employees should be reflected in diversity in HR practices so that these practices can fulfill different needs. The motives to stay employed can be of a very diverse nature, and each individual employee can have a different set of employment preferences. Organizations often fail to provide practices that include attention to older workers' unique characteristics and needs when they develop policies and practices to promote the employee-organization relationship. In particular, employers are encouraged to take into account older employees' employment preferences to promote identification with the organization and organizational commitment because they favor ICW in the organization. Mentoring might be an example in case. Indeed, enacting the agency-to-communion transition related to generativity, older workers can perform in a professional role devoted to serving and guiding others, and to derive personal satisfaction (Calo, 2007). Moreover, high generativity has been shown to contribute to older leaders' leadership success (Zacher, Rosing, Henning, & Frese, 2011).

It should be noted, however, that the diversity in HR practices should be available for all age groups to prevent that a "contradictory injunction" emerges. In fact, the key issue is to consider how to implement legitimate diversity (i.e., valuing age specificities) without activating deleterious effects of "preferential treatment" and age categorization (i.e., inducing ageism). A diversity perspective, which provides each age group access to HR practices, and supports the perception of organizational justice, will reduce ageism.

### *11.4.2 Provide an Age-Friendly Environment*

Age-friendly or age-neutral standards should be used in assessing job performance. Developmental and training opportunities are needed to help older workers maintain their employability. Lifelong learning and career development are significant work values for older workers (Robson & Hansson, 2007). Providing these opportunities will foster engagement and have a positive effect on ICW. Moreover, promoting a positive image of aging workers in the workplace also dampens any effects from stereotyping older workers might encounter.

### *11.4.3 Provide Opportunities for Flexibility and Security*

Supporting older employees through providing them opportunities to increase their employability can help to ensure that their ICW keeps high. Organizational policies can provide opportunities for employees to find employment elsewhere, with

another organization, on a permanent or temporary basis. This implies providing security to employees by giving them opportunities to become flexible in employment. Cooperating or making agreements with other organizations on the sector or region level could help to accomplish this. Providing opportunities to balance work and private life also foster flexibility as well as security.

### *11.4.4 Provide Opportunities for Retention After the Normative Retirement Age*

More opportunities to stay employed after the normative retirement age could be provided by organizations. This serves several purposes. First, to keep knowledge of older workers available after the normative retirement age. Second, it signals that older employees have valuable knowledge that remains of value for the organization. Third, it shows that the organization takes care to take account of individual needs and wishes of employees. Employees can be hired on a part time or temporary basis. The contract can also be renegotiated, for example to include interesting work or a preferred job content.

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# Chapter 12
# Bridge Employment: Conceptualizations and New Directions for Future Research

**Yujie Zhan and Mo Wang**

As the generation of baby boomers becomes eligible for receiving social security, research related to retirees' post-career activities and their adaptation is becoming increasingly important. Demographic projections in the United States have indicated that the next several decades will witness a sizable increase in the number of individuals transitioning into retirement (Vincent & Velkoff, 2010; Wheaton & Crimmins, 2013). Today, retirement is not viewed as a one-time permanent exit from a career job, but a process that occurs over a period of time, which may involve moving in and out of employment time to time after officially retiring (Beehr, 1986). Many retirees now stay in the labor force and maintain certain levels of work engagement as they leave their career jobs and move toward complete work withdrawal. This labor force participation status is defined as bridge employment (Shultz, 2003). Bridge employment could take a variety of different forms including full-time and part-time employment, wage-and-salary employment and self-employment, and employment in one's pre-retirement working fields or in a different field.

Evidence suggests that bridge employment is a popular route by which older workers transition from career employment to full retirement (Shultz & Wang, 2011). Based on the data from the Health and Retirement Study (HRS; Juster & Suzman, 1995), a large nationally representative longitudinal survey of older Americans, approximately 50–64 % of retirees experienced postretirement employment on bridge jobs before they completely exit the labor force, with slightly higher bridge employment participation by retired men than retired women (Cahill, Giandrea, & Quinn, 2006; Giandrea, Cahill, & Quinn, 2009; Pleau, 2010).

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_12

Multiple factors contribute to the prevalence of bridge employment in the United States. First, as a result of the changes in the Social Security system and employer pension policies, people today are working longer than prior cohorts did to save for retirement. Based on the Social Security system, the normal retirement age has been increased, and the delayed retirement credit has also been increased for those postponing receipt of Social Security benefits. In terms of the employer pension policy, the move from defined benefit plans to defined contribution plans increases the risk and uncertainty in retirement incentives retirees may expect (Feldman, 2003). These changes raise financial burden on individual retirees, thus encouraging bridge employment. Second, people today expect to live longer and healthier, leading to a longer average remaining lifetime after retirement (Adams & Rau, 2011). At the age of retirement, most people have not started experiencing significant losses in physical (e.g., the loss of bone tissue and muscle strength, and the decreases in the immune system functioning) and cognitive capacities (e.g., the decreases in intellectual capabilities and executive functions), and these losses may not result in declines in performance (Kanfer & Ackerman, 2004). Therefore, it is possible for older adults to continue working and to be productive after retiring from a primary career job. Third, from organizations' perspective, retirees' re-entry to employment allows organizations to hire from an experienced labor pool. This is especially important for organizations facing a shortage of skilled workers due to the aging trend.

This chapter starts with reviewing the different ways to conceptualize bridge employment. Following Wang and Shultz's (2010) conceptualization of retirement, we discuss bridge employment as decision making, a career development stage, an adjustment process, and a part of Human Resource Management (HRM). We also identify research gaps existing along each conceptualization. Next, we propose different criteria in specifying the forms of bridge employment. Rather than simply viewing bridge employment as a dichotomous state that describes one either continues or stops working after retirement, we describe four potential criteria, working field, organization/employer, time, and work motive, to capture the nature of bridge employment, and review empirical findings related to each criterion. Finally, we conclude the chapter by discussing future directions of bridge employment research based on the conceptualizations and criteria proposed in this chapter.

## 12.1 Conceptualizations of Bridge Employment

Bridge employment is defined as the pattern of employment for older workers as they leave their career jobs and move toward complete labor force withdrawal (Shultz, 2003). Recent literature views bridge employment as an optional part of the retirement process that an increasing number of retirees participate in today (Wang & Shultz, 2010). In bridge employment literature, multiple theoretical conceptualizations can be identified in studying the antecedents and outcomes of

bridge employment. Wang and Shultz's theoretical review of retirement provides an excellent framework to organize different conceptualizations and theoretical perspectives, and we believe this framework can also be applied to better understand different angles in studying bridge employment. Below, we review the four theoretical conceptualizations of bridge employment: bridge employment as decision making, bridge employment as a career development stage, bridge employment as an adjustment process, and bridge employment as a part of human resource management.[1] Also, we propose research gaps in bridge employment literature based on each conceptualization.

### *12.1.1 Bridge Employment as Decision Making*

A number of empirical studies have conceptualized bridge employment as a motivated choice behavior. According to Feldman (1994), older workers face multiple decision making phases in their retirement process. Whether to take a bridge job is an important decision to make after one leaves the career job which is usually characterized by being full-time and of long duration (Cahill, Giandrea, & Quinn, 2013; Feldman, 1994). A retiree can choose to maintain certain levels of labor force participation, instead of completely stop working right after retiring. Although people consider taking bridge jobs due to different reasons and sometimes organizations may give an impetus for encouraging prospective retirees to engage in bridge employment, retirees can make this decision relatively voluntarily based on their assessment of personal characteristics and contextual characteristics.

Different from the decision-making of retirement, people are likely to move in and out of bridge employment when they gradually transition from career employment to complete work withdrawal. Thus, they may decide to participate in bridge employment multiple times on multiple occasions. However, there has been little research devoted to the repeated decision making of bridge employment. One exception is the study by Wang and Chan (2011). They used the data from the first five waves of the HRS data to identify different transition patterns of the latent change in retirees' postretirement employment status. Their study identified three latent classes for bridge employment participation patterns, including two "stayer" classes (i.e., one containing retirees who were employed at each time point after retirement and one containing retirees who were never employed at any time point after retirement) and one "mover" class (i.e., including employees who transition between employment and retirement back and forth). They also found that years of education was a key predictor to distinguish retirees in these latent classes, such that when a retiree had more years of education, there would be a lower probability for this retiree to be classified into the "stayers who were never employed" class than to

[1] We do not review individual theories applied to bridge employment literature in this chapter because these theories overlap considerably with theories applied to retirement research in general. Interested readers may read Wang and Shultz (2010) for a comprehensive review.

be classified into the "mover" class, and there would be a higher probability for this retiree to be classified into the "stayers who were always employed" class than to be classified into the "mover" class. In other words, being more educated does not only relate to a retiree's bridge employment participation at a single time point after retirement, but also contributes to one's consistent employment. Future research may continue with this stream to examine other factors that may influence the repeated decision making of bridge employment.

Another research question that needs to be better addressed following the decision making approach of bridge employment is the role of contextual factors as boundary conditions in the decision making process. Existing studies taking the decision making approach have exclusively focused on predictive main effects of individual characteristics and/or work-related factors, while rarely examining the interactions between factors from different conceptual categories (Wang & Shultz, 2010). Given the complexity of the bridge employment decision making process, future research is recommended to explore joint effects of multiple factors. For example, bridge employment decisions may be made based on the assessment of both work attitudes and individual ability to carry out a preferred path of retirement transition. Although positive work attitudes have been shown to be positively related to bridge employment decisions, the strength of such associations may be affected by one's assessment of own financial resources, health status, and the labor market which may constrain one's ability to find a desired bridge job (Barnes-Farrell, 2003; Gobeski & Beehr, 2009; Zhan, Wang, & Yao, 2013). Specifically, these contextual constraining factors (e.g., lack of financial resources, poor health condition, and high unemployment rate) are expected to be boundary conditions, weakening the predictive effects of work attitudes.

### *12.1.2 Bridge Employment as a Career Development Stage*

Today, retirees in general are expecting a longer time period of retirement (Adams & Rau, 2011). Instead of viewing retirement as a career exit with complete work withdrawal, people have recognized the opportunity for further career development provided by retirement (Shultz, 2003). Therefore, retirees may take a proactive role to pursue their career development goals by engaging in bridge employment, which usually involves more flexibility in terms of the working field, the employer (e.g., wage-and-salary employment and self-employment), the work content, and the time commitment (Maxin & Deller, 2011).

Bridge employment as a career development stage has not been vigorously studied. Most existing research has focused on exploring the impact of taking bridge employment on retirees' well-being (e.g., Kim & Feldman, 2000; Zhan, Wang, Liu, & Shultz, 2009). More research attention may be paid to the meaningfulness of taking bridge employment for retirees' career-related goals. We suggest two potential directions for such research: generativity goals and self-employment.

First, consistent with the literature on meaning of work, seeking employment may help older adults to reach career-related goals, such as making lasting influences and contributions to their work fields by raising and guiding younger generations (Huta & Zuroff, 2007; Mor-Barak, 1995). Following Erikson's (1964) stage theory of psychosocial development, middle age adults in late career stage face the generativity versus stagnation crisis. That is, people in their middle adulthood (age 40–65) confront the psychosocial crisis of two conflicting forces, contributing to society and helping to guide future generations versus being unable or unwilling to help society move forward. Thus, for older workers, they are motivated to coach and pass their knowledge to younger generations. Thus, bridge employment provides continued potential for older people to pursue the generativity goal as one of their key career needs. Second, bridge employment as a career development stage is also reflected in the form of self-employment. As reported by Kerr and Armstrong-Stassen (2011), some older workers transition from wage-and-salary career employment to self-employment at retirement stage and perform as successful entrepreneurs. We will revisit the topic of self-employment with more details later in this chapter.

### *12.1.3 Bridge Employment as an Adjustment Process*

By definition, bridge employment is the labor force participation connecting one's career employment and complete work withdrawal (Shultz, 2003). It redefines retirement by impacting the transition process into retirement (Ulrich & Brott, 2005; Wang, Zhan, Liu, & Shultz, 2008). To verify this statement, many studies have conceptualized bridge employment as an adjustment process to examine the impacts of bridge employment participation on retirees' satisfaction with retirement, physical health, and psychological well-being (Zhan et al., 2009). According to this conceptualization, retirees may use bridge employment as a coping mechanism to adapt to retirement. To be specific, retirees take bridge jobs to avoid the abrupt work role loss and the break of continuity of life patterns due to retirement. In addition, retirees may take the opportunity of bridge employment to better prepare for full retirement, both financially and psychologically.

Bridge employment participation has been largely viewed as a positive phenomenon for individuals (Cahill et al., 2013). However, it has not been explicitly tested why bridge employment has beneficial impacts on retirement transition, or what changes when one transitions from a career job to a bridge job. If retirees view bridge employment as an adjustment process, they may choose to work on positions that involve more flexibility and less work stress comparing to their preretirement positions, and they may intentionally decrease the centrality of work versus other life domains (e.g., family and leisure) during bridge employment. It is not clear yet how retirees actively facilitate their retirement transition during bridge employment. Müller, De Lange, Weigl, Oxfart, and Van der Heijden's (2013) study provided preliminary evidence for the agency role of retirees taking bridge jobs. They found

that retirees could adopt compensation strategies (i.e., "the acquisition and application of alternative means or use of aid in case that lost resources or hindrances hamper the use of previous means" in goal pursuing process; p. 69) to maintain a satisfied level of functioning on bridge jobs, and the adoption of compensation strategies could buffer the negative impact of poor health on one's intention to remain in bridge employment. Future research is encouraged to examine the changes of retirees' work attitudes and behaviors during the transition from career employment to bridge employment, and examine how bridge jobs taken by retirees could be featured in ways facilitating the retirement transition (see Chap. 13 for more details about the adjustment processes in bridge employment).

### *12.1.4 Bridge Employment as a Part of Human Resource Management (HRM)*

Conceptualizing bridge employment as a part of HRM emphasizes the utility of bridge employment from the employer perspective. The aging trend of the workforce and the fact that baby boomers start to enter retirement lead to labor force shortage in many working fields and organizations. In this situation, bridge employment allows organization to retain valuable skills and organizational experience of older workers at reduced cost (Adams & Rau, 2004). This is because older workers are characterized by professional experience and expertise, and are ready to continue making contributions to organizations (Wang & Zhan, 2012).

For organizations, providing bridge employment opportunities and casting bridge job positions with the consideration of older workers' needs may serve organizations' strategic goals in attracting, motivating, and retaining older workers. Different lines of research on aging workers have explored factors such as age diversity and age discrimination which may be influenced by certain HRM policies and practices (e.g., Boehm, Kunze, & Bruch, 2013) and influence older workers' attitudes and work behaviors (e.g., Avery, McKay, & Wilson, 2007; Chiu, Chan, Snape, & Redman, 2001; Finkelstein & Farrell, 2007; Posthuma & Campion, 2009). However, few studies have examined the HRM policies and practices related to bridge employment, as well as how effective these policies and practices are in attracting and retaining retirees. As one exception, Rau and Adams (2005) used experimental design to test the effects of different policies and practices (i.e., targeted recruitment directed at increasing employment of older workers, work time flexibility, and mentoring opportunity) in attracting older workers. Taking a climate perspective, Bal, De Jong, Jansen, and Bakker (2012) examined how unit climate (i.e., climate of encouraging gradual withdrawal from work demands to prepare aging workers for retirement and climate of promoting continuous learning) influenced older worker retention. This line of research should be further developed following the HRM conceptualization of bridge employment given organizations' mission to maintain critical human resources.

## 12.2 Different Forms of Bridge Employment

Literature on bridge employment has mainly categorized bridge employment into two types, career bridge employment and bridge employment in a different field, depending on whether retirees work in the same industry or working fields as their career jobs (Wang et al., 2008). This categorization is meaningful given that bridge employment may indicate an opportunity for retirees to pursue career development goals. However, we notice that this criterion may not be sufficient to classify bridge employment participation status. In the following section, we identify four key criteria to more accurately understand bridge employment as a more complex employment pattern. In addition, we discuss variables that may differentiate retirees' choice and participation in different forms of bridge employment and outcomes of bridge employment along each criterion.

### *12.2.1 Working Field*

Working field is the most commonly studied criterion in specifying the forms of bridge employment. Retirees may either accept bridge employment in the same industry or working field as their career jobs, or accept bridge employment in a different working field (Feldman, 1994; Shultz, 2003). A sample of individuals aged 51–62 in 1992 from HRS demonstrated that between one-half and two-thirds of retirees with bridge jobs accepted career bridge employment (Wang et al., 2008; Weckerle & Shultz, 1999).

According to the decision making conceptualization of bridge employment, retirees assess the information of their personal characteristics and work-related characteristics to determine which working field to choose for bridge employment. Determinants of career bridge employment versus bridge employment in a different field include individual financial situation, work-related perceptions and attitudes, and work characteristics. Based on the first three waves of HRS data, Wang et al. (2008) found that total wealth was positively related to engaging in career bridge employment against bridge employment in a different field. Retirees with a better financial situation were more likely to accept career bridge employment.

Work-related psychological factors have been gaining more research attention lately in Industrial-Organizational (I-O) psychology literature. Suggested by the attitude-behavior association (Ajzen, 1991), multiple work-related attitudes have been found to influence one's decision of career bridge employment versus bridge employment in a different field. For example, retirees with strong career attachment and high job satisfaction are more likely to accept career bridge employment than bridge employment in a different field or full retirement (Gobeski & Beehr, 2009; Wang et al., 2008). In addition, retirees with career-specific work skills and intrinsic work motivation are more likely to accept career bridge employment, due to continued interests and person-job fit (Gobeski & Beehr, 2009). Also, retirees' entrepreneurial

orientation is positively related to the number of hours worked per week in career bridge jobs (Davis, 2003).

Career bridge employment versus bridge employment in a different field also relates to different outcomes. Using HRS data, Zhan et al. (2009) found that retirees engaging in bridge jobs in their career field reported better mental health than retirees who experienced a disruptive exit of the labor force without continued work and retirees who engaged in bridge jobs in a different working field. They explained that retirees taking bridge jobs in a different field might need to face more stress coming from role change. It is also likely that some retirees have to take bridge jobs in a different field due to financial pressure or labor market constrains and thus experience more stress. These explanations have not been explicitly examined though.

### *12.2.2 Organization/Employer*

Following the HRM conceptualization of bridge employment, a more practically important criterion in classifying bridge employment is the organization or employer that a retiree works for during bridge employment. As discussed, organizations facing labor force shortage are striving to attract and retain older workers to maintain critical capital. This makes it an important issue for such organizations to predict who among their retirees can be retained and how to do so (Zhan et al., 2013). The criterion based on organization/employer is relevant to the distinction between phased retirement (i.e., decreasing the intensity at one's current employer) and partial retirement (i.e., changing employers) as two forms of gradual retirement (Kantarci & Van Soest, 2008). This study highlighted the job market flexibility as a determinant of engagement in bridge employment with the former versus a different employer.

In I-O psychology literature, only a few studies have been conducted to explore the psychosocial determinants and outcomes of bridge employment classified based on the organization/employer criterion. For example, Jones and McIntosh (2010) and Zhan et al. (2013) both found that retirees with higher levels of organizational commitment are more likely to accept bridge jobs with the same employers they work for before retiring. In addition to retirees' attitudes, it is important to study what organizations could do to retain their retirees by providing an older worker-friendly work environment. Age-related changes in abilities, needs, and work motivation may lead to unique demands that older workers ask of their organizations and also unique benefits that older workers may offer to organizations (Wang & Zhan, 2012). For example, older workers are exposed to threats to their performance due to physical and cognitive aging. Thus, organizations may design the tasks and the workplace in an ergonomic way for older workers and provide trainings to facilitate the performance of older workers. In addition, older workers may have higher needs for health care and socioemotional support. Meanwhile, the experience and expertise of older workers' would be an important asset for organizations. Accordingly, organizations may be able to design work procedure and HRM practices to remove

the hindrances that may exist for older workers' performance and to provide opportunities for older workers to utilize their unique strength at work and satisfy their needs. For example, Bal et al. (2012) found that organizations might enhance older employees' motivation to continue working by providing possibilities for employees to negotiate idiosyncratic deals (e.g., development and flexibility) with their organizations.

In terms of the outcomes of bridge employment, Kim and Feldman (2000) applied the continuity theory of aging (Atchley, 1989) to analyze the impacts of bridge employment with the same employer and bridge employment with a different employer on retirees' retirement and life satisfaction. Consistent with the continuity theory, maintaining familiar behavioral patterns and staying with familiar work environment by taking bridge jobs with the former employer is more strongly related to life satisfaction. In addition to the individual outcomes of psychological well-being, the influences of bridge employment in promoting organizational goals should be better studied. It is of interest to organizations to understand how bridge employment relates to employees' performance as well as employee-organization relationships.

In addition to the distinction of bridge employment in the same versus a different organization as one's career job, a special form of bridge employment is self-employment. There is a consensus that bridge employment could be any form of paid work including self-employment (Feldman, 1994). However, bridge employment literature has rarely looked into this phenomenon (Kerr & Armstrong-Stassen, 2011). We believe self-employment as a bridge employment status is an important phenomenon to study for at least two reasons. First, as reviewed by Quinn and Kozy (1996, p. 363), "self-employment in the United States increases steadily with age, with a large jump at age 65", and self-employment is one of the most common transitional stages for bridge employment. Nearly a quarter of employed (non-agricultural) men aged 65 and over and 16 % of employed women aged 65 and over are self-employed (Quinn & Kozy, 1996), and the proportion is expected to rise with expected increase of bridge employment (Bruce, Holtz-Eakin, & Quinn, 2000). In addition, it has been shown that people who are self-employed at retirement age are more likely to continue working, thus engaging in the bridge employment stage to extend the length of career (Fuchs, 1982).

Second, self-employment fits well into the conceptualizations of bridge employment and may extend the theoretical understanding of bridge employment. From a career development perspective, self-employment well reflects bridge employment as a career development stage. Given the sense of control provided by self-employment, self-employment provides the context for retirees to exhibit their agency efficacy (i.e., people's willingness and confidence to influence their environment; Bandura, 1997), which has been proposed to be the focus of the conceptualization of career development (Wang & Shultz, 2010). Retirees are more able to pursue their career goals that cannot be reached during career employment. It has been shown that older entrepreneurs are generally more successful compared to their younger counterparts (Nair & Pandey, 2006). From the retirement adjustment perspective, self-employment provides more autonomy and flexibility in terms of

both workload and work schedule. It may serve as a better transition stage for people moving toward complete work withdrawal compared to other forms of bridge jobs. Among a few studies that have examined self-employment in retirement, Kerr and Armstrong-Stassen (2011) found that self-employed retirees included more unmarried, female respondents, and respondents with strong needs for personal fulfilment and independence.

### *12.2.3 Time*

The above two criteria operationalize bridge employment as a categorical construct. As a transition status between career employment and full retirement, bridge employment can be alternatively operationalized as a continuous construct based on the time commitment toward bridge jobs (Talaga & Beehr, 1995). Instead of focusing on the qualitative changes of work content and work environment from a career job to a bridge job, the examination of quantitative decrease of working hours may better capture the function of bridge employment in terms of helping retirees gradually exit the labor force. Time commitment toward bridge employment indicates one's involvement in work-related activities. Retirees who view bridge employment as an adjustment strategy and a buffer against role change may intentionally reduce their working hours and increase leisure, so that they can establish and transition to new life patterns for full retirement. Therefore, operationalizing bridge employment based on time commitment reflects the adjustment conceptualization of bridge employment.

Emphasizing the time criterion of bridge employment is consistent with the distinction between full-time and part-time bridge jobs. The first wave data of HRS demonstrated that 65 % of male retirees and 81 % of female retirees who accepted bridge employment worked on part-time basis (Quinn & Kozy, 1996). Similarly in Europe, there is high part-time labor force participation rate for older workers, with 45 % of males and 63 % of females aged 65 and older working part-time (Albright, 2012; Kinsella & He, 2009). Part-time employment is preferred due to the desire to combine leisure activities with supplemental income and social contacts. Research has found that older men working shorter hours on preretirement job, less educated, only covered by private pensions, and having work-limiting health conditions are more likely to move into part-time jobs after an initial retirement (Hayward & Hardy, 1994). Psychological determinants of the time commitment to bridge employment have not been vigorously studied. As an exception, Davis (2003) studied the extent of bridge employment by measuring self-reported number of hours worked per week in bridge employment and found that retirees having shorter organizational tenure, expressing less certainty about retirement plans, and expressing more desire to pursue business opportunities reported more working hours.

The time-based criterion of bridge employment can be examined in two additional ways. First, Pleau (2010) measured the number of months from participants' self-reported retirement date to first postretirement employment date. This indicated

the timing of labor force re-entry. Second, given that retirees may enter and exit bridge employment multiple times, the temporal continuity of bridge employment is also of interest. There has not been much attention on these time-based operationalizations of bridge employment. It is expected that the time window between initial retirement and first postretirement employment and the temporal continuity of bridge employment may impact the difficulty of re-entry, and that the influence of bridge employment on retirement adjustment may vary depending on these time-based variables.

### *12.2.4 Motive*

Compared to the retirement decision, bridge employment participation is more voluntary for individual retirees. However, retirees may be motivated to accept bridge jobs for different reasons. According to life span development theories such as the Socioemotional Selectivity Theory (Carstensen, 1995) and the model of Selective Optimization with Compensation (Baltes, Staudinger, & Lindenberger, 1999), age-related changes in values influence work motivation (see Chap. 11 for more details). Specifically, as people age, they tend to have stronger security and social motives and stronger motives for promoting positive affect, and have weaker achievement and growth motives (Kanfer & Ackerman, 2004). This has been largely supported by a recent meta-analytic review (Kooij, de Lange, Jansen, Kanfer, & Dikkers, 2011) based on 86 studies.

Mor-Barak (1995) established the four-factor taxonomy of work motives for older adults: financial factors, personal factors (e.g., personal satisfaction and sense of pride), social factors (e.g., social interaction and belongingness), and generativity factors (e.g., mentoring and passing knowledge and skills to younger generations). In particular, Mor-Barak emphasized generativity motive, focusing on coaching and sharing skills with younger generations, as a unique meaning of work for older employees. Generativity motive has been shown to be a significant predictor of job satisfaction for retirees taking bridge jobs (Dendinger, Adams, & Jacobson, 2005).

Motives of bridge employment play an important role in discussing the outcomes of bridge employment. When financial pressure is the main driver of one's participation in bridge employment, the retiree may be less able to choose a bridge job that best fits their interests and career goals. Such bridge jobs are less likely to facilitate the retirement transition process, especially for individuals at the lower end of the social economic spectrum (Cahill et al., 2013). Retirees may have to remain in physically demanding jobs in order to achieve financially secure retirement. On the contrary, if retirees accept bridge employment motivated by intrinsic reasons such as enjoyment and generativity, they are more likely to benefit from bridge employment participation in terms of career development, retirement adjustment, or both. Consistent with the distinction between push and pull factors of retirement (Shultz, Morton, & Weckerle, 1998), retirees who are pushed into bridge employment (i.e., accepting bridge employment due to negative considerations such as

financial needs) may experience lower levels of satisfaction compared to retirees who are pulled into bridge employment (i.e., accepting bridge employment due to positive considerations such as desire to pursue work activities).

## 12.3 Implications for Future Research of Bridge Employment

The multiple conceptualizations and criteria in defining bridge employment point out research gaps in existing literature and new directions for future research. To review these new directions, we organize the research questions into three sets: retirees' perspective in bridge employment decision making and retirement transition, organizations' HRM practices and job design in promoting bridge employment, and measures of bridge employment.

### *12.3.1 Retirees' Perspective*

The conceptualizations of bridge employment as decision making and an adjustment process both recognize the motivated role of retirees. Retirees' psychological characteristics and their adaptive changes during bridge employment have not been extensively studied yet. From the aspect of determinants of bridge employment, we need better understanding of the predictive effects of psychological characteristics of retirees, including but not limited to personality traits, motivational constructs, and attitudes toward work, retirement, and time in general. Recent studies have moved toward this line of research by examining subjective life expectancy (Griffin, Hesketh, & Loh, 2012), future time perspective and regulatory focus (De Lange, Bal, Van der Heijden, De Jong, & Schaufeli, 2011) in relating to older workers' work motivation. More importantly, people experience age-related changes in these characteristics and these changes may influence older adults' attitudes toward employment, goals in bridge job seeking, and their assessment of person-job fit during bridge employment (Kanfer, Beier, & Ackerman, 2013).

In addition, it may be fruitful to examine the process via which retirees fulfill different needs during bridge employment. Specifically, for retirees continuing working to promote their career development goals versus retirees taking bridge employment to gradually reduce work commitment and transition to full retirement, they are expected to adjust their work identity and psychological contract, and form relations with their organizations in different manners. Also, retirees with different needs are expected to take different routes during bridge employment. As we discussed earlier in this chapter, retirees may enter and exit bridge employment time to time and choose from a variety of forms of bridge employment participation. Linking retirees' needs and goals to the routes they choose in taking bridge jobs may provide a more comprehensive understanding of the nature and functions of bridge employment.

Lastly, the topic of bridge job search has received little attention in the bridge employment literature. A large number of studies have only examined the *intention* of continuing working or seeking for bridge jobs. The large variety of the forms of bridge employment might also make it difficult to systematically study the job search process. However, it needs to be noted that retirees with high intention to continue working may not be able to get bridge jobs or bridge jobs that fit their needs and abilities, especially in the face of weak labor demand. Considering the aversive consequences of unemployment and underemployment (Wanberg, 2012), it would be important to explore how people seeking bridge jobs during their late career stage perceive and react to unemployment and underemployment, and how motives of bridge employment impact their perceptions and reactions.

### *12.3.2 Organizations' HRM Practices and Job Design*

Following the HRM conceptualization of bridge employment, bridge employment is believed to contribute to organizations' staffing goals (Wang & Zhan, 2012). There has been relatively little empirical research on how organizations could attract and retain older employees (see Chap. 5 for more details on HRM for older workers). Cleveland and Maneotis (2013) outlined key components of a supportive work context for older worker recruitment and retention. A supportive work context for older workers should be characterized by a sense that employees were valued, opportunities for socialization and community involvement, flexibility and autonomy, and intergenerational communications and mentoring opportunities. Consistent with the recommendations, Rau and Adams's (2005) research showed that mutually reinforcing policies and practices (i.e., emphasizing equal employment opportunity targeted at older workers, providing flexible work hours, and providing opportunities to mentor and train junior employees) had a beneficial impact on the attractiveness of a bridge job to retirees. In spite of the suggested importance of a supportive HRM system, a qualitative study interviewing managers in UK organizations showed that the discrimination against older workers was still deeply embedded in the policies and practices of many organizations (Taylor & Walker, 2006). Based on their findings, UK employers were not proactively engaging or retaining productive older workforce. More empirical studies need to be conducted to understand the current HRM systems toward older workers and to explore their effectiveness.

Furthermore, given that older people engage in bridge employment for different reasons, organizations targeting this labor pool would benefit from a good understanding of the preferred HRM practices and job characteristics by older people. As discussed, people taking bridge employment as a temporary transition stage may value different work settings compared to people taking bridge employment as a new career stage. For example, the former ones might prefer more flexibility and low levels of work responsibility, while the latter ones might prefer more decision autonomy and mentoring opportunities. Thus, organizations, based on their staffing purpose, could highlight certain job characteristics to attract older employees.

Moreover, for retirees viewing bridge employment as a temporary transition stage between career employment and full retirement, there might be a weak employee-organization relationship. To successfully transfer the silver workers' abilities, experiences, and expertise to productivity, organizations also need to motivate these workers with appropriate job designs.

### *12.3.3 Measuring Bridge Employment*

Earlier studies examining the antecedents and outcomes of bridge employment have often categorized people into the employed and the retired. Along with the advancement of bridge employment research, recent research pays increasing attention to different categories of bridge employment. Most studies have done so by distinguishing between career bridge employment and bridge employment in a different field. Conceptualizing bridge employment from different perspectives requires researchers to refine the measures of bridge employment participation.

From the perspective of organizations' HRM functioning, organization/employer-based specification of bridge employment should gain more attention. On the one hand, organizations that aim to retain their retirees need to identify those who are more likely to stay with them. On the other hand, organizations that aim to recruit from the experienced labor pool need to provide the incentives and work environment that are valued by bridge job seekers. From the perspective of retirement adjustment, it would be appropriate to measure the extent to which one engages in bridge employment. The criterion of time commitment which measures bridge employment on a continuous basis provides a better fit for this purpose. Although both counted as bridge employment, working on a full-time schedule versus spending a few hours per week on work activities indicates relatively different levels of job demand and work engagement, and may have different implications for retirement transition as well.

### *12.3.4 Bridge Employment in Different National Context*

Because of the differences in retirement and social security policies (Yao & Peng, 2013), bridge employment participation may be a more prevalent phenomenon in some countries than others. Also, the forms of bridge employment and the motives of bridge employment may vary across countries (Wang, Olson, & Shultz, 2013). It should be noted that many empirical findings reported in this chapter are based on samples of US. Nevertheless, we believe that older workers regardless of their national background share many similar needs, preferences, and characteristics based on life-span developmental theories. Also, the psychosocial meanings of work may be applied universally to older adults. More salient differences due to national context might be related to institutional regulations on retirement age, age

compositions of the workforce, social benefit systems, and macro-economic conditions. Future research needs to replicate findings across national contexts, and consider the influences of societal and economic factors on bridge employment decisions.

To conclude, the phenomenon of continued work after retirement can be studied from multiple perspectives. Bridge employment could be a career stage for older people to promote their career development goals, could be a strategy retirees adopt to adjust to retirement, could be a decision driven by intrinsic satisfaction from work, could be a necessary choice forced by financial needs, and could be a part of HRM for organizations to reach staffing goals. While increasing research has been conducted on the antecedents and outcomes of bridge employment, many questions remain. The theoretical conceptualizations and operationalizing criteria of bridge employment discussed in this chapter may provide a framework to understand existing findings and promote future research on bridge employment.

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# Chapter 13
# Adjustment Processes in Bridge Employment: Where We Are and Where We Need To Go

**Cort W. Rudolph, Annet H. De Lange, and Beatrice Van der Heijden**

The meaning of retirement has shifted dramatically in the past several decades for a number of reasons. In general people are living longer than ever before, and advances in medical science have resulted in overall higher levels of physical wellbeing across the life-span (Salomon et al., 2013). Additionally, social safety nets in the form of government-funded retirement systems are becoming scarcer, and the retirement age in countries with such systems is being systematically rolled forward to account for labor market shortages and resulting monetary shortfalls (Pinera, 2004). Similarly, the dissolution and defunding of employer-sponsored retirement plans and pension programs has been universally noted (Munnell, 2006). Such factors have driven the economic need to maintain employment later into one's life (e.g., Mayhew, 2009; Munnell & Sass, 2008), and recent global economic conditions have likewise compelled people to work longer (Copeland, 2009; Draut & McGhee, 2004). Given this, an increasing number of people are delaying full retirement in favor of continued work participation (See also Chap. 12 of this volume). While the focus of the present chapter is on paid bridge employment, active work participation for retirees can take numerous

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_13

forms, both paid and unpaid (e.g., Volunteerism, Dorfman & Kolarik, 2005; Kim & Feldman, 2000; Okun & Schultz, 2003, See also Chap. 11 of this volume).

Continued engagement in paid work into one's retirement can be abstracted in multiple ways. In the United States, for example, the traditional view of retirement as immediate and outright labor force withdrawal is quickly becoming non-normative (Cahill, Giandrea, & Quinn, 2006; Cahill, Giandrea, & Quinn, 2013). For a majority of older workers, retirement is a staged or gradual process that may involve reducing work hours (i.e., "phased retirement") or changing from full-time to part-time job roles (i.e., "partial retirement"). Bridge employment is so called because it "bridges" the gap between full participation in one's career role, and total withdrawal from the workforce. As such, conceptualizing the myriad of forms of post-retirement workforce participation within the broader concept of bridge employment captures the various ways in which individuals make this transition.

This idea is reflected in various formal definitions of bridge employment – for example, Shultz and Wang (2011) differentiate various forms of bridge employment, including career bridge employment (i.e., bridge employment in one's career field) versus bridge employment in a different field, and volunteerism. Similarly, Van Solinge (2012) notes that the term "bridge employment" is often used as a catchall for various forms of post-retirement work participation. For example, bridge employment may vary in terms of involvement (e.g., full- or part-time work), field and type of work (e.g., working in the same or different fields, in the same or different jobs) and contract arrangement (i.e., salaried, wage-earning, or self-employment). Furthermore, bridge employment can be part-time or seasonal, it can entail a change in occupation or industry, and it can even involve a switch in job type, such as from wage- to self-employment (Giandrea, Cahill, & Quinn, 2008, See also Chap. 14 of this volume).

While trends regarding bridge employment participation are notable in the United States, it is important to realize that bridge employment is a relatively new concept for stakeholders in some countries, especially those with a history of more or less rigid formal retirement requirements (i.e., mandatory retirement age). However, more and more, such countries are implementing policies that relax constraints on the mandatory retirement age to accommodate increased work longevity, including bridge employment arrangements (See European Foundation for the Improvement of Living and Working Conditions [EFILWC], 2012).

Given the trends in aging and work participation noted above, it should not be surprising that there is accumulating research attention addressing how to maintain and develop a sustainable older workforce that is able to meet labor market demands (De Lange, Van Yperen, Van der Heijden, & Bal, 2010; Hedge, Borman, & Lammlein, 2006; Schalk et al., 2010; Shultz & Wang, 2011). While previous research has addressed the various reasons why older workers may retire early (e.g., Beehr, Glazer, Nielson, & Farmer, 2000; Shultz, Morton, & Weckerle, 1998), the scholarly literature in this area has yet to adequately address the psychological adjustment process that facilitates older workers' intention to continue working with adequate capacity beyond their normative *or* statutory retirement age (Wang & Shultz, 2010).

In this chapter, we focus on the current state of our understanding of adjustment processes for bridge employees with an eye towards future research concerns. To set the stage for this chapter, we will first review agentic and life-course perspectives on the adjustment to bridge employment, and derive a definition of successful adjustment to bridge employment that borrows from these complementary viewpoints. Next, we will discuss contextual conditions and "other" factors that affect adjustment to bridge employment. Then, because of their broad applicability for understanding psychological adjustment in general, we will provide an overview of the applicability of life-span and self-regulatory theoretical perspectives for understanding adjustment for bridge employees. Stemming from this, we also introduce and advance a model (see Fig. 13.1) of the psychological mechanisms that underlie the bridge employment adjustment process. Finally, we will tie our discussion together with our vision of an updated research agenda for the future.

## 13.1 Agentic and Life-Course Perspectives on Adjustment to Bridge Employment

No matter what form bridge employment takes, it is important to note that the decision to remain employed in some capacity past one's normative retirement age implies a degree of self-determined agency. That is, it is primarily the individual – working within various constraints of the organization or other external forces – that drives the decision to either remain employed or seek out post-retirement employment opportunities. This structured view of human agency is consistent with life-course perspectives on adult development (e.g., Elder & Johnson, 2003; Elder, Johnson, & Crosnoe, 2003; Setterson, 2003), which suggest that individual's choices and actions occur within the boundaries that are imposed upon them by their social environments. Moreover, traditional perspectives have conceptualized retirement adjustment as a relatively homogeneous process across people (e.g., Atchley's, 1976 "Stage Theory of Retirement Adjustment"). However, adjustment to retirement can vary both between people, but also within people, over time (e.g., Wang, 2007). Thus, the agentic perspective on bridge employment primarily adopted here allows for the natural heterogeneity in the retirement and bridge employment experiences of individuals to be accounted for.

Interestingly, socio-gerontological perspectives on the application of life-course theory to bridge employment adjustment conceptualize engagement in bridge employment as an indicator of adjustment in and of itself. Such perspectives view retirement as an important life-course event that marks the start of the "Third Age" – a life stage in which working and one's career role is no longer dominant (e.g., Laslett, 1989, 1996). During this stage of the life-course, individuals must acclimate and adapt to various life changes that accompany the work-to-retirement transition and seek to achieve psychological comfort with their retirement life (e.g., Moen, 1995). This adjustment process is not uniform across people, and

retirement may have much more of an impact on some individuals than others – a sentiment similarly reflected by the agentic adjustment perspective. As a result, adjustment is more difficult in some cases than in others, and continued work participation – including bridge employment, but also partial or phased retirement – may be one of the coping strategies applied in service of retirement adjustment (e.g., Zhan, Wang, Liu, & Shultz, 2009).

The life-course perspective further suggests that the decision to continue working after retirement from one's career job might itself represent a facet of adjustment. Bridge employment offers older adults the opportunity to ease a potentially difficult retirement adjustment process by preventing abrupt role or income loss (e.g., Kim & Feldman, 2000). Empirically, one would expect that persons for whom work is more central to their life will be more likely to engage in bridge employment than persons for whom work is a less central aspect (Van Solinge, 2012). The same holds for persons for whom retirement goes together with greater financial drawback (Shultz, 2003).

Considering this socio-gerontological life-course perspective against the psychological perspectives offered here leads to the idea that there are complementary differences in the way that adjustment processes associated with bridgework are conceptualized, understood, and studied across various disciplines (i.e., psychological adjustment *to* bridge employment vs. bridge employment as a mechanism of adjustment *itself*). However, common to these views is the notion that individuals experience adjustment to bridgework differently in light of intrapersonal differences and environmental contingencies. Central too is the notion that individuals play an essential role in their own developmental course during the adjustment process.

## 13.2 Defining Successful Adjustment in Bridge Employment

The general retirement literature often defines adjustment in terms of a process through which retirees *acclimate* to the life changes that accompany the work-to-retirement transition, and the accompanying processes by which such individuals achieve *psychological comfort* in their retirement life (cf. Van Solinge & Henkens, 2008). Defining psychological adjustment for bridge employees requires a slightly more nuanced lens, however. Specifically, bridge employees experience both the process of withdrawing from career roles and the experience of assuming new bridge employment roles. Defining adjustment for bridge employees thus requires a consideration of both the *dynamics* (e.g., as outlined by the SOC persective, Baltes, 1997; Freund & Baltes, 1998) of the transition from full work engagement to bridge employment engagement along with the *maintenance* (e.g., as outlined by the Continuity Theory perspective, see Atchley, 1989) of successful engagement in work.

Baltes and Rudolph (2012) provide a comprehensive definition of successful retirement that notes three interrelated indicators of retirement success: (1) adaptation to

new and changing conditions that result from the transition from work to non-work roles, (2) disengagement from work roles that does not result in physical or psychological disturbance, and (3) one's general perceived successfulness of retirement. By expanding these criteria slightly, a definition of successful adjustment in bridge employment can be derived, such that successful bridge employees' experiences are defined by: (1) positive adaptation (i.e., a function of appropriately managing the gains and losses associated with the *dynamics* of the transition to a bridge employment role), (2) maintenance of both physical and psychologically-based aspects of work ability (e.g., successfully continuing to manage job demands while *maintaining* high levels of actual and perceived functional capacity; Ilmarinen & Tuomi, 2004), and (3) the perception and experience of continued success in bridge employment roles. Note that in particular, this definition emphasizes the importance of managing dynamics of the process of adjusting to bridge employment, but also considers that the maintenance of prior levels of performance is key to sustained employability in bridge employment roles.

### *13.2.1 Outcomes of Successful Adjustment to Bridge Employment*

Further considering this definition of successful adjustment to bridge employment naturally leads to the need to define the possible consequences of successful bridge employment adjustment. Indeed, this conceptualization lends itself to two broad categories of outcomes associated with successful adjustment to bridge employment. First, both objective and subjective *indices of sustained work performance* and *engagement* should serve as indicators of positive adaptation and the maintenance of work ability; indeed, continued employment participation might be the ultimate criterion for successful psychological adjustment to bridge employment. Second, more general forms of *subjective success criteria* (e.g., psychological success) should be considered as indicators of positive adaptation (see Van Solinge & Henkens, 2008). Included here too should be considerations of subjective well-being and life satisfaction. Furthermore, if we assume that successful adjustment is an objective phenomenon, we should consider one's perceived success in the adjustment process here too. To serve as an organizing framework, Table 13.1 provides a non-exhaustive list of example indicators of successful adjustment to bridge employment.

Now that we have better conceptualized successful adjustment to bridge employment in terms of processes and outcomes, we can subsequently turn our attention to a discussion of the various theoretical perspectives that explain the potential for experiencing positive adjustment to bridge employment. To this end, we will briefly review psychological life-span perspectives on adjustment processes in bridge employment. Then, we will turn our attention to a broader theoretical framework – self-regulation – to begin outlining how the adjustment process might vary on the basis of individual differences in regulatory focus. First, however, it makes sense to

**Table 13.1** Example outcomes of successful adjustment to bridge employment

| Sustained work performance | Examples |
|---|---|
| Objective indices of sustained work performance | |
| Production/performance data | Waldman and Avolio (1986) |
| Active work participation (e.g., development) | Mauer (2001) |
| Participation in bridgework itself | Zhan, Wang, Liu, and Shultz (2009) |
| Subjective indices of sustained work performance | |
| Performance ratings | Murphy and Cleveland (1995) |
| Work engagement | Bakker, Schaufeli, Leiter, and Taris (2008) |
| Work ability | Ilmarinen and Tuomi (2004) |
| Continuance intentions | Armstrong-Stassen and Ursel (2009) |
| Subjective success criteria | Examples |
| Psychological success | Mirvis and Hall (1994) |
| Well-being | Kim and Moen (2002) |
| Life satisfaction | Shultz, Morton, and Weckerle (1998) |
| Perceived success | Baltes and Rudolph (2012) |

consider the broader network of contextual influences that have an impact on successful adjustment to bridge employment, and on existing research that has addressed adjustment to bridge employment in general.

## 13.3 Contextual Conditions for Adjustment to Bridge Employment

Turning to the broader literature on adjustment processes at work, we can conceptualize several contextual conditions that might affect the adjustment process for bridge employees. These contextual conditions can be broadly classified into both *resources* and *demands* (see also Bakker & Demerouti, 2007; Maslach, Schaufeli, & Leiter, 2001). Contextual resources include those factors that facilitate positive adjustment at work in general, such as specific supportive HR practices aimed at facilitating flexibility in the way that people approach their work (e.g., Kooij, Jansen, Dikkers, & De Lange, 2010; McNamara, Pitt-Catsouphes, Brown, & Matz-Costa, 2012; Ollier-Malaterre, McNamara, Matz-Costa, Pitt-Catsouphes, & Valcour, 2013) and social support (e.g., Fisher, 1985; Viswesvaran, Sanchez, & Fisher, 1999). Contextual demands include factors such as the work setting and type of work being performed, but also other possible sources of strain including job demands (e.g., Fernet, Guay, & Senécal, 2004; Sargent & Terry, 1998; Schaufeli & Bakker, 2004) and the challenges of balancing work and non-work roles (e.g., Greenhaus & Beutell, 1985).

Often, contextual resources can be invoked or applied to better manage contextual demands. For example, HR practices that specify flexible work options can be beneficial in coping with competing demands between work and non-work roles (e.g., Baltes, Briggs, Huff, Wright, & Neuman, 1999), and social support can offset negative job demands (e.g., Bakker, Demerouti, & Euwema, 2005; Van Yperen & Hagedoorn, 2003) and work-family conflict (Michel, Mitchelson, Pichler, & Cullen, 2010). Indeed, these relationships suggest that a "fit" between contextual resources and contextual demands is key to understanding how adjustment occurs in general.

## 13.4 Where We Are: Research on Psychological Adjustment to Bridge Employment

Given the ubiquity of bridge employment, and the prevalence of research concerning retirement adjustment in general, it is unfortunate that there is relatively little existing research that specifically addressed adjustment processes in bridge employment. Despite this, some empirical investigations have addressed this issue, and conceptualized adjustment in various ways (e.g., satisfaction, psychological well-being, health outcomes). For example, Kim and Feldman (2000) found that individuals who engaged in bridge employment experienced higher levels of retirement satisfaction and life satisfaction. Furthermore, co-engagement in both bridge employment and volunteer roles was found to positively facilitate adjustment (see also Dorfman & Kolarik, 2005). Similarly, Wang (2007) found that engagement in bridge employment was positively associated with psychological wellbeing. Finally, Zhan et al. (2009) found that engagement in bridge employment was associated with more positive physical and mental health outcomes.

Despite these few studies, the lack of a distinct research agenda in this area means that evidence in support of adjustment processes for bridge employees often has to be gleaned from the results of studies aimed at studying other consequences of bridge employment, general issues surrounding work participation for older workers, or adjustment to retirement in general (cf. Van Solinge 2012; Wang, Henkens, & Van Solinge, 2011). For example, Warr, Butcher, Robertson, and Callinan (2004) observed results similar to those of Kim and Feldman (2000) regarding continued work participation and well-being in a sample of older workers. Additionally, in a study of the motivations for bridge employment, Dendinger, Adams, and Jacobson (2005) investigated the role that various meanings of working (i.e., social, personal, financial, and generative) have on job satisfaction and retirement attitudes for bridge employees. When controlling for general sociodemographic factors, working for generative reasons was positively associated with both job satisfaction and retirement attitudes for bridge employees. This is consistent with prior work concerning the development and construction of meaning at work for older workers (e.g., Mor-Barak, 1995), which has intuitive links to the adjustment processes discussed here.

## 13.5 Psychological Life-Span Theories and Adjustment Processes in Bridge Employment

Broadly, life-span development theories can be classified by their emphasis on the management of gains and losses, the maintenance of coherence and a sense of control, and an appreciation for the role of temporal horizons across the life-course. The theories reviewed below (Selective Optimization with Compensation, Motivational Theory of Life-Span Development, and Socio-Emotional Selectivity Theory) reflect these general themes.

### *13.5.1 Baltes' Selective Optimization with Compensation Model*

Across the life-span, humans experience both developmental gains (e.g., skill acquisition) and losses (e.g., decreased cognitive functioning). As we approach the end of the life-span, it is common for such losses to outweigh gains (e.g., Baltes, 1997). Managing gains and losses often represents a tradeoff, and the Selective Optimization with Compensation Model (SOC; Baltes & Baltes, 1990; Baltes, 1997) represents a framework for understanding how people approach and manage the tradeoffs that are associated with increased losses relative to gains.

According to the SOC model, individuals respond to age-related declines in functioning by prioritizing specific goals. This is accomplished by optimizing the process of selectively dividing effort and resources towards goal accomplishment. At the same time, individuals compensate for their experienced losses in a number of different ways (e.g., relying on others; using technology). SOC can thus be defined by a set of adaptive coping strategies that explain how individual select goals, devise the means to optimize their efforts toward such goals, and compensate for experienced losses as a means of attaining success in goal pursuit.

SOC has been applied to the retirement context (see Baltes & Rudolph, 2012) to explain retirement adjustment and decision-making processes, as well as the potential for SOC strategies to extend the work longevity of older workers who wish to remain active in the labor market. Indeed, SOC has been directly linked to the maintenance of job performance among older workers (Zacher & Frese, 2011). Recently, Löckenhoff (2012) proposed that SOC could provide the bases for understanding adjustment to bridgework, particularly with respect to the shift between full- and part-time employment. Specifically, Löckenhoff (2012) argues that individuals who adopt optimization-like adaptive coping strategies may be less likely to fully disengage from paid work when compared to individuals who rely on compensatory coping strategies. Importantly, there is some research that has suggested that SOC coping strategies could be trained and developed (Zacher & Frese, 2011).

### *13.5.2 Heckhausen and Schulz's Motivational Theory of Life-Span Development*

As delineated by the life-course perspective mentioned previously, the maintenance of a sense of agency and control are key psychological indicators of successful retirement adjustment, and likewise important to take into account when considering adjustment processes in bridge employment. To this end, Heckhausen and Schulz's Motivational Theory of Life-Span Development (See Heckhausen, Wrosch, & Schulz, 2010) can be applied to understand how one's sense of agency and control is maintained across the life-course. According to Heckhausen and Schulz (1995), individuals approach the challenges associated with developmental declines through both primary control strategies (i.e., changing their environment) and secondary control strategies (i.e., changing their internal states). This theory suggests that both strategies are used in tandem, but that primary control strategies are engaged whenever possible. People are more likely to engage in secondary control strategies to maintain functioning when primary control is limited by a lack of personal resources or environmental contingencies (Heckhausen et al., 2010). Therefore, the application of secondary control mechanisms can serve a compensatory purpose by enabling individuals to maintain a personal sense of control and agency.

Of note here, the Motivational Theory of Life-Span Development has been applied to career transitions for younger adults (e.g., Heckhausen & Tomasik, 2002; Poulin & Heckhausen, 2007), but has not been directly applied to research on bridge employment transitions. Prior work has suggested that the use of primary versus secondary control strategies in effortful goal pursuit depends on an individual's progress towards their goal, relative to their deadline for meeting the goal (See Heckhausen, Wrosch, & Fleeson, 2001). Before the deadline, primary goal strategies are more effective at maintaining a sense of well-being, whereas secondary control strategies tend to be more effective after a goal deadline has passed (Wrosch, Miller, Scheier, & de Pontet et al., 2007). To this end, Löckenhoff (2012) has suggested that retirement can represent an impending and salient deadline for career related goals. Here, we suggest that engagement in bridge employment may help individuals achieve unmet goals from their prior career roles. More specifically, it may be that bridge employment represents a control mechanism that individuals engage in to aid in the accomplishment of unmet career goals. For example, active involvement in work after retirement might work in either a primary (i.e., changing one's behavior through persistence) or secondary (i.e., changing one's attitudes, beliefs, or opinions through positive reappraisals) capacity in service of such unmet goals. To this end, Wrosch, Heckhausen, and Lachman (2000) suggest that persistence and positive reappraisals are control strategies that older adults engage in to maintain subjective wellbeing.

### *13.5.3 Carstensen's Socio-Emotional Selectivity Theory*

Life events such as retirement can represent a transitory process that makes the passage of time particularly salient. Carstensen's (2006) Socio-Emotional Selectivity Theory provides a framework for understanding how people respond to the salience of time in the retirement process. According to Carstensen, people perceive temporal horizons in different ways, and individual differences in these perceived temporal horizons can have a profound impact on motivations and priorities. When time is perceived to be open-ended, people are more likely to prioritize positive, future-oriented goals (e.g., obtaining new skills through training; building broad social networks). On the other hand, when time is perceived to be limited, people are more likely to prioritize goals in terms of the present, particularly by seeking out emotionally rewarding relationships and experiences (see Carstensen, 2006; Charles, 2010). Considering the time leading up to retirement, people are likely to experience narrowing time horizons, however it is possible that bridge employment can represent a means of maintaining an open-ended time horizon.

## 13.6 Self-Regulation Based Theories and Adjustment Processes in Bridge Employment

A core tenant of the various life-span development theories outlined above is that people actively adapt to changes in biological, psychological and social functioning by striving towards the maximization of gains (i.e., promotion/approach orientations) and the minimization of losses (i.e., prevention/avoidance orientations; see Higgins, 1997, 1998). As a function of losses in biological, physiological, mental and social reserves across the life-span, this self-regulated motivational process becomes more salient as we age (Heckhausen, 1997). These social-developmental self-regulation theories generally describe the process by which people seek to align their behaviors with appropriate goals or standards. Consequently, such theories align well with the lifespan perspectives on adjustment reviewed here.

### *13.6.1 Overview of Self-Regulatory Processes*

Self-regulation is described by Baumeister and Heatherton (1996) as the extent to which people change or seek to control their own behavior according to their own predetermined goals or standards (see also Mischel, Cantor, & Feldman, 1996). Because agentic perspectives on social-cognitive development (e.g., Bandura, 1997, 2001; Brandtstädter, 1992; Mischel, 1968) suggest that individuals are influenced by both internal (e.g., psychosocial and biological processes) and external stimuli (e.g., cultural, societal, or environmental), and their interplay, it is necessary to

understand how individuals self-regulatory actions influence their adaptation to changing environments (see also Baltes, 1997; Heckhausen, 1999; Magnusson, 1997).

Indeed, a great deal of theory and empirical support underlies the idea that people actively engage in various forms of self-regulation as a means of managing the experience of internal *and* external changes (e.g., Carver & Scheier, 1981, 1998; Baltes, 1987; Heckhausen, 1999). Not surprisingly, a variety of individual processes and resources can be classified as self-regulatory, including social comparisons (e.g., Heidrich & Ryff, 1993; Wood, Giordano-Beech, Taylor, Michela, & Gaus, 1994; Wood & Taylor, 1991), optimism (Armor & Taylor, 1998), maintenance of control (e.g., Bye & Pushkar, 2009; Skinner, 1995), emotional control (e.g., Bonanno, Papa, Lalande, Westphal, & Coifman, 2004; Gross, 1998; Scheibe & Zacher, in press), delay of gratification (e.g., Mischel, Cantor, & Feldman, 1996), self-efficacy (Bandura, 1996), and goal selection (e.g., Wrosch & Heckhausen, 1999). Given that goals are a central component of the developmental process, it should not be surprising that each of these self-regulatory processes relate somehow to the active management of individual goals. Because they direct energy and attention, and structure behavior towards particular ends, the importance of goals in the self-regulatory process cannot be overstated (e.g., Brandtstädter, 1998; Freund & Baltes, 1998, 2000; Gollwitzer & Bargh, 1996; Heckhausen, 1999).

## 13.7 Self-Regulation and Adjustment in Bridge Employment

To date, there has been little empirical or theoretical application of self-regulation theory to understand adjustment processes in bridge employment. This is unfortunate, because research and theory both suggest that self-regulatory processes are an important antecedent of psychological adjustment (e.g., Mithaug, 1993), and adjustment theory is a primary foundation for understanding outcomes and processes associated with bridge employment (Adams, Prescher, Beehr, & Lepisto, 2002; Kim & Feldman, 2000; Wang, 2007; Wang et al., 2011; Wang & Shultz, 2010).

In order to understand how self-regulation aides in adjusting to bridge employment, it is helpful to first understand how individuals generally adjust and adapt to non-normative developmental experiences. As opposed to the timing of normative developmental experiences (e.g., forming a family, starting a career), non-normative developmental experiences are those experiences that deviate from generally accepted norms for the age-sequential order of developmental tasks (e.g., When considered from an age-graded and historical perspective, returning to a work role after retirement can be thought of as a non-normative developmental change). To this end, Wrosch and Freund (2001) apply a self-regulation perspective to adjustment for non-normative developmental changes. The authors use a resource perspective to argue that successfully navigating non-normative developmental changes requires the application of a greater degree of self-regulatory skills. Furthermore, they suggest that mastering non-normative developmental demands requires individuals to engage more actively to compensate for the lack of social structuring and normative orientation.

Adjustment processes are marked by numerous self-regulatory opportunities – that is, occasions to demonstrate self-regulatory mastery in addressing the challenges faced during adjustment. Research and theory has speculated that experiencing positive success in such activities can bolster one's sense of self-efficacy through "…deviation-amplifying loops in which the positive, cyclic relationship between perceived efficacy and performance builds upon itself." (Lindsley, Brass, & Thomas, 1995, p. 645). Building upon this notion of efficacy-performance spirals, we argue that successfully navigating the various challenges of adjustment can effectively bolster one's sense of self-efficacy, and positively reinforce future actions toward positive adjustment through a similar cyclical reinforcement process. As Wrosch and Freund (2001) have outlined, adjustment to non-normative developmental demands, such as bridge employment, gives people the opportunity to actively manage self-regulatory resources in order to adapt to changing environments, and to successfully maintain levels of functioning within such environments. To the extent that individuals perceive that they can successfully exercise control over such changes, and experience positive results for their actions in such scenarios, the adjustment process is bolstered. Supporting this idea, Williams and Lillibridge (1992) suggest that perceptions of environmental controllability can lead people to exercise their self-efficacy strongly, whereas perceptions that an environment is uncontrollable may lead people to exercise weaker self-efficacy (p. 158).

Considering Higgins' (1997, 1998) Regulatory Focus Theory, promotion-focused regulatory orientations generally underlie strategies that emphasize the pursuit of future gains and successes (Higgins, 1997; Scholer & Higgins, 2008). Given that adjustment represents a positive self-regulatory opportunity, it is possible that individuals with higher levels of promotion regulatory focus (i.e., those who encourage and emphasize their own opportunities for success) may more readily experience more positive adjustment to bridge work roles, as they are better suited to anticipate and adapt to changes while sustaining current levels of functioning. That is to say, promotion orientations may serve to ease the adjustment to bridge employment.

In contrast, prevention orientations generally underlie strategies aimed at avoiding losses or failures (Higgins, 1997). Consequently, people with stronger prevention orientations tend to focus more on the potential losses and limitations that may be encountered in the future, which are expected to be negatively related to opportunity-focused processes, such as adjustment to bridge employment. Similarly, applying a resources perspective (Hobfoll, 2001; Hobfoll & Shirom, 2001), prevention-focused individuals may avoid expending resources that may be needed to mitigate expected future losses. Given that working can represent a significant source of strain on such limited resources (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001), and the tasking nature of actively managing non-normative developmental changes, it is possible that individuals with higher prevention focus will experience slower rates of adjustment to bridge employment. One possible reason for this latency is that prevention-oriented individuals may be less likely to gain the positive benefits to their self-efficacy associated with actively approaching and experiencing success within the adjustment tasks surrounding the transition to bridge employment (e.g., Lindsley et al., 1995). It is worthwhile to note here too, that an alternative possibility exists regarding prevention orientation as a

mechanism for the maintenance of physical functioning. More specifically, prevention focused individuals may experience *positive* outcomes associated with the maintenance of physical functioning to the extent that they mitigate loss potentiating risk.

In summary, adjustment can generally be characterized as a set of self-regulatory opportunities for people to exercise control over their environments. Bridge employment represents a developmentally non-normative experience for people to demonstrate self-regulatory mastery and reap the benefits of exercising control over themselves, and their environments. To the extent that people successfully master the challenges encountered during adjustment, their sense of self-efficacy for adjustment will be improved, and the application of the effective self-regulatory strategies will be reinforced. Additionally, because promotion- regulatory focus is positively future-oriented, and emphasizes approaching gains over avoiding losses, promotion orientations may accelerate the rate of adjustment to bridge employment, particularly compared to prevention orientations. Furthermore, because one criterion for successful engagement in bridge employment roles is sustained participation, promotion-oriented self-regulatory strategies are more likely to be associated with general success in bridge employment roles.

## 13.8 A Model of Adjustment to Bridge Employment

Given the lack of a comprehensive theoretical model for studying the psychological adjustment processes in bridge employment, we have crafted a model of adjustment to bridge employment that considers the influence of both contextual resources and demands, and intrapersonal resources (see Fig. 13.1). Considering the research and theory outlined herein, this model conceptualizes intrapersonal resources (e.g., developmental, self-regulatory, and other resources) as primary antecedents of

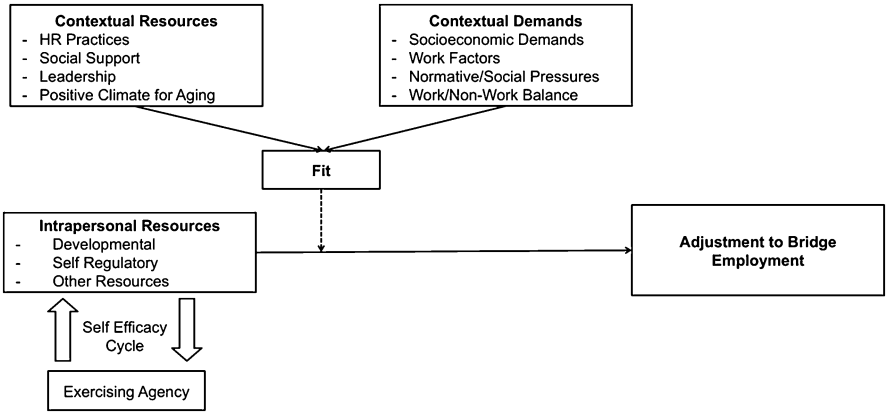


**Fig. 13.1** A model of adjustment to bridge employment. *Note. Dashed lined* indicates a conditional (i.e., moderated) effect

adjustment to bridge employment. Consistent with Wrosch and Freund (2001) and Lindsley et al. (1995), the sustained use of such intrapersonal resources in service of adjustment is reinforced by an agentic cycle of successfully applying such resources.

In line with Heckhausen's concept of primary and secondary control strategies (e.g., Heckhausen et al., 2010; Heckhausen & Schulz, 1995) and demands-resources perspectives (e.g., Bakker & Demerouti, 2007), this model specifies that the degree of fit between contextual resources and demands have a conditional influence on the relationship between intrapersonal resources and adjustment. More specifically, under conditions of positive fit (i.e., better match between contextual resources meeting contextual demands), individuals are less likely to rely on intrapersonal resources to bolster adjustment to bridge employment. However, when contextual resources do not meet contextual demands, intrapersonal resources are more likely to drive adjustment processes. While not an exhaustive representation, Table 13.2

**Table 13.2** Resources and demands that influence bridge employment adjustment

| Intrapersonal factors | |
|---|---|
| *Intrapersonal resources* | *Examples* |
| Developmental resources | |
| Selection, optimization, and compensation | Baltes (1997) |
| Primary and secondary control strategies | Heckhausen, Wrosch, and Schulz (2010) |
| Future time perspective | Carstensen (1992) |
| Self regulatory resources | |
| Self efficacy and agency | Bandura (2001) |
| Promotion and prevention focus | Higgins (1998) |
| Emotional regulation | Scheibe and Zacher (In Press) |
| Other intrapersonal resources | |
| Health and wellbeing | Shanas (1970) |
| Engagement | Halbesleben (2010) |
| Work motivation | Kooij et al. (2011); De Lange et al. (2010) |
| Employability | Van der Heijden et al. (2009) |
| Constructed work meaning | Mor-Barak (1995) |
| Job crafting | Wrzesniewski and Dutton (2001) |
| Idiosyncratic deals | Rousseau, Ho, and Greenberg (2006) |
| Contextual factors | |
| *Contextual resources* | *Examples* |
| HR practices | Kooij, Jansen, Dikkers, and De Lange (2010) |
| Social support | Armstrong-Stassen & Ursel (2009) |
| Developmental/supportive leadership | Rafferty and Griffin (2006) |
| Positive climate for aging | Staudinger and Bowen (2011) |
| *Contextual demands* | *Examples* |
| Socioeconomic demands | Kim and Feldman (2000) |
| Work factors (e.g., Job setting, type, and demands) | Wang, Henkens, and Van Solinge (2011) |
| Normative and social pressures | Atchley (1989) |
| Work and non-work balance | Allen and Shockley (2012) |

outlines examples of various intrapersonal and contextual resources and demands that could be represented within this general model framework.

To better understand the operation of this model, it is helpful to consider an illustration of the proposed bridge employment adjustment process. For example, to the extent that contextual resources, such as supportive HR Practices (e.g., flexible scheduling, work from home options) meet or offset certain job demands (e.g., physical, psychological, social, or organizational aspects of the job that require sustained physical and/or psychological effort or skills; Bakker & Demerouti, 2007), the need to apply intrapersonal resource towards bridge employment adjustment should be minimized. However, the extent that such contextual resources fail to meet contextual demands, intrapersonal resources are far more likely to be engaged. For example, individuals may actively engage in adaptive coping behaviors specified by the SOC Model (e.g., selectively realigning goals within an existing hierarchy). To the extent that this adaptive coping successfully satisfies the resources-demands misfit that one encounters, the likelihood of using that strategy when encountering such misfit in the future is reinforced. Importantly, sustained engagement in bridge employment, along with other outcomes associated with positive adjustment, could be expected in either instance of contextual resource-demand fit. This notion highlights the need to comprehensively assess intrapersonal as well as contextual influences, and their conjoint influence to fully understand psychological adjustment to bridge employment.

## 13.9 Looking Forward: An Agenda for the Future

The increasing numbers of people working during retirement years suggests that we are experiencing a fundamental change in the way work and retirement are organized in old age. This change is linked to a broader development where education, work, and leisure are increasingly parallel experiences instead of successive stages in the life-course. Studying work participation and retirement decisions, their antecedents, and consequences will continue to provide an important area for future research in an aging labor market. Our hope with these concluding thoughts is to provide some broad ideas for structuring future research around the idea of adjustment and bridge employment. These suggestions, along with those implicit in the model of adjustment to bridge employment offered here (see Fig. 13.1) should provide a path towards increased understanding of these complex issues.

With the imminent retirement of the baby-boom generation, increasing attention is being paid by employers and policymakers to strategies that could encourage older workers to extend their working lives. There is a wide belief that bridge employment – in addition to raising retirement ages – may be a forceful instrument in postponing the age at which workers finally leave the labor market. However, the extent to which engagement in bridge employment actually increases labor force participation has not received much attention in the literature, and it remains largely unknown whether bridge employment serves only as a brief transitional period

between early retirement and official retirement age, or if ties with the labor market are strengthened and extended beyond the age of 65. Indeed, a better understanding of the role of bridge employment in extending working lives is very relevant from a policy perspective.

As we have suggested here, conceptualizing adjustment to bridge employment requires consideration of both the *dynamics* of the transition from full work engagement to bridge employment engagement along with the *maintenance* of successful engagement in work. To this end, future research should focus on not only the dynamics of adjustment (e.g., changes that occur over time) but also on stable facets of the adjustment process. Given that the notion of sustainable employability is predicated on the maintenance and stability, it makes sense to focus on predictors of such stability (e.g., sustained personal autonomy; Ford et al., 2000) along with predictors of change (e.g., dynamics in health status; Seeman et al., 1994).

Furthermore, most of the empirical research on post-retirement employment has so far focused on identifying personal factors that predict retirees' decisions to return to the labor force. An evaluation of this literature reveals both consistent and inconsistent results. A consistent finding is that those who work in retirement are more likely to be male, healthy, better educated, and younger (e.g., Giandrea, Cahill, & Quinn, 2009; Maestas, 2007; Singh & Verma, 2003; Von Bonsdorff, Shultz, Leskinen, & Tansky, 2009; Van Solinge 2012). Findings regarding financial resources are, however, inconsistent. For example, Cahill et al. (2006) found that both workers with low and high retirement incomes were engaged in bridge employment. This U-shaped pattern implies that some may *want* to work in retirement, whereas others may *need* to. In general, there is a clear need to achieve more insight regarding the main motives (e.g., intrinsic or extrinsic) for engagement in bridge employment. These motives may play an important role in understanding the consequences – in terms of general well-being and life satisfaction – of bridge employment for the individual.

Finally, recent attention has been paid to the value of proactivity as a self-regulatory mechanism (e.g., proactive motivation – self-initiated efforts to bring about change in the work environment and/or oneself to achieve a different future; Parker, Bindl, & Strauss, 2010). Research has suggested that proactivity is an antecedent condition for initiating individualized attempts to shape or customize one's job tasks, work environments, and employment conditions though job crafting and idiosyncratic deals (e.g., Hornung, Rousseau, & Glaser, 2008; Tims & Bakker, 2010; Wrzesniewski & Dutton, 2001). Given the proposed value associated with such active self-management strategies (e.g., bolstered work engagement and resilience; Tims & Bakker, 2010), future research should address the development of proactivity from a life-span perspective, and apply these ideas to studying adjustment processes. Indeed, there are natural linkages between the notion of proactivity and the adaptive coping strategies outlined by SOC (e.g., Baltes, 1997). To this end, one potentially useful criterion to consider may be adaptive job performance (e.g., Shoss, Witt, & Vera, 2012).

**Acknowledgement** The authors would like to thank Hanna van Solinge for her assistance with this chapter.

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# Chapter 14
# Aging Entrepreneurs and Volunteers: Transition in Late Career

**Susan Ainsworth**

There is increasing academic and policy interest in employment trends for older people that diverge from the traditional career pattern which Biemann, Zacher, and Feldman (2012) define as "long-term, full-time employment in one firm" (p. 160). In different ways, entrepreneurship and volunteering in late career each represent a significant divergence from this pattern: entrepreneurship involves becoming self-employed or starting a business and volunteering has not been thought of as 'employment'. Moreover, both these alternative forms of employment activity are imbued with age-related norms. Entrepreneurship is widely equated with youth whereas volunteering is fast becoming a new normative role for older people. However, as will be shown in the following discussion, the evidence on age, entrepreneurship and volunteering invites a reconsideration of these assumptions.

In this chapter, I review evidence on age-related differences in entrepreneurship and volunteering; the characteristics of those who engage in these activities; the factors that influence and motivate people over 50 years of age to become an entrepreneur or a volunteer; and measures that could support and encourage more engagement of older people in these types of work. There are distinct bodies of research and theory on entrepreneurship in late career and volunteering among older people and the discussion covers each of these in turn. However, the conclusion comments on parallels between entrepreneurship and volunteering, particularly in relation to older people's motivations for engaging in these activities, projections about future trends and the way individual behaviour can be influenced by sociocultural norms about age.

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_14

## 14.1 Older Entrepreneurs

Entrepreneurship has commonly been associated with young people (Ainsworth & Hardy, 2008; Down & Reveley, 2004). However, this section reviews evidence on age-related patterns in business start-ups and shows that those over 50 years of age account for a significant proportion of new enterprises, including self-employment. While there are some commonalities in the characteristics of older entrepreneurs, as a group they reflect the heterogeneity of the older population. This is illustrated in research on the types of business in which they engage and the motivations they have for starting and persisting in their business ventures. Various policy measures that could support older entrepreneurship are outlined however, not all commentators agree that older people should be encouraged to start new businesses and the section concludes with a review of some of these alternative views.

### *14.1.1 Age and Entrepreneurship*

Older entrepreneurship is commonly defined as being self-employed or starting a business when in 50 plus age group (Curran & Blackburn, 2001; Fuchs, 1982; Kautonen, Down, & South, 2008; Singh & DeNoble, 2003). While age-related patterns have been observed in relation to entrepreneurship, different views exist on the nature of the variation. For example, Levesque and Minniti (2006) confidently assert that "it is a known empirical fact that new firm creation tends to be a young man's game" (p. 177). Such a view certainly resonates with popular stereotypes equating youth and masculinity with entrepreneurship (Ainsworth & Hardy, 2008; Down & Reveley, 2004). Other research, however, indicates that while younger people exhibit greater preferences for entrepreneurship, it is people in older age groups that more frequently engage in this form of economic activity (Blanchflower, Oswald, & Stutzer, 2001; Parker, 2009). For example, in the US from 1996 to 2007, in every year in this period, more new businesses were started by those aged 55–64 years than in the 20–34 age group (Stangler, 2009). Moreover, older people appear to be more successful in the entrepreneurial ventures they undertake in terms of surviving the first three years when most new businesses fail (Biehl, Gurley-Calvez, & Hill, 2013; Kautonen, Down, & Minniti, 2013; Robb & Reedy, 2012; Wadhwa, Aggarwal, Holly, & Salkever, 2009). In particular, self-employment, as opposed to businesses that also provide employment for others, is associated with differences in the percentage of age groups represented among the self-employed, following a U-shaped curve: self-employment is high in younger age groups, dips as age increases but then increases again in later years (Bruce, 1999; Biehl et al., 2013).

Various explanations have been suggested to account for these age-related patterns in entrepreneurial activity. Those aged over 50 may be more likely to start new businesses and more successful in their endeavours because they have accumulated the necessary financial, social and human capital. There is some evidence to suggest

older people start businesses in the industries in which they have been employed assisted by having developed broad skills and social networks (Fuchs, 1982; Kautonen, Luoto, & Tornikoski, 2010). They are also more likely to be self-employed, rather than to start growth-oriented ventures that employ others. This finding is consistent with the idea that entrepreneurship in the form of self-employment can function as a late-career 'bridge' between paid employment and retirement (Biemann et al., 2012; Quinn, 1980; Zacher, Biemann, Gielnik, & Frese, 2012).

From this perspective, entrepreneurship seems a suitable economic activity for those in late career. Yet, there is less interest among those aged 50 and over in doing so, compared to their younger counterparts. According to Levesque and Minniti (2006), this can be explained by older individuals evaluating the opportunity cost of their future time against the delayed and uncertain returns of starting a small business, compared to earning an income through waged labour. In a similar vein, Singh and DeNoble (2003) argue that older people may be unwilling to risk their accumulated financial capital in entrepreneurship, preferring to direct it towards funding their retirement.

### *14.1.2 Characteristics of Older Entrepreneurs*

However, these explanations may not apply to older people who enter entrepreneurship from periods of unemployment or being out of the paid workforce. For these people, the prospects of regaining waged labour may be limited. Indeed, there is evidence to suggest that the transition from unemployment to self-employment is common among those over 50 and that the older unemployed were more likely to enter entrepreneurship than those still working (Biehl et al., 2013; Feldman & Bolino, 2000; Zissimopoulos & Karoly, 2009). Occupational history seems to play a part: people who have spent their working lives in blue-collar industries are less likely to enter entrepreneurship than those who have spent time in self-employment previously or who have had experience as an employee in a small business environment (Kautonen et al., 2010). It is also common for people to establish a business in a field in which they have already worked (Small, 2011). Other research on the characteristics of older entrepreneurs suggests they are likely to be male and married with children living at home (Biehl et al., 2013; Blanchflower, 2000; Weber & Schaper, 2004; Zissimopoulos & Karoly, 2007; Zissimopoulos & Karoly, 2009).

Yet attempts to form an overall picture of the older entrepreneur are frustrated by the heterogeneity of this population. This may partly explain some of the contradictory findings about this group. For example, some studies have shown that entry into entrepreneurship is higher for those with low educational attainment while others have asserted that higher levels of education, in particular, breadth of curriculum (such as an MBA) are associated with starting a business among older people (Benz, 2009; Lazear, 2005). Poor health has been identified as a factor prompting older people to enter self-employment (Zissimopoulos & Karoly, 2007) as well as

a barrier to older people entering entrepreneurship (Curran & Blackburn, 2001). The relationship between lack of financial resources and starting a business seems more clear-cut: financial constraints have consistently been found to inhibit the transition to self-employment across all age cohorts (Blanchflower, 2000; Kautonen et al., 2008; Zissimopoulos & Karoly, 2007). On the other hand, the relationship between wealth and entrepreneurship for older people is less clear (Johansson, 2000). In a study of older Americans, Zissimopoulos and Karoly (2009) found that they were more likely to become self-employed if they had accumulated financial capital or received a lump sum payout on cessation of a job. However, Singh and DeNoble (2003) argue that as such resources can also be used to fund retirement, wealth can act as a disincentive to enter entrepreneurship, with its risks and uncertain returns. Further, the same macroeconomic conditions can have different effects: in a recent study of older Americans, Biehl et al. (2013) found distinct gendered patterns in transitions from unemployment to self-employment after the Great Recession in 2009 as compared to the 'Dot.com' recession of 2001, the latter mainly affecting technology related sectors. After the severe and general Great Recession of 2009, unemployed men were more likely to enter self-employment whereas unemployed women were less likely to start their own business, compared to the earlier period. They offer two reasons for this finding: women exhibit a lower propensity to accept the risks that accompany self-employment, risks that may be accentuated in more widespread and deeper economic downturns; and men who have already been made unemployed through the job losses that characterized this later recession may feel they have 'less to lose' by entering self-employment. They conclude that these results suggest "[m]en and women approach self-employment differently and with different motivations" (Results, para. 8).

### *14.1.3 Motivations for Older Entrepreneurship*

The heterogeneity of the older population is also reflected in the motivations for establishing a business. Some of those over 50 years of age are 'pushed' into starting a business by redundancy, unemployment and difficulties in finding a job while others are 'pulled' by the prospect of using their accumulated skills, capital and networks to generate income while at the same time affording them flexibility and control (Biehl et al., 2013; Kautonen, Tornikocki, & Kibler, 2011). These differences are reflected in the terms 'necessity' and 'opportunity' entrepreneurs used by the Global Entrepreneurship Monitor. This survey presents respondents with a 'forced choice': if someone starts a business out of necessity they cannot be doing it because of opportunity. However, the binary nature of these categories and their mutually exclusive meaning has been criticized on a number of grounds. Even assuming some level of choice and agency always exists in the decision to start a business (Shane, 2009), the division between 'necessity' and 'opportunity' entrepreneurship does not account for the mixture of motives that may underpin this action. In other words, a business may be started for reasons of necessity and opportunity.

Further, the motivation for entrepreneurship may change over time. What started out as a 'necessity' decision may develop into a different motivation if the business is successful (Kautonen & Palmroos, 2010; Williams & Williams, 2011). In this regard, it is important to distinguish between originating conditions ('push' and 'pull' factors) that may prompt entrepreneurship (e.g. job loss due to a recession) from the more substantive reasons people decide to start a business and remain in it (Feldman & Bolino, 2000; Rogoff, 2007; Small, 2011).

Despite entrepreneurship being associated with wealth creation (Rogoff, 2007), making money is not one of the most important reasons older people start a business or enter self-employment. This accords with research on entrepreneurship more generally which indicates it typically does not generate significant monetary returns (Shane, 2009). Instead, older entrepreneurs tend to start businesses for non-monetary benefits such as greater autonomy and control, flexibility, the chance to use their skills, altruism (giving back) and the ability to innovate (Benz, 2009). This may explain why the self-employed generally report higher levels of job satisfaction than their employed counterparts (Benz, 2009; Blanchflower et al., 2001). In a study exploring how older people pursue careers in self-employment, Feldman and Bolino (2000) found that autonomy and independence was the most important motive followed by the scope for challenge and creativity. Another significant career driver was 'security and stability' which related to the ability to control one's own life and having the flexibility to balance work and caring responsibilities. However, Rogoff (2007) notes that these attractions are accompanied by challenges, for example, greater autonomy brings with it risks of social isolation and while entrepreneurship may afford flexibility, it requires a heavy time commitment that can mean people work more hours rather than they did in paid employment.

In addition, motivations may vary with the type of entrepreneurship. Using European survey data, Kautonen et al. (2013) found that owner-managers placed greater importance on independence and were more risk tolerant than self-employers who were more likely to pursue low-risk strategies. Like owner-managers, self-employers sought independence, but they also sought flexibility and control (autonomy) for themselves. Those who had been 'forced' into self-employment ('reluctant entrepreneurs') placed a lower value on autonomy and sought lower-risk activities with short-term returns. This type of entrepreneur was more likely to want to re-enter the paid workforce, if the opportunity was available, according to another study by Kautonen and Palmroos (2010) (see also Curran & Blackburn, 2001).

### *14.1.4 Policy Implications*

Clearly, measures taken to encourage and support older people in entrepreneurship should reflect the heterogeneity of this population. In this regard, research that has explored the complexity of career patterns, characteristics and experiences of older entrepreneurs provides a range of insights that could inform policy and program development in this area. For those transitioning from unemployment to

self-employment or starting a business in a disadvantaged region, more information about funding sources could be helpful. Assumptions about older entrepreneurs having more social, human and financial capital at their disposal are unlikely to hold for these groups. An unemployed older person may have few financial resources and lenders may be unwilling to underwrite their new business ventures. Particular groups within the older population who experience greater difficulties in obtaining start-up capital, such as older women, could be targeted for more assistance. However, in a case study of a British program designed to encourage new businesses among older people, Kautonen et al. (2008) found that lack of finance tended to delay entrepreneurship rather than discourage it altogether.

In addition, periods of unemployment impact on the human capital of older people and the older unemployed tend to be out of work for longer periods than younger people. The length of time they spend in unemployment decreases the value of their skills and experience in the labour market and can send a 'quality' signal to employers (Kautonen et al., 2008). If older people are 'pushed' into entrepreneurship by a lack of opportunities in the wage and salary sector, they may lack the skills required to manage self-employment. Providing training to these types of people may enhance their satisfaction with entrepreneurship in the longer term. Kautonen and Palmroos (2010) suggest such individuals could be assisted by greater access to training in business skills to increase their level of comfort with the range of tasks self-employment requires.

Government policy could also focus on creating more positive age-related norms about older people and their suitability for entrepreneurship. In reviewing comparative international data on age and entrepreneurship, Kautonen et al. (2013) conclude that cross-country variations may be explained partly by differences in cultural values about older people. Further, internalized assumptions about age appropriate behaviour may influence older people's propensity to engage in self-employment than aspire to employ other people. Gielnik, Zacher, and Frese (2010) argue that mental health and a focus on opportunities (i.e. future goals and possibilities) could lead to greater growth-oriented businesses among older people. This challenges assumptions that entrepreneurial focus necessarily declines with age and suggests training and development interventions that promote psychological well-being and encourage a future orientation among older people may affect the type of business older people pursue.

Not all commentators agree that government policy and services should attempt to encourage entrepreneurship among older people. There are two main criticisms: the first relates to the inefficiency of entrepreneurship and the second to the use of it as a way of dealing with those who are socially and economically marginalized. Both question the 'mythology' of entrepreneurship in different ways.

The first criticism concerns the value and contribution of the majority of new businesses to the economy. While growth in the number of new start-ups is often associated in the public imagination with a booming economy, entrepreneurship comes in many forms and encompasses growth-oriented enterprises that employ others as well as self-employment. The latter is the simplest form of entrepreneurship and is usually

highest in agriculture-centred economies (Blanchflower et al., 2001; Shane, 2009). Industrial development typically entails a rationalization of small businesses replaced by larger and more complex organizational forms that can render efficiencies through economies of scope and scale. Shane argues that most new businesses are neither innovative nor net contributors to employment growth, particularly if measured over the longer term, given their high failure rate. Moreover, most of the jobs created by new businesses are poor quality, low paid and with few benefits compared to waged labour. He urges government to reserve public support for the very few 'superstar' enterprises that have a chance of substantial growth, rather than encouraging small businesses that at best offer 'employment substitution'.

These arguments have particular relevance in relation to older entrepreneurs, as they are more likely to be found amongst the ranks of the self-employed than owner-managers pursuing growth. Yet there are a number of counter-arguments. Firstly, Shane (2009) is judging the value of entrepreneurship from a macro-economic perspective, rather than the value to individuals whose only other option may be continuing in unemployment. Secondly, older entrepreneurs have a higher success rate in starting new businesses than the rest of the population. Thirdly, entrepreneurship cannot be assessed purely in economic terms. Older people enter self-employment for various non-monetary benefits such as greater independence, autonomy and control, flexibility and the chance to be creative and appear to enjoy higher rates of satisfaction than those in paid employment. This suggests that an evaluation of its overall utility needs to take these social benefits into account.

The second criticism of policy that encourages older people to start new businesses reflects broader, longstanding concerns about promoting entrepreneurship as a 'solution' for social and economic marginalization. For example, small business was touted as a panacea for economic problems in the United Kingdom in the 1980s (Rainnie, 1989) by providing a path of upward mobility for those who were disenfranchised and disadvantaged in the modern economy (Scase, 1995; Scase & Coffee, 1982). Small business was thus encouraged among ethnic minorities, women and the unemployed, all of whom were outside the mainstream of large organizations. The concern is that such policies encourage people who are already vulnerable to start businesses for which they are ill-equipped, contributing to high failure rates and a worsening economic position for the individual than before their entrepreneurial venture. In addition, by providing a promise of economic mobility, entrepreneurship can be a social 'safety valve', relieving pressure on large organizations to change practices which disadvantage particular groups, e.g. age discrimination against older workers. Given these concerns, it is important that policymakers and service providers critically evaluate the suitability of entrepreneurship for disadvantaged groups and make older people aware of the difficulties they may encounter. While older people may enter entrepreneurship seeking independence, freedom, autonomy and control, they may instead find economic insecurity, uneven workload, a lack of power and dependence on clients (Platman, 2004).

### *14.1.5 Future Trends*

It is difficult to predict future trends in older entrepreneurship, given the heterogeneity of the older population and the sensitivity of entrepreneurship to broader economic conditions and other labour market opportunities. There are also multiple possible trajectories for any given demographic change. For example, on the basis of their study, Biehl et al. (2013) suggest there are gender differences in the ways older people approach self-employment. However, if this effect is a function of women's discontinuous work histories, concentration in lower paid, lower skill employment, and financial dependence on male spouses, perhaps increases in the number of women reaching older age who have had full-time careers in the paid workforce and higher quality, higher waged employment may lead to a greater convergence, not divergence, in the characteristics and motivations of the population of older entrepreneurs.

On the basis of the evidence reviewed so far, there is some basis for expecting an increase in entrepreneurship among older people. Research on the influence of prior occupational history has found that older people with careers in manufacturing are less likely to enter entrepreneurship than those who have been previously self-employed or had experience in small business environments (Kautonen et al., 2010). The decline of manufacturing and growth in the service sector, increase in those with prior experience in small business environments and increase in those with previous attempts at starting a business may thus lead to a greater propensity among the older population to embark on entrepreneurial endeavours. Increases in unemployment for those over 50 years of age and the lack of waged alternatives may also stimulate a growth in the number of older entrepreneurs (Biehl, et al., 2013; Feldman & Bolino, 2000; Zissimopoulos & Karoly, 2009). Moverover, if future cohorts of older people place greater importance on flexibility, autonomy, and creativity at work, they may be more attracted to entrepreneurship which has been shown to generate higher levels of job satisfaction than working for someone else (Benz, 2009; Blanchflower et al., 2001; Feldman & Bolino, 2000). On the other hand, if there is greater opportunity for waged alternatives that are attractive to older people, then entrepreneurship may be less appealing. This highlights the interdependence between trends in older entrepreneurship and the practices of organizations in relation to older workers. If more organizations seek to retain older workers, find ways of using their skills and offer meaningful, high quality jobs, then more older people may prefer to continue paid employment, rather than embarking on entrepreneurship.

## 14.2 Older Volunteers

If entrepreneurship is associated with youth, conversely, volunteering is seen as an appropriate role for older people, particularly as a mechanism for social engagement, maintaining their activity and productive contribution after finishing paid employment. In this respect, the demand for more volunteers seems to converge with an older population who, with better health and higher education levels, are

better equipped to volunteer than earlier generations. However, the evidence on older people and volunteering suggests a more complicated story. The release of time accompanied by retirement does not seem to translate into a greater propensity to volunteer or expand the hours devoted to volunteering. Moreover, cross-country studies of volunteering show how institutional frameworks affect the rates of volunteering among older people as well as the meaning of the role. Given this evidence, voluntary organizations need to take specific measures to attract and retain older volunteers. Governments and organizations cannot assume that older people will swell the ranks of volunteers and volunteering among older people needs to be understood in relation to other social trends, such as increased demand for unpaid caregiving for children and the elderly.

### *14.2.1 Characteristics and Motivations of Older Volunteers*

Volunteering has been defined as "work that is unpaid, that benefits other individuals or organizations, and that is taken on freely" (Mutchler, Burr, & Caro, 2003, p. 1269). A further differentiation is often made between formal and informal volunteering: formal volunteering is "unpaid labour undertaken in the public sphere" (Oppenheimer, 2001, p. 2) often in association with volunteer organizations while informal volunteering is less structured unpaid work, that occurs outside the scope of volunteer organizations, often in the form of lending assistance to neighbours or extended family (Ainsworth, Batty, & Burchielli, 2013). Those who adopt narrower definitions of volunteering exclude informal helping given to family members, arguing that familial obligation negates the 'voluntary' nature of voluntary work (e.g. Wilson & Musick, 1997). However, as such work is largely done by women, and choices are constrained and conditioned by contexts, it seems important to include it within the remit of volunteering to account for its contribution to the social economy (Baldock, 1988).

There are some consistent findings about who volunteers. Those with higher levels of education, higher income, and better health, all indicators of higher socioeconomic status, are more likely to be represented among the ranks of older volunteers. The nature of the relationship between health and volunteering can be difficult to distinguish (Komp, van Tilburg, & van Groenou, 2012): volunteering may yield physical and mental health benefits for those who participate but those in good health also volunteer in greater numbers (Wilson, 2000).

People's motivations for volunteering vary over the life course, as does their participation in volunteering. While younger people may volunteer to develop resources to use in their careers, older people volunteer to make a meaningful social contribution, 'feel useful' and 'give something back' to the community, provide mutual support, develop social relationships and foster personal growth (Morrow-Howell, Hong, & Tang, 2009; Narushima, 2005; Nesbit, 2012; Okun & Schulz, 2003; Warburton & McLaughlin, 2005). Participation in volunteering peaks in the middle years and declines in older age (Einolf, 2009; Morrow-Howell et al., 2009;

Nesbit, 2012; Tang, Morrow-Howell, & Choi, 2010; Wilson, 2012). To some extent, this pattern can be explained by the increased volunteering that occurs as a result of having children, whose involvement in school and extra-curricular activities, such as sport, rely on the voluntary support of parents (Wilson, 2012). However, it can be difficult to establish whether the decline in volunteering by those in later life is due to an ageing or a cohort effect. Longitudinal studies have shown that one of the most important factors predicting volunteering in later life is prior volunteering, a finding consistent with the 'continuity theory' of ageing where a person continues with those habits established when they were younger (Tang et al., 2010; Zedlewski, 2007). Thus rather than individuals taking up volunteering for the first time in later life, older volunteers are volunteers who have 'aged' (Mutchler et al., 2003).

### *14.2.2 Paid Work, Retirement and Volunteering*

This evidence is important to balance expectations that retirement will cause older people to volunteer in greater numbers. Research on the relationship between paid work, retirement and volunteering among older people has yielded complex and mixed results (Principi, Warburton, Schippers, & Di Rosa, 2012). For example, in examining rates of volunteer participation across European countries, Erlinghagan and Hank (2006) found little variation between those working, retired and other people not in the paid workforce. In a study based on international survey data, Komp et al. (2012) concluded that among "workers in early old age" (p. 293), participation in paid work was associated with participation in volunteering. Moreover, while they expected retirement would have a substantial impact on volunteering, by releasing large amounts of time, they found it had only a very slight increase.

The two competing theories regarding the relationship between retirement, paid work and volunteering were explicitly investigated in longitudinal research by Mutchler et al. (2003). The 'activity substitution' theory suggests that volunteering participation will rise with retirement as people seek to volunteer to 'fill in for' or substitute for the loss of work role. Alternatively, paid employment may facilitate volunteering because people in paid work have access to more information and social networks (the 'more is more' or 'complementarity' thesis, see also Principi et al., 2012). Thus, Einolf (2009) argues that the small net effect on volunteering caused by retirement may be due to the counter effects of the withdrawal from social networks that accompany leaving the paid workforce.

Mutchler et al. (2003) found some support for the theory that people substitute volunteering for paid work ('activity substitution') but this was primarily the case for 'new' volunteers. Those starting volunteering in later life were more likely to have retired or ceased work. However, for those who were already volunteering before retirement, working had no effect on the hours they spent volunteering. The rate of participation among 'new' volunteers was also not as high as those who were continuing volunteer activity started earlier in life. In addition, while retirement may potentially release a significant amount of 'free time', only a few more hours were spent on volunteering.

The 'activity substitution' theory may also be more relevant for particular sub-groups of older volunteers such as those who have been forced to retire or exit earlier from the workforce than they would have liked, which could be as many as a third of the adult working population according to Szinovacz and Davey (2005). Research by Kaskie, Imhof, Cavanaugh, and Culp (2008) found that volunteering was more likely to be a response to the loss of work among respondents who had been forced into retirement. In addition, Griffith and Hesketh (2008) found that employees and retirees were more likely to plan to volunteer after retirement if they enjoyed their current job, suggesting that volunteering may be a substitute for the loss of work role.

However, the likelihood that someone will volunteer and their reasons for doing so, reflects not only their individual circumstances, such as work and retirement circumstances, but also their cultural context. In this vein, Anheier and Salamon (1999) argue that "volunteering is much more than simply the giving of time for some particular purpose. In fact, as a cultural and economic phenomenon, volunteering is part of the way societies are organized, how they allocate social responsibilities, and how much engagement and participation they expect from citizens" (p. 43). This emphasizes the need to understand how volunteering relates to other social and economic characteristics such as gender norms, unpaid caring responsibilities, expectations about the participation of older people and government policies surrounding employment and social welfare. Previous research has shown some significant cross-country variations in levels of volunteering, its role and meaning.

### *14.2.3 Institutional Context*

A study by Erlinghagan and Hank (2006) comparing volunteering in European countries among those aged 50 years or older and found distinct patterns in levels of participation. Based on their data they grouped European countries into three 'clusters'. Italy, Spain and Greece comprised the lowest participation group (2–7 %); a middle group consisted of Germany, France, Switzerland and Austria (9–14 %) while the high group consisted of Sweden and Denmark at 17 % participation rate as well as The Netherlands with the highest participation at 21 %. Even after controlling for individual characteristics that could be expected to impact on the propensity to engage in volunteer work (e.g. level of education, self-reported health) distinct national differences remained.

These results highlight the relationship between volunteering and its institutional context. Levels of volunteering appear to be higher in countries that have higher levels of modernization (Warburton & Winterton, 2010; Wilson, 2012); longstanding social democratic forms of government; predominantly Protestant or multi-denominational Christian traditions (Curtis et al., 2001); and a larger non-profit sector with greater levels of state spending on social welfare (Anheier & Salamon, 1999), particularly expenditure on social service delivery (Wilson, 2012).

However, it is important to move beyond aggregate level patterns to understand how volunteering varies with cultural context. In this regard, a landmark piece by Baldock (1999) comparing public policy in The Netherlands, the United States, and Australia provides more insights. All three countries have relatively high rates of volunteering and have also implemented programs of privatizing and decentralizing the delivery of social services. Yet she shows there are distinct cultural and ideological differences around the role of older people as volunteers in these three countries. In The Netherlands, while many older people volunteer, this appears to be 'taken for granted' and its social and economic contribution neglected, particularly when it involved unpaid work by women and the direct delivery of services, rather than committee work (see also Anheier & Salamon, 1999). Government administration of volunteering mostly occurred at the level of local municipalities, with few initiatives aimed specifically at seniors as potential volunteers. In contrast, the United States has a longstanding national policy on older people as volunteers administered federally through a network at state and local levels. Characterized as a 'nation of volunteers', it has a range of programs targeting seniors and provides stipends to assist with the costs of participating in volunteering. Interestingly, it also promotes the continued involvement of older people who have disabilities or health problems in volunteering and people can earn 'service credits' through voluntary work that they can then use when they are in need of care.

In Australia, volunteering by older people has not attracted significant policy attention being seen largely as a 'recreational' form of social participation. However, volunteering does feature in government policies as a pathway to paid work for the unemployed (Baldock, 1999). Those in receipt of government unemployment benefits are required to fulfil certain criteria called 'activity tests' or 'mutual obligation' depending on the scheme which can include attending job interviews, vocational training and approved voluntary work (Australian Government, 2013; The Centre for Volunteering, 2013). Importantly, to be approved, voluntary work must not replace a paid worker, reflected in the limits placed on the hours and period of time over which volunteering occurs (e.g. 240 h over a 6-month period). Those aged 55 years or over in receipt of unemployment benefits can satisfy their 'activity test' by engaging in approved voluntary work alone, i.e., they are relieved of the requirement to search for a job, but must still be available if a paid work opportunity becomes available (Australian Government).

Policy in each of these countries then highlights particular issues in relation to volunteering. In The Netherlands it is the invisibility of certain forms of voluntary work; in the United States, volunteering constitutes an important form of citizenship expected to continue throughout the life course; while the Australian context emphasizes the relationship between volunteering, paid work and unemployment. In summary then, research has shown important variations in volunteering rates between countries but even among countries with relatively high levels of volunteering, there are important institutional and policy differences reflected in volunteering initiatives, organizations and programs. The measures organizations can undertake to encourage volunteering among older people may thus be constrained

by the unique characteristics of their national context. However, research also suggests some measures that are widely applicable that could assist organizations to recruit and manage older volunteers.

### *14.2.4 Organizational Policy Implications*

Older volunteers have accumulated skills, knowledge and experience that should be attractive to volunteer organisations. They also volunteer more hours than their younger counterparts and have lower rates of turnover (Narushima, 2005), potentially contributing to stability in volunteer workforces and reducing costs of training and adjustment for new recruits. However, while a significant proportion of older people indicate an intention to volunteer in retirement this does not necessarily translate into action (Einolf, 2009; Mutchler et al., 2003). Therefore voluntary organizations may need to devote more attention to how they can attract older volunteers and offer a meaningful volunteer experience (Narushima, 2005).

People who are already volunteering at younger ages are more likely to continue as they age. It follows then that if organizations seek to recruit older volunteers, they may need to consider focusing on attracting them in mid-life, rather than waiting until they reach retirement age (Einolf, 2009; Erlinghagan & Hank, 2006; Mutchler et al., 2003). According to Liebsen-Hawkins (2005) one way to increase people's involvement in volunteering is simply to ask them. Taking up this theme, Kaskie et al. (2008) suggest an education and information campaign about volunteering targeting the older population may have an impact, particularly if it included television advertising, given time use studies indicating watching television is a major activity among older people. In addition, individuals may need more targeted assistance to find a suitable organization and volunteer opportunity (Mutchler et al.) and men seem to require specific triggers or 'hooks' (Einolf, 2011) to prompt volunteering. While older volunteers to date have exhibited greater stability and commitment to volunteer organizations than their younger counterparts, some writers suggest that future cohorts may be more attracted to episodic, flexible roles, rather than positions that require a regular time commitment (Mutchler et al., 2003). For example, Tang et al. (2010) found that flexibility in volunteer roles was associated with lower turnover among older staff. They suggest that volunteering that allows older people to undertake short term, cyclical or temporary work, and the freedom to build their involvement around their skills, preferred tasks and circumstances, may have greater appeal.

Older people's experience of voluntary work is not always wholly positive and research on the reasons why they volunteer, and quit voluntary positions, can help organizations to improve their management practices. As volunteers freely give their time, their satisfaction with the volunteer experience and commitment to the goals of the voluntary organization are key factors in their retention (Tang et al., 2010). Problems between volunteers and paid staff in voluntary organizations are not atypical and volunteer frustrations with program administration, inadequate

support, training and supervision, and lack of fit between the interests of volunteers and their volunteer role can all contribute to turnover (Wilson, 2012). Narushima (2005) suggests that it is particularly important voluntary organizations deliver a 'motivational pay check' to older volunteers, encompassing a sense of meaningful contribution, opportunities for learning and growth, and social connection. Further, trial periods for new volunteers can help them to assess whether particular positions will meet their needs (Narushima, 2005).

Particular sub-groups of older people experience barriers to starting and/or sustaining volunteer work. Voluntary organizations may need to implement specific measures to attract and retain these potential participants. Older people from lower socio-economic backgrounds are less likely to volunteer and if they do, they face particular challenges in continuing their involvement due to the costs associated with volunteering such as transport and competing demands on their time (e.g., caregiving, continued employment). Providing a stipend scheme and reimbursement of expenses incurred could assist these individuals to continue voluntary work, should they wish to do so (Martinson & Minkler, 2006). Moreover, research by Morrow-Howell et al. (2009) indicates that it is this group who reports the greatest benefits from volunteer work in terms of improved resources, skills, social connection and recognition (see also Martinez et al., 2006). Lower SES individuals are also more likely to suffer ill-health and disability, one of the common reasons given for ceasing voluntary work among older people (Kaskie et al., 2008; Morrow-Howell et al., 2009). In this respect, the strategies adopted by voluntary organizations in the United States to comply with the Americans with Disabilities Act may offer ideas on how to better accommodate and adapt voluntary work to suit the changing health and abilities of older people (Baldock, 1999).

## 14.3 Future Trends

One trend that is debated is whether greater numbers of older people will volunteer in coming years than have done so previously. Some argue that 'baby boomers' will swell the ranks of volunteers in the future because of their higher education levels and better health, both characteristics associated with volunteering (Einolf, 2009; Kaskie et al., 2008). However, existing research on age and volunteering indicates that having more capacity to undertake volunteering, for example, more free time, does not necessarily translate into higher rates of volunteering among older people (Principi et al., 2012). Future cohorts of older people may vary in terms of their willingness to engage in volunteering, compared to alternative activities and demands on their time. In this respect, volunteering among older people may interact with other social trends and policies. For example, expectations that grandparents will provide childcare to enable women to return to the workforce may reduce older women's capacity to engage in other forms of volunteering. In a similar way, moves to encourage more home-based aged care may necessitate more informal assistance from family members, friends and neighbours. Both examples

underscore the importance of informal volunteering and the need to better understand its dynamics (Warburton & McLaughlin, 2005).

If volunteering reflects socio-cultural expectations about citizen engagement and participation as Anheier and Salamon (1999) suggest, then the promotion of volunteering as a normative role for older people warrants some critical reflection and reappraisal. Firstly, reductions in government services and funding in part explain the growth in the importance of voluntary organizations, and the hope that older people will volunteer to a greater extent needs to be seen in this context. Secondly, it could add to expectations that older people need to be 'productive' and such expectations could have negative implications. As Martinson and Minkler (2006) argue "By putting forth a view of volunteerism and lifelong labor as normative ideals to which older people should aspire, society tacitly devalues the worth of those older people who cannot or choose not to engage in such activity" (p. 322). Thus while volunteering can be a mechanism for social engagement, and benefit those from lower socio-economic backgrounds in particular, older people should not feel compelled to participate in order to 'prove' their contribution and value to society (Biggs, 2001).

## 14.4 Conclusion

At first glance, entrepreneurship and volunteering seem almost diametrically opposed endeavours – the first has been considered primarily a profit-making activity (Shane, 2009) while the second requires the voluntary commitment of time and effort without pay. Yet the discussion in this chapter has shown that when undertaken by older people, entrepreneurship and volunteering have important features in common. Firstly, making money seems to be one of the less important reasons older people have for starting and persisting with a new business. The desire for independence, growth, creativity and challenge as well as wanting to 'give back' may find expression through entrepreneurship or volunteering. Secondly, the heterogeneity of the older population is reflected in the characteristics of older entrepreneurs and older volunteers making attempts at generalizing difficult. Aggregate patterns in participation in entrepreneurship and volunteering can mask important variations, for example, gender differences and the particular issues facing those from lower socio-economic groups at entering and sustaining either activity.

There are further parallels between the findings on entrepreneurship and volunteering in late career. Both activities are seen as a potential 'bridge' from full-time paid employment to full-time retirement in later life and each also seems to 'match' older people's capacity and resources. On this basis, researchers question why the levels of participation are not higher. This reminds us to be cautious about forecasting future increases in either activity based on assumptions about the health, education, wealth and free time of older people. Finally, the form and extent of older people's participation in entrepreneurship and volunteering are shaped by the social and cultural values surrounding age, whether that be the propensity for self-employment rather than

pursuing growth-oriented business ventures, or the belief that older citizens should continue to be productive by volunteering. In this regard, government and organizational policies and practices do not simply respond to social and economic needs among the older population, they also help to shape expectations about the sort of social and economic activities older people should pursue.

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# Chapter 15
# Conclusion and Future Research

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Employment relationships change as employees age. Scientists and policy makers are increasingly aware of the effects of aging on employees, and the challenges their employers face in providing appropriate work arrangements. Older workers think differently about the future and have different expectations and preferences than younger workers. They can perceive and experience their line manager, HR practices, job duties, and social activities quite differently than they did earlier in their lives, resulting in different (re)actions. Nonetheless, line managers and HR professionals are bombarded with popular articles and opinion pieces on managing older workers, often with little basis in scientific research. This book's aim has been to make research findings on aging and the employment relationship broadly available to scientists and practitioners. It integrates scientific findings regarding the age-related changes workers experience with applied research from Human Resource Management and Organizational Behavior. In doing so, chapter authors have provided scientific knowledge about the roles that leadership, psychological

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P.M. Bal et al. (eds.), *Aging Workers and the Employee-Employer Relationship*,
DOI 10.1007/978-3-319-08007-9_15

contracts, and learning among others play in creating positive experiences for older workers and their employers. In this final chapter, we will highlight some key insights that arise from this integration and that cut across the different chapters.

## 15.1 Key Insights

### *15.1.1 The Concept of Age*

A recurring theme has been the limited information value from knowing a person's calendar age. Age is merely a proxy for possible changes in the perception of time, health, abilities, motives, goals etc., that account for observed differences between younger and older workers (e.g., Kanfer & Ackerman, 2004; Sterns & Doverspike, 1989). Our chapter authors have emphasized the centrality of future time perspective in accounting for different reactions younger and older workers have to organizational rewards and HR practices. As Raemdonck and others demonstrate, for example, a person's future time perspective underlies the relationship between age and the importance of training and development goals. Older workers in general perceive fewer future opportunities at work and therefore pay less attention to training and development goals. Future time perspective also plays an important role in explaining age-related differences in the psychological contract and its effects and has a major influence on intention to continue working and decisions about and adjustment to bridge employment.

Nevertheless, other age-related changes are also important in explaining why younger and older workers may differ. We categorize these age-related changes according to the different conceptualizations of aging at work as distinguished by Sterns and Doverspike (1989). In addition to chronological or calendar age, Sterns and Doverspike distinguished functional or performance-based age. Chapter authors have demonstrated the importance of functional age, as indicated by health, changed cognitive abilities, and self-efficacy for example. Health influences intention to continue working and decisions about alternative forms of employment, changes in cognitive abilities influence leadership effectiveness, and self-efficacy has an influence on work-related learning and adjustment to bridge employment. Another conceptualization is psychosocial age (Sterns & Doverspike), which refers to the self and social perception of age. Future time perspective is an indicator of self-perceived age. Other indicators of self-perceived age referred to in this book are subjective age, subjective life expectancy, and meta-stereotypes. These self-perceptions of age influence work attitudes, intention to continue working, and decisions related to bridge employment. Social perceptions of age refer to age norms and age stereotypes, which influence line manager support of and behavior toward older workers and intention to continue working according to chapter authors. Relative age is also an important indicator of social age and refers to age compared to team members or the supervisor, for example. Relative age has important implications for leadership effectiveness among others. The fourth conceptualization of aging at work is

organizational age (Sterns & Doverspike), as indicated by work-related expertise or obsolescence, organization tenure, and career stage, which might explain age differences in reactions to HR practices.

These are all relevant age-related changes that might explain why older workers have different experiences with respect to the employment relationship than younger workers. On top of that, we should not forget that these age-related changes might also counterbalance each other (e.g., Bal, De Lange, Zacher, & Van der Heijden, 2013). As Zacher and others note, several countervailing age-related mechanisms may underlie relatively weak or even null relationships between age and work outcomes. Zacher and colleagues in this book argue, for example, that although older leaders are less extravert and less open to experience, they may be as effective as younger leaders, because their increased conscientiousness and emotional stability offsets age-related decreases in extraversion and openness to experience. In addition, Boehm and Kunze note that differences in calendar age in itself might be more important in early life stages of a team compared to later points in time, when age-related changes in values become more relevant. Hence, it seems that the importance of underlying mechanisms might also differ in different contexts and change over time. Thus, in line with Kooij and colleagues (2008), we propose that aging is a multi-faceted phenomenon, which manifests itself in the workplace through different mechanisms. However, there is much research needed to further disentangle the differential effects of aging in the workplace.

### *15.1.2 Individualized Perspective on Older Workers*

Older workers are a very heterogeneous group of people. Although most younger workers typically have low organization tenure and no children, older workers can have low, moderate or high tenure, and no, multiple or even grand-children. As Bal and Jansen indicate in this book, increased heterogeneity among older workers is due to the fact that existing characteristics are reinforced as people become older, personalities are further shaped by the characteristics of their social class, and their phenotypic variability increases over the life course. In effect, although age-related changes do exist, not all older workers experience the same changes, and the older people get, the more different they become from their age peers.

As a result of this increased heterogeneity, multiple authors in this book propose to take a more individualized and action-oriented perspective on older workers. Older workers may play an active role in increasing their motivation, health, and performance by crafting their jobs, negotiating I-deals, and engaging in informal self-directed learning. Several chapters emphasize that older workers can be agents of their own adjustment as they approach retirement, for example by pursuing bridge employment when they find opportunities to facilitate a transition from full-time work are lacking (Ainsworth; Rudolph et al.; Zhan and Wang). Older workers have more alternative forms of employment and intrinsically valued activities available and increasingly tap this array of alternatives and activities. Together these

alternative arrangements provide opportunities for older workers to continue working beyond retirement on their own terms. Hence, it is no longer sufficient for organizations to provide employees standardized employment arrangements that should be beneficial for every employee. Provision of standardized training programs, for example, is effective to some extent, but to actually motivate older workers, ensure their productivity, and maintain their well-being, a more individualized approach stimulating older workers own initiative is necessary.

### *15.1.3 Importance of HRM and the Role of Line Managers*

The organization and its managers too play an important role in the work lives of older people. As shown by Kooij and Van De Voorde (Chap. 4), different combinations or bundles of HR practices have an influence on older worker motivation and performance, and potentially on their health. Training opportunities adapted to the needs of older workers are a major motivator to continue working (see also Chap. 11 by Schalk and Desmette). When supportive practices are combined to target the needs of older workers (e.g., training coupled with an enriched job), HR practices can foster a positive inclusive climate where older workers are valued (see Boehm and Kunze in Chap. 3). HR practices for older workers signal to employees that older workers are important contributors, and hence are likely to elicit positive reactions among older workers. However, Schalk and Desmette (Chap. 11) also point towards the perverted effects that could arise from HR practices specifically targeted at older workers, because younger workers may feel treated unfairly in comparison with the older workers in the organization. Second, HR practices influence older workers outcomes by shaping the psychological contract (see Bal, Kooij, & De Jong, 2013; Vantilborgh and colleagues in Chap. 7). HR practices thus provide a basis for present and future expectations that promote positive attitudes and behaviors.

Finally, line managers facilitate (or impede) the effect of HR practices on older workers. As argued by Knies and colleagues (Chap. 5), line managers have an influence on the work experiences and outcomes of older workers both as policy enactors and through direct leadership behavior. Line managers are becoming more and more responsible for the implementation of HR practices, and can tailor HR practices to the needs of individual employees. Line managers also provide support to older workers through their leadership, the signals they send about the value of older workers and their willingness to show them consideration and respect. However, leadership effectiveness is influenced by the age of the leader and the age of the follower. Zacher and colleagues, for example, propose that older followers respond more positively to relational-oriented leader behaviors compared to task-oriented behaviors. In sum, line managers become increasingly responsible and accountable for the motivation, productivity and sustainable employability of aging workers, but more research is needed on effective leadership behavior for aging workers.

### *15.1.4 Context Matters for Older Workers*

The importance of the context is emphasized throughout this book. Authors mention an array of contextual factors across levels from the individual to society. At the individual level, they mention the type of work for example, at the team and organizational level, they mention age diversity and organizational climate for example, and at the macro level, they mention national culture, institutional regulations on retirement age and social benefit systems, and macro-economic conditions for example. These context variables can be enablers or obstacles, acting as a source of resources or demands. Contextual enablers or resources might include specific HR practices, line manager or coworker support, or an age-friendly climate. Contextual obstacles or demands might include social pressure, age norms, and the limited time available for line managers to implement HR practices.

Contextual or situational variables determine to a large extent the effect of aging on the employment relationship. Boehm and Kunze (Chap. 3), for example, point at the specific role of age-diversity climate or climate for inclusion as an enabler for positive age-diversity effects. Vantilborgh and colleagues (Chap. 7) mention the role of the environment in which older employees work as an important context variable with respect to the psychological contract and argue that age dissimilarity determines whether employees will perceive their contract as replicable and malleable. Finally, Bal and Jansen (Chap. 8) and Kooij, Tims, and Ruth Kanfer (Chap. 9) mention task interdependence and coworker reactions as important contextual variables influencing the negotiation of I-deals and job crafting. Last, a key contextual factor noted by Finkelstein (Chap. 2) is age stereotyping, which generally has negative effects on the opportunities and experiences of older workers. Such stereotypes include unsubstantiated biases regarding the learning capabilities of older workers or their motivation to continue working. Age biases and stereotypes are prevalent at several levels, from the society to the organization and its work groups.

## 15.2 Future Research

More research is needed regarding why outcomes related to the employment relationship change with age. Recently, more studies are starting to focus on underlying mechanisms, such as future time perspective and occupational expertise, explaining why work motives and the influence of psychological contract fulfillment for example change with age (e.g., Bal, De Lange, Zacher, & Van der Heijden, 2013; Kooij, De Lange, Jansen, & Dikkers, 2013). However, we need not only studies identifying underlying mechanisms such as cognitive changes and normative beliefs, but also research regarding measures that can counteract such effects. We know from the literature on lifespan development that future time perspective, for instance, can change (Carstensen, Isaacowitz, & Charles, 1999; Seijts, 1998), for example by improving working conditions or by offering a longer future outlook within the

organization. In addition, recalling that older workers are a heterogeneous group, future research should seek to establish whether there are subgroups of older workers that share perception of time, abilities, motives, etc. This would help policy makers in government and private organizations to develop appropriate measures.

Second, the theoretical toolkit used in studies of aging and its effects draws largely from lifespan theories, such as the Selection Optimization and Compensation model (Baltes & Baltes, 1990) and Socioemotional Selectivity theory (Carstensen, 1995). Other important theories are neglected, including theories related to resilience (Luthar, 2006) and positive psychology (Seligman & Csikszentmihalyi, 2000). Resilience refers to positive adaptation despite adversity, such as age-related declines. Staudinger, Marsiske, and Baltes (1995) argue that resilience is a major feature of psychological aging, which can be enhanced by interventions and age-friendly environments (see also Caza & Milton, 2011). Positive psychology is a science of positive subjective experience and positive individual traits, which might unfold over an entire lifespan (Seligman & Csikszentmihalyi, 2000). Greater scholarly attention is needed on positive adaptation, positive individual traits, and institutional arrangements for improving the quality of (working) life.

The active role older workers play in the employment relationship is a third particularly fruitful avenue for future research. Research on concepts regarding "the active employee" such as job crafting, I-deals, self-directed learning, and career self-management among older workers, is relatively new. We don't know to what extent or how older workers engage in these active behaviors. In addition, we don't know the motives older workers might have for engaging in these types of behaviors. Older workers might craft their job to keep an interest in their job or to accommodate diminished physical abilities. They might engage in self- or bridge employment to increase work schedule flexibility or simply to make money. In other words, older workers might be forced to engage in these proactive behaviors or they might choose to do so themselves.

Finally, few studies focus on HR practices and line manager or leadership behavior with respect to older workers. Hence, we know too little about which specific HR practices for older workers actually have an effect on such important outcomes as worker performance, active behaviors and health. In addition, although some studies have demonstrated that the influence of mainstream HR practices on work attitudes changes with age, more research is needed on the influence of age and age-related factors on relations between mainstream HR practices and other outcomes. Moreover, future research should focus on understanding effective leadership behavior for older workers, because of the important role of leadership in shaping organizational climate, setting or enacting policy, and modeling age-friendly beliefs.

## 15.3 Practical Implications

From this book's authors we can draw a number of valuable lessons for governments, employers, and older workers themselves. Governments can play an important role when it comes to the employment relationship of aging workers. They can

reconsider existing regulations regarding retirement. A compulsory retirement age forces older workers to retire at a given point in time, thereby limiting their future time perspective. Governments also can support older workers who desire to continue working through use of financial incentives and social benefit systems. They can also facilitate alternative forms of employment, such as bridge employment and self-employment among older workers, by adjustments to tax laws and pension systems.

The lessons for employers are numerous. Most importantly, organizations should strive for an age-friendly climate. Such a climate is fostered through appropriate age-specific HR practices and leadership behavior. On the one hand, practitioners can learn general lessons about appropriate HR practices and leadership roles from this book's discussion of lifespan theories and research findings. For example, leaders' role requirements could capitalize on age-related gains in characteristics such as crystallized intelligence and generativity. On the other hand, line managers can take advantage of opportunities for dialogue with their aging workers in order to tailor HR practices to their needs. Recalling one of this book's themes, employers should not blindly assume that the age-related changes observed in research apply to all older workers. Individual needs and situations must be taken in to account.

Finally, older workers play a role in keeping themselves motivated, productive and healthy. Since older workers know their own motives and abilities, they can take initiative to adapt their job so that it better fits their motives and abilities or they can negotiate special terms with their employer, for example about their work schedule or specific training programs. Older workers can even take their initiative a step further by exploring alternative forms of employment, consulting, volunteering, or start up opportunities. The combined efforts of governments, employers, and older workers are required in optimizing the employment relationship of aging workers.

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