

Organizational leadership practices and longer careers – How does organizational age culture affect employees' subjective work ability and retirement plans?

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Brief Summary

We investigated, how an age friendly organizational culture does effect employees' subjective work ability and retirement plans in three-year follow-up period. The questionnaire responses of the top managers' survey in 1997 and the employees' survey in 1997 and 2000 in metal industry and retail trade in Finland were analyzed (91 companies and 1640 employees). In those organizations where top management reported at the baseline support for ageing workers' longer careers, employees' estimation of their current work ability was higher during the three-year follow-up in comparison with other employees. Leadership support for longer careers also predicted fewer intentions among employees to retire prior to their regular retirement age. The pressures for longer work careers must be paired with age friendly organizational solutions, which at the same time enhance health, work ability and motivation for job retention and there is an urgent need for intervention research in this area.

A statement of the problem: In the European countries, the growing life expectancy in combination with high level of welfare policy calls for sustainable approaches regarding work life participation of employees. Among employees the societal demand for longer careers gets a contradictory reception. Some employees want to work longer and others oppose it. As for work organizations, stereotypical perceptions of older workers as being less productive do influence organizational policies and practices. These discriminating practices do not only have detrimental effects on older workers mental, social and physical health related resources, health and well-being (Pascoe & Smart Richman, 2009), but it also has been found to affect negatively both company performance and productivity (Boehm et al., 2014) and future work career of employees (Chan & Stevens, 2001). Less is known how age friendly organizational culture, which value the experience and capabilities of senior workers affects health, work ability and future career of employees. In this study we investigated, how age friendly organizational culture predicts employees' subjective work ability and retirement plans in a three-year follow-up period.

Procedures: We used data from the study of organizational performance and well-being of employees in metal industry and retail trade in Finland between 1997 and 2000. The questionnaire responses of the top managers' survey in 1997 and the employees' survey in 1997 and 2000 were analyzed. In both cases, data were collected from the same respondents employed by the same companies (91 companies and 1640 employees). The organizations (with ≥ 10 employees) were selected from the registers of the Statistics Finland using random sampling. The response rate was 59 % in year 1997 and in year 2000 it was 77 % for those who had responded in 1997. Only those respondents (n=1389) who had participated in both of the cross-sectional studies and still worked

with the same company were included in the analysis. Young and temporary workers dropped out after the first study more often than old and regularly employed employees. At the end of the follow-up period, with the mean age \pm SD = 43,9 \pm 9,5 years, the respondents were 2 years older compared with the average age of those employees who were in the same industrial sectors and had long-term employment. The age and company size distributions of the employees in the study were similar with other employees of the same gender and in the same industrial sectors.

Analyses: Data was analyzed using frequency tables and analysis of variance (ANOVA). The differences between the groups in age friendliness, employees' perceived work ability and demands of work were tested with Pearson Chi-Square and F statistics, respectively. Statistical analyses were performed with the SAS statistical package.

Results: In the longitudinal design support of top management of the organizations for ageing workers' longer careers predicted employees' subjectively estimated work ability three years later. In those organizations where top management reported at the baseline that they supported strongly or quite strongly ageing workers longer careers, employees' subjective estimation of their current work ability was higher during the three-year follow-up in comparison with employees in those organizations where top management did not report support at baseline for longer careers of ageing workers ($F=4.01$; $df=1323$; $p<0.01$). Age friendly organizational practices also significantly predicted employees' perceptions of lower physical demands, better organization of work and more developmental opportunities at work. In organizations with age friendly organizational culture employees were significantly more satisfied with their immediate supervisor and perceived leadership as caring and supporting compared with other organizations. Leadership support for longer careers also predicted fewer intentions among employees to retire prior to their regular retirement age ($\text{Chi}^2=25.8$; $df=9$; $p<0.01$).

Conclusions and practical implications: The results confirm the earlier understanding that age friendly leadership practices do predict work related health, work ability and job retention plans among senior employees. Still little is known regarding the process where these practices become part of organizational policies and rigorous organization level intervention studies in this area are missing. Earlier employee level resource-enhancing intervention have demonstrated significant increases in the resource part of work ability and decreases in early retirement plans (Salmela-Aro et al., 2012; Vuori et al., 2012), but the experience has shown that over a longer period of time these effects tend to gradually fade away without support from the organizational leadership. The pressures for longer work careers must be paired with age friendly organizational solutions, which at the same time enhance health, work ability and motivation for job retention and there is an urgent need for intervention research in this area.

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