Let Go or Retain? A Comparative Study of the Attitudes of Business Students and Managers About the Retirement of Older Workers

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This study’s central research question is: “How do managers evaluate the desirability of early retirement of their employees, and under what circumstances and for what types of workers are they in favor of delay?” We sought to compare managers’ and business students’ decision making regarding older workers. We examined the extent to which student samples are appropriate to study organizational behavior. An identical factorial survey was carried out among 26 managers and 25 business school students. The results revealed that business students concentrate on performance-related individual characteristics when making selection decisions, whereas managers also recognize contextual factors (need for downsizing, tight labor market) and older workers’ attitudes toward retirement.

The aging of the population, combined with low workforce participation of older adults, is of key policy concern to most countries of the Western world. Extending the working life is an objective that we find on almost every policymaker’s agenda. Besides the early-retirement reforms that have been launched, many policy initiatives are targeted at combating age stereotypes and age discrimination in and around the workplace (Organization for Economic Co-operation and Development [OECD], 2001).

Studies explaining attitudes and behavior of employees with respect to retirement have shown that retirement decisions are determined not only by the state of health, financial status, and occupational characteristics of older employees, but also by social factors inside and outside the workplace (for an overview, see Feldman, 1994; Greller & Simpson, 1999). Several studies have emphasized the importance of the family, especially perceived social support from one’s partner (Henkens, 1999). Social support received from supervisors is another important characteristic that sustains or impedes job

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attachment (Feldman, 1994; Vecchio, 1993). Low levels of coworker and supervisor support increase the likelihood of early retirement (Armstrong-Stassen, 1994; Henkens, 1999; Henkens & Tazelaar, 1997).

To date, relatively little attention has been paid to the role of supervisors in the retirement process. This is surprising, given that supervisors are the primary referent for defining performance expectations and standards for older subordinates. These expectations and standards may be guided by supervisors’ attitudes toward older workers or retirement.

Though supervisors do not decide on older workers’ retirement, their attitudes may be influential in the retirement decision-making process in three ways. First, supervisors’ attitudes toward retirement may affect older workers’ retirement decisions directly through the effect of social support. Older employees tend to postpone retirement if they have the feeling that this would be appreciated by their direct supervisors (Henkens, 1999). Second, supervisors’ attitudes toward retirement may indirectly affect retirement decisions by defining a work environment (characterized by attributes such as autonomy, physical demands, environmental demands) that is evaluated by the older worker against non-work alternatives. The degree to which supervisors actually create a pleasant employment situation for older workers depends in part on the strength of their wish to retain the employee in the organization. Third, supervisors’ attitudes toward retirement may indirectly affect older workers’ retirement decisions through their impact on the training opportunities offered to older workers. Supervisors’ positive retirement attitudes could have a negative impact on the opportunities available to older workers for investing in job training.

In short, supervisors are influential in facilitating the prolonged workforce participation of older workers. Recent research has shown that managerial support gives older workers more flexibility and freedom in their retirement decisions and reduces perceptions of involuntary retirement (Van Solinge & Henkens, 2007).

A great deal of what we know about supervisors’ attitudes toward older workers is based on field studies on stereotypes. One of the earliest studies in this area was carried out by Kirchner and Durnette (1954), who interviewed production workers and supervisors about workplace problems of older employees. Kirchner and Durnette—as well as Bird and Fisher’s (1986) replication of their study—reached the conclusion that supervisors had less positive attitudes toward older workers than did production workers.

Several later studies have shown that biases/prejudices against older workers are quite pervasive (Chui, Chan, Snape, & Redman, 2001; Hassell & Perrewé, 1995; Henkens, 2000, 2005; McCann & Giles, 2003; McGregor & Gray, 2002; Remery, Henkens, Schippers, & Ekamper, 2003; Taylor & Walker, 1994, 1998; Underhill & Marshall, 1997; Wagner, 1998). Evidence
from these studies indicated that attitudes and stereotypes about older workers are mixed. That is, older staff are viewed as having both positive and negative attributes.

Positive characteristics attributed to older employees include experience, loyalty to the organization, reliability, and interpersonal skills. Qualities such as acceptance of new technologies and adjustment to organizational changes are, however, attributed primarily to the younger workforce. Most of the cited studies are, however, highly descriptive; and few studies have looked at the possible consequences of these attitudes.

The central research question in this article is: How do managers evaluate the desirability of early retirement of their employees, and under what circumstances and for what types of workers are they in favor of delay? Organizational behaviors regarding retirement of older workers are influenced by complex macro-level developments of globalization and rationalization and demographic developments (Blossfeld et al., 2006). Retirement of workers is often viewed as a means to reduce and rejuvenate the workforce and to increase competitiveness and profitability of business. How organizations will change their retirement policies in response to the expected increasing labor shortages (Bijak, Kupiszewsk, Kupiszewski, & Saczuk, 2005) is unanswered as yet.

The supervisor’s decision to support retention of an older worker after he or she is eligible for early retirement can be considered a selection decision or a retention decision. Most previous research on selection decisions has been experimental by nature, often using students as surrogates for experienced managers (Kulik, Perry, & Bourhis, 2000; Lee & Clemons, 1985; Mullins, 1982; Perry, Kulik, & Bourhis, 1996; Rosen, Jerdee, & Lunn, 1981). Studies on selection decisions relating to older workers—although few in number— are no exception to this rule (e.g., Rosen et al., 1981; Weiss & Maurer, 2004).

The adequacy of students as surrogates for real-world decision makers is a controversial issue in behavioral research. The dominant use of students as respondents has sparked much discussion about external validity; that is, generalizability of the results (e.g., Barr & Hitt, 1986; Gordon, Slade, & Schmidt, 1986; Peterson, 2001; Sears, 1986). Gordon et al. argued that the role of student respondents may be limited by the goals of the research.

The use of students is considered acceptable in cases of universalistic research, intended to identify general behavioral laws. The social content of such research is assumed to be minimal and, therefore, the unique social and cultural characteristics of the respondents are less likely to influence the research. By contrast, students are judged inappropriate subjects for so-called particularistic research intended to affirm propositions about specific independent and dependent variables under given circumstances. This
article aims to test this hypothesis within the context of one of the major labor market challenges—the aging of the workforce and retirement.

The present research confronts results obtained from studying managers’ and business students’ decision making regarding older workers’ retirement. We examine to what extent student samples are appropriate to study organizational behavior toward older workers. We predict that business students will fail to recognize the importance of external development labor market considerations in their judgment regarding retention of older workers.

In order to answer the questions raised previously, an identical factorial survey was carried out among managers and business students. In a factorial survey, participants are presented with vignettes in which specific information is randomly manipulated by the researcher (Ganong & Coleman, 2006). In the present study, each vignette outlines the work situation of a hypothetical older worker, who is described based on a number of characteristics. Participants were asked to assess the desirability of retaining the described older worker for the workforce.

Theoretical Framework

Selection Decisions Made by Managers

A basic tenet of the organizational theory is that organizations are goal-oriented systems that strive toward profit maximization, continuity, and a healthy market position (Kalleberg, Knoke, Marsden, & Speath, 1996). These objectives could be described as basic organizational goals. This study assumes that supervisors try to contribute to these goals within their own departments by realizing high production levels and low costs, reduced absenteeism, good social relations, and the maintenance of good sources of knowledge and contacts.

We assume that the perceived contribution of older employees toward achieving these goals plays a crucial role in supervisors’ recommendations regarding their retention or retirement (Henkens, 2000). Though research on supervisors’ satisfaction with subordinates suggests that, besides functional relationships, entity relationships may be important, subordinates’ work-related behavior strongly determines supervisors’ attitudes toward them in spite of their similarities or differences with respect to biological, background, and value variables (Beehr, Weisbrodt, & Zagumny, 1994).

The supervisor has an intermediary position. Both the company and the individual worker put pressure on the supervisor and have their own expectations concerning objectives and commitments to be met. The supervisor must deal with the company’s overall organizational goals and targets and the pressure for results on the one hand, and the demands of an increasingly
multiform workforce on the other hand (Stoker & De Korte, 2000). The model used in this article includes two sets of factors: factors concerning the organizational context (e.g., the need to cut back the workforce) and factors concerning employee performance. By integrating both sets of factors into the explanation of supervisors’ support for retaining older workers, we can identify whether supervisors are mainly influenced by the overall corporate goals (e.g., downsizing) or by the qualities, limitations, and attitudes of older workers.

Organizational context. The decision to retain older workers or to encourage them to retire early is made within the context of the broader organization. This is not a static context, but, rather, one that is dynamically changing. Macro-level developments (e.g., economic changes) influence the choices made by managers. When organizations are shedding jobs as a result of an economic downturn or a declining demand for output, managers will be more pressured to implement cost-savings measures than in a favorable economic climate.

In many labor organizations, age and income are positively correlated, which means that an aging workforce goes hand in hand with rising labor costs (Remery et al., 2003). This empirically established relationship is in line with Lazear’s (1981, 1984) theory of implicit contracts: Employers and employees enter into implicit contracts whereby workers are paid a wage less than the value of their marginal productivity at the beginning of their careers, and greater than their marginal productivity at the end of their careers. As a result, older employees are relatively expensive, especially in countries (e.g., The Netherlands) where wages increase automatically with advancing age. Therefore, one may expect that the relatively expensive older workers will be the first to be dismissed when organizations face downsizing. Moreover, despite voices that have called for the retention of older employees, early retirement by older workers is still a socially accepted and relatively easy way to reduce the workforce (Van Dalen & Henkens, 2005). As a result, we assume that managers are more likely to stimulate early retirement in times when organizations need to cut back on their workforces.

Another factor that influences the considerations made by managers is the labor market situation. Around the turn of the 21st century, there was a brief period of very tight labor market conditions in The Netherlands. Many organizations had difficulty finding people to fill their vacancies, and organizations made an effort to retain their existing employees. In some cases, retired employees were even encouraged to return to work. We expect that the anticipated efforts that must be put into the replacement of the older worker will affect the desirability of retaining an employee. Managers will be more likely to discourage early retirement for subordinates who hold positions that will be difficult to replace.
Employee performance. When making retirement/retention decisions, managers are deemed to attach considerable importance to factors relating to the employee’s job performance. Job performance is broader than the effective performance of relevant tasks, including contextual performance or organizational citizenship behavior. Citizenship is behavior that goes beyond formal job descriptions, but that is desired by an organization since it contributes to a positive social climate (e.g., teamwork, loyalty, flexibility). Organizational citizenship behavior is thought to have an important impact on the effectiveness and efficiency of work teams and organizations as well (Robertson & Smith, 2001).

When evaluating whether retirement of a subordinate is desirable, supervisors are assumed to attach considerable importance to factors related to the employee’s human capital (Becker, 1975). Investments in human capital generally are made primarily in the first decades of life in the educational career, but workers acquire additional knowledge, skills, and experience during their working careers. We assume that the early retirement of an older worker who has specific knowledge and experience will result in a loss of capital for the organization. Thus, managers will be inclined to retain older workers if their knowledge and experience are difficult to replace.

Health deterioration jeopardizes performance continuity and thus productivity. Employee absenteeism decreases production efficiency (Moch & Fitzgibbons, 1985). Although research has shown that older workers call in sick less often than do younger workers, the rate of absenteeism (i.e., number of workdays lost as a result of illness) increases with age. Their maladies tend to be more serious and persistent, and they need more time to recover. This may be largely attributed to the wear and tear that comes with age, the large number of years of service, and the sustained exposure to physical pressures (Gellatly, 1995). Therefore, we expect that managers will be more inclined to retain older workers who are in good health than workers who are in bad health.

To maximize the production level of an organization, the overall organizational task is subdivided into differentiated tasks. Each task is in some way related to other tasks, so the workers assigned to perform these tasks are interdependent. Each individual job is embedded in a larger organizational structure of communication networks, and problematic social relations may hamper communication and thus the productivity of the organization (Brass, 1981). To ensure the best possible use of resources, work often must be carried out based on a team effort; this requires employees who are able to work well together as a team (Kalleberg et al., 1996). Therefore, we assume that managers will be more inclined to retain workers who have demonstrated that they can work well as a part of a team.
Flexibility within organizations increasingly requires that employees are highly versatile in their job skills. In times when organizations face change, continuity and ease of transition can be ensured if employees can easily be moved elsewhere. Therefore, we expect that managers will be more inclined to retain older workers who have the skills and abilities to fill other positions (i.e., occupational flexibility).

In the global economy and information era, knowledge management—that is, the way an organization creates, utilizes, and stores the expertise that underlies its products—becomes an increasingly relevant aspect of management (Robertson & Smith, 2001). Transfer of knowledge and skills is vital for continuity, both at the branch and the corporate levels. Older workers may have certain qualities that younger workers lack. They tend to have more job-specific know-how and experience (Beehr, 1986), enhancing their ability to provide professional guidance, or mentoring, to younger employees (Thurow, 1975). In order to ensure this continuity, knowledge must be transferred from older, more experienced workers to younger, less experienced individuals. We assume that the greater the ability of an older worker to transfer knowledge (i.e., mentor role), the more inclined a manager will be to retain that worker.

Older workers’ attitudes. The factors previously described relate to older workers’ job performance and their value for the organization as a whole. One aspect, however, has been left undiscussed as yet, the older worker’s attitude toward retirement. Older workers often have distinct wishes about when they would like to retire.

There are various reasons managers take the preferences of workers into account. First, older workers with a strong preference for early retirement may be viewed as less motivated in the workplace, with the risk of decreasing productivity. Second, supporting an older worker’s early-retirement wish can be seen as a belated reward for his or her often long years of faithful service (McCann & Giles, 2003). As such, this support for retirement may be well intended and may reflect positive attitudes toward older workers: a well earned retirement at the end of a long career of hard work.

Earlier research into supervisors’ support for early retirement confirmed that they tend to actively consider employees’ personal circumstances (Rosen & Jerdee, 1982). We assume that managers are less inclined to retain older workers with a strong preference for early retirement. In addition to this direct effect of workers’ retirement preferences, we predict the existence of an interaction effect: Managers will be more inclined to support older workers’ retirement aspirations in cases in which there is no strong economic or organizational need to retain the older worker.
Theories About Students as Respondents

Participants in selection research are typically asked their opinions of fictitious people and situations that are based on descriptions that mirror reality as closely as possible. This degree of realism has been referred to in the literature as ecological validity (Locke, 1986; Vissers, Heyne, Peters, & Guerts, 2001). Not only are the situations in most selection decision research fictitious, but studies of this type also tend to use students as respondents (as opposed to individuals who occupy actual managerial positions). Based on a systematic analysis of articles published in psychology journals since the 1960s, Sears (1986) concluded that students served as respondents in more than 75% of all investigations. In consumer surveys, that percentage has been estimated to exceed 85% (Peterson, 2001).

The basic assumption underlying the use of student samples in the field of personnel psychology is that students’ decisions reflect how these selection decisions are made in real-life settings. The degree to which student results can be generalized to the larger population has been questioned by many authors (Gordon, Rozelle, & Baxter, 1988; Kulik et al., 2000; Lee & Clemons, 1985; Perry & Bourhis, 1998). Studies examining whether and to what extent attitudes and hypothetical decisions of students and professionals differ from one another suggest that results obtained from students do not always generalize (Barr & Hitt, 1986; Hartman, Lindberg, & White, 1993; Lievens, 2001; Singer & Bruhns, 1991; Singer & Sewell, 1989). It has been suggested that observed differences in comparative studies of this type are mainly attributable to the differential experience of managers and students in making selection decisions (Barr & Hitt, 1986; Gordon et al., 1986; Hakel, Hollmann, & Dunnette, 1970; Lievens, 2001; Singer & Sewell, 1989).

Managers who have hands-on work experience are assumed to benefit from heuristic decision strategies by only taking into account the factors they have found to be important based on their practical experience. Students, on the other hand, will be unable to fall back on such experiential knowledge when making selection decisions. According to Kulik et al. (2000) and Olian, Schwab, and Haberfeld (1988), relative to managers, students have little insight into the possible implications of their decisions for the real-life context in which the decisions are made. Students often fail to take into account the context of the decision because of their lack of insight, domain-specific knowledge, and contextually based expertise (Chang & Ho, 2004), though in real life, this context may be very important.

We assume that having experience is particularly important in situations in which contextual factors must be taken into account in making the selection decision. Supervisors have built-up experience in their position as intermediate between the company’s overall organizational goals and targets (e.g.,
downsizing) and the wishes, qualities, and limitations of their personnel. An important aspect of their function is to balance the company’s and individual workers’ objectives and interests. As a result, we expect them to consider a much wider range of factors in the decision-making process than students who lack managerial experience. We expect that students will base their decisions mainly on the older worker’s job performance, and that managers will also take into account contextual factors, such as the organizational context and the older worker’s attitudes regarding retirement.

Method

This article is based on the results of two identical factorial surveys—or vignette studies—administered to managers and business students. In a factorial survey, participants are presented with vignettes in which specific information is randomly manipulated by the researcher (Ganong & Coleman, 2006). In this study, each vignette represents the case of a hypothetical older worker who is described based on a number of individual-level characteristics.

The vignettes were created by randomly combining characteristics. An important condition for using vignette-style surveys is that the number of characteristics used should remain limited, because participants are typically unable to process large amounts of information. If too many dimensions are introduced, it becomes difficult for the participant to visualize the hypothetical person and situation clearly (Rossi & Anderson, 1982).

Each participant was sequentially presented with the vignettes and was asked to make a hypothetical selection decision for each card. By randomly varying the characteristics on the vignettes, we were able to determine the weight (i.e., importance) of a particular characteristic in the decision process.²

Participants

The survey among managers was conducted in 2002. The managers were recruited from four large Dutch multinational companies and a selection of departments of the Dutch Central Government. A total of 26 middle managers (21 males, 5 females; \( M \) age = 45.9 years), all of whom had experience with retirement of older workers in their departments, took part in the survey.

In 2003, the vignette survey was also administered to 25 Business School students (14 males, 11 females; \( M \) age = 20.9 years). These specific students

²For a detailed account of the use of vignette studies, see Ganong and Coleman (2006).
were chosen because, as future managers, their curriculum included subjects such as staff recruitment and selection; therefore, they could be assumed to have some understanding of the issues surrounding this topic (Barr & Hitt, 1986).

In the present study, each vignette outlines the work situation of a hypothetical older worker, who is described based on a number of characteristics. Participants were asked to assess the desirability of retaining the described older worker for the workforce.

Study Design

We conducted two different vignette studies. The first vignette study investigated the factors that play a role in the decision to retain older workers in the organization. The instructions were as follows:

Below are descriptions of a number of older workers who have almost reached the age at which they are eligible for early retirement. Each description is different. Please indicate for each vignette: How desirable would it be to you to retain the described older worker beyond the early-retirement age?

The following six independent variables characterize the vignettes (see Appendix A): difficulty to find suitable new job candidate; organizational context; employee’s knowledge and experience; employee’s occupational flexibility; health status; and attitude toward retirement. A sample vignette is presented in Appendix B. The number of unique vignettes was 144 (i.e., $3 \times 2 \times 2 \times 2 \times 3 \times 2$). From this total sample, each participant received a random sample of 12 vignettes. Participants rated the items on an 11-point scale ranging from 1 (retention very undesirable/low priority) to 11 (retention highly desirable/high priority).

The context described in the second vignette study is characterized by a prolonged tight labor market. Projections for the European Union predict a declining labor force after 2010: In about 2015, half of EU’s labor force will be located in regions with a declining labor force (Bijak et al., 2005; De Jong & Eding, 2000). We expect that the need to retain older workers will increase in this situation.

In this second study, the organizational context is fixed. The scenario described in the vignettes varies with respect to characteristics relating to the employee’s competencies and performance. Participants were given the following instruction:

Imagine that management is considering taking measures to keep older workers who are about to retire on the staff in times
of a tight labor market. The management wants to take stock of the number of older workers and the type of older workers to whom this would apply. Below are some descriptions of older workers. Please indicate for each vignette whether retention of the employee described has high or low priority for you.

There are six independent variables that characterize the vignettes (see Appendix C): employee’s knowledge and experience; employee’s ability to act as mentor; team player; health status; employee’s occupational flexibility; and attitude toward retirement. A sample vignette is presented in Appendix D. The number of unique vignettes totaled 96 (i.e., $2 \times 2 \times 2 \times 2 \times 3 \times 2$). Also in this study, participants were presented a random subsample of 12 vignettes. Participants rated the items on an 11-point scale ranging from 1 (retention very undesirable/low priority) to 11 (retention highly desirable/high priority).

Our design has much in common with policy-capturing studies. Both methods judge vignettes on the basis of a limited number of variables. The policy-capturing study differs insofar as it is a strictly within-subjects design, and the focus of studies is often on the decision-making policies of individuals. To this end, each individual contributes data to each cell in the experimental design.

This feature limits the number of characteristics manipulated on the vignettes. Since each participant scores every unique vignette, this may increase the transparency of the relationships that are tested. In our approach, the number of variables studied and the number of unique vignettes is larger. Participants do not rate each unique vignette, but only a sample of vignettes. This approach may reduce the transparency of the relationships tested, which may lead to a somewhat lower explained variance of the model. On the other hand, the approach we used allows for more relationships to be tested.

**Analyses**

In this study, the unit of analysis is the vignette. The total number of observations was 611 in the first study, and 610 in the second study. We used multivariate regression analysis (OLS) to determine which characteristics play a role when assessing the desirability of retaining an older worker. In order to control for the design effect, we adjusted for clustering at the participant level. We applied robust regression analysis, using the SVY command in STATA (Huber, 1967; Stata, 2003). Without controlling for design effects, we would be likely to produce standard errors that are much smaller than they should be.
In order to test for group differences between managers and business students, we used a Chow test of equality between coefficients (Chow, 1960; Gould, 2002). All independent variables included in the analyses are dummy variables. In order to facilitate the comparison of coefficients within and across equations, we dichotomized two variables that originally contained three answer categories (“difficulty to find suitable new job candidate” and “health status”).

Results

Study 1

Table 1 presents the results of the first study, for managers (Column 2) and business students (Column 4). The table gives the relative weights (non-standardized regression coefficients) of the vignette characteristics used when assessing how desirable it is that the employee described in the vignette will delay retirement.

As all characteristics have been dichotomized, the weights are comparable to one another. This applies not only to comparisons between the different characteristics (e.g., weight assigned by managers to knowledge versus state of health), but also to comparisons between managers and business students (i.e., Do managers and business students rate characteristics differently?). A score of 1.22 in Column 2 (downsizing/growth) means that if the organization is in a phase of growth (with all other characteristics remaining constant), the employee described will score 1.22 units higher on average on a scale ranging from 1 to 11 than in a situation in which the organization faces downsizing.

The importance of the organizational context is in line with expectations. A growing organization and a labor market in which it is difficult to fill vacancies make it more desirable for managers to retain older workers. In other words, this particular context will reduce the need for early-retirement departures. Among the student respondents, a tight labor market was the only significant context factor influencing the desirability of retaining older workers.

In terms of older workers’ performance, a concern that valuable knowledge and experience would be lost was an important reason for managers and business students to support retaining the hypothetical employee. Interestingly, in this first vignette study, occupational flexibility did not appear to play a role in the decisions of either managers or business students. The older worker’s state of health, on the other hand, was considered important by both managers and business students. In fact, it was found to be the most important characteristic affecting the decisions of business students.
Table 1

*Multivariate Regression Analysis Explaining the Relative Influence of Factors on Supervisor’s Support for Retaining Older Workers: Study 1*

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<th></th>
<th>Managers</th>
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<th>Business students</th>
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<th>Differences between coefficients</th>
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<td></td>
<td>Pearson’s $r$</td>
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<td>Pearson’s $r$</td>
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<td><strong>Constant</strong></td>
<td>7.31</td>
<td>4.89</td>
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<td>9.85</td>
<td>7.54</td>
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<td><strong>Organizational context</strong></td>
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<td>Finding new staff$^a$</td>
<td>-0.23**</td>
<td>-1.07**</td>
<td>-3.98</td>
<td>-0.11*</td>
<td>-0.60*</td>
<td>-1.99</td>
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<tr>
<td>Downsizing/Growth$^b$</td>
<td>0.25**</td>
<td>1.22**</td>
<td>3.41</td>
<td>0.11*</td>
<td>0.33</td>
<td>1.31</td>
<td>*$p &lt; .05$</td>
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<td><strong>Characteristics of older worker</strong></td>
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<td>Knowledge and experience$^c$</td>
<td>-0.33**</td>
<td>-1.75**</td>
<td>-4.43</td>
<td>-0.33**</td>
<td>-1.46**</td>
<td>-6.94</td>
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<tr>
<td>High occupational flexibility$^d$</td>
<td>0.01</td>
<td>0.42</td>
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<td>0.06</td>
<td>0.08</td>
<td>0.26</td>
<td><strong>ns</strong></td>
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<tr>
<td>State of health$^e$</td>
<td>-0.27**</td>
<td>-1.55**</td>
<td>-4.42</td>
<td>-0.38**</td>
<td>-1.84**</td>
<td>-5.86</td>
<td><strong>ns</strong></td>
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<tr>
<td>Attitude toward retirement$^f$</td>
<td>0.43**</td>
<td>1.81**</td>
<td>4.52</td>
<td>0.34**</td>
<td>0.66</td>
<td>1.87</td>
<td>*$p &lt; .01$</td>
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<td>$R^2$</td>
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<td>$N$</td>
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*Note.* Nonstandardized regression coefficients can be compared in terms of their relative importance since they are dichotomous variables. A value of -1.07 for “finding new staff” means that desirability of retaining an older worker declines with 1.07 on an eleven-point scale in a growing labor market (all other variables remaining constant).

$^a$0 = very or rather difficult; 1 = easy. 
$^b$0 = downsizing; 1 = growth. 
$^c$0 = difficult; 1 = easy. 
$^d$0 = Yes; 1 = No. 
$^e$0 = good or average health; 1 = not very healthy. 
$^f$0 = positive; 1 = negative.
Older workers’ attitudes toward retirement also played an important role in managers’ assessments. In other words, managers were found to pay heed to the wishes of the older workers themselves when assessing the desirability of retention. The question as to whether the older worker was “still keen to work” appeared to be central to the managers’ thinking. This effect was not significant for business students. The relative weight assigned to this characteristic in managers’ decision-making process was found to be much higher.

In order to investigate whether supervisors will be more inclined to support the older worker’s retirement aspirations in cases in which there is no strong economic or organizational need to retain the older worker, interaction effects between older workers’ attitudes toward retirement and all other independent variables have been tested. None of the interaction terms, however, proved to be significant.

Strikingly, retaining older workers for the company has a very low priority. Even under manifest beneficial conditions, where all characteristics theoretically are in favor of retention (i.e., a healthy and flexible worker who is still keen to work, whose knowledge is difficult to replace, working in a growing organization in a position that is hard to fill again; see example in Appendix B), the priority score is 8.4 on the 11-point scale. This score, however, falls to 6.8 (an almost neutral value) if this same older worker is “looking forward to retirement,” with all other characteristics being equal. A vignette outlining a situation in which all characteristics reduce the desirability of retention is assigned the lowest score (i.e., 1).

Study 2

The results of the second vignette study are presented in Table 2. In this study, the organizational context is fixed and characterized by a tight labor market. The central question in this study is which characteristics influence the priority assigned to keeping the hypothetical older worker on the organization’s staff. The results clearly show that managers (Column 2) and business students (Column 4) considered a wide range of characteristics.

As shown in the table, even if a tight labor market were to make the retention of older workers more desirable, managers would still pay close attention to employees’ attitudes about retirement (i.e., Are they looking forward to retirement or not?) when making their decisions. This factor also came into play among student respondents, albeit to a lesser extent.

With respect to the employees’ performance, having unique knowledge and experience and the ability to transfer this knowledge to younger generations was found to be relevant. Knowledge and experience was the most important factor influencing the selection decisions of business students.
### Table 2

**Multivariate Regression Analysis Explaining the Relative Influence of Factors on Supervisor’s Support for Retaining Older Workers: Study 2**

<table>
<thead>
<tr>
<th>Characteristics of older worker</th>
<th>Managers</th>
<th>Business students</th>
<th>Differences between coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pearson’s r</td>
<td>B</td>
<td>t</td>
</tr>
<tr>
<td>Constant</td>
<td>7.50</td>
<td>15.58</td>
<td>8.14</td>
</tr>
<tr>
<td>Knowledge and experience&lt;sup&gt;a&lt;/sup&gt;</td>
<td>-0.20**</td>
<td>-1.40**</td>
<td>-4.76</td>
</tr>
<tr>
<td>Able to act as a mentor&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-0.16**</td>
<td>-1.24**</td>
<td>-4.41</td>
</tr>
<tr>
<td>Is a team player&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-0.22**</td>
<td>-1.55**</td>
<td>-4.66</td>
</tr>
<tr>
<td>High occupational flexibility&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-0.16**</td>
<td>-0.97**</td>
<td>-4.48</td>
</tr>
<tr>
<td>State of health&lt;sup&gt;c&lt;/sup&gt;</td>
<td>-0.26**</td>
<td>-1.30**</td>
<td>-4.23</td>
</tr>
<tr>
<td>Attitude toward retirement&lt;sup&gt;d&lt;/sup&gt;</td>
<td>0.30**</td>
<td>1.70**</td>
<td>5.90</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.35</td>
<td></td>
<td>0.45</td>
</tr>
<tr>
<td>$N$</td>
<td>311</td>
<td></td>
<td>300</td>
</tr>
</tbody>
</table>

<sup>a</sup>0 = difficult; 1 = easy.  
<sup>b</sup>0 = Yes; 1 = No.  
<sup>c</sup>0 = good or average health; 1 = not very healthy.  
<sup>d</sup>0 = positive; 1 = negative.  

*$p < .05$.  **$p < .01$.  

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Whether the employee was a team player was also taken into account. Contrary to the findings from Study 1, high occupational flexibility in a tight labor market did play a significant role; however, the relative weight of this factor was small.

**Differences Between Students and Managers**

The results of the vignette studies presented here clearly show that when making decisions about the desirability of retaining older workers, managers and business students tend to take into account more or less the same factors, but the weight assigned to those factors can differ substantially. The question we address here is whether business students differ significantly from managers in their assessments, and the extent to which there are significant differences among the various vignette characteristics.

In order to address these questions, we tested whether regression coefficients for the various characteristics significantly differed from one another using the Chow test (Gould, 2002). The results of the first study are presented in Table 2 (Column 6). In general, we found that, compared to managers, business students were significantly more positive about the desirability of retaining older workers (not in the table), $F(1, 596) = 5.82, p < .02$.

Interestingly, managers attached far more importance to the organizational context (growth or downsizing) than did business students when making selection decisions (managers, $B = 1.22$; business students, $B = 0.33$), and they also paid more attention to employees’ attitudes about retirement (i.e., whether or not employees were looking forward to retirement; managers, $B = 1.81$; business students, $B = 0.66$). Factors related to the performance of older workers did not significantly differ from one another, indicating that fairly consistent weights were assigned to these factors by managers and business students.

The results of the second vignette study are presented in Table 2 (Column 6). These analyses show that the business students in this study—in which the organizational context was characterized by a tight labor market—did not assign higher priority to the retention of older workers, as compared to managers (not in the table), $F(1, 597) = 2.42, p < .12$. A significant difference between managers and business students was found for only one characteristic: Business students attached far less importance to employees’ attitudes toward retirement (managers, $B = 1.70$; business students, $B = 0.87$).

**Discussion**

We addressed two major research questions in the present article. The first is how managers view the early retirement of their staff, and under what
circumstances and for what categories of employees they are in favor of delayed retirement. In order to answer this question, we conducted a factorial survey among managers. Many scientific studies have used students as respondents, rather than managers who possess hands-on experience. The second research question deals with the comparability of results found among students and managers. For this purpose, we replicated the vignette study carried out among managers, but this time among business students.

This study shows, first of all, that personal characteristics of the older employee played an important part in supervisors’ support for retaining older workers. Particularly important were older workers’ attitudes toward retirement. This finding coincides with what many managers spontaneously came up with during the studies. The prime question for managers was whether employees are “still keen to work.” During the study, one manager mentioned, “This person is looking forward to his retirement. Well, that says it all!”

The influence of an employee’s state of health (i.e., healthy vs. unhealthy) was also found to be considerable. Apparently, unhealthy employees are considered to be a threat to the continuity of the business. When there is a risk of increased absenteeism as a result of poor health, delaying retirement is no longer considered to be an option. In addition, another interpretation of the effect of health may be put forward. Managers may be uncomfortable with a sense of responsibility for the delay of retirement of an unhealthy worker. Managers may be fearful of the employee becoming ill or dying after having been asked to prolong his or her term of employment.

Considering older workers’ performance, we discovered that concerns about the possible loss of valuable knowledge and experience are an important reason to be in favor of retention. In the first vignette study, occupational flexibility did not appear to play a role, indicating that delaying retirement was seen as a matter of the employee continuing in his or her current position. Thus, it is quite possible that an older employee would leave the company for early retirement (because there is no urgent need to stay on in his or her particular job) while he or she could have filled a vacancy elsewhere in the organization. If managers did take into account the occupational flexibility of employees, this would suggest that they were looking beyond the scope of their own departments. On the whole, this was not found to be the case. Whenever the managers were asked to place themselves in a prolonged tight labor market situation (Study 2), the possibility of finding a job for the older worker elsewhere in the organization became a more prominent option.

This research supports evidence from other studies conducted in The Netherlands that a general support for delaying retirement of older workers is still limited among most managers (Henkens, 2005). This may be partly the
result of stereotyped views regarding older workers’ productivity and adaptability. Many studies have shown that biases against older workers are quite pervasive (Chui et al., 2001; Finkelstein & Burke, 1998; Finkelstein, Burke, & Raju, 1995; Hassell & Perrewé, 1995).

Stereotypes of older workers, however, are not exclusively negative: Older workers are commonly seen as loyal and reliable employees (Henkens, 2005). Nevertheless, the older workforce is usually disproportionately at risk in an organizational restructuring process. There is a strong tendency to use early-retirement programs to prune the company’s workforce (Van Dalen & Henkens, 2005).

This study suggests that retirement is primarily regarded as a sovereign decision of the older worker. It appears that supervisors withdraw whenever they have the feeling that an older worker is looking forward to retirement. In such cases, they are very hesitant to raise a discussion on extending working life. This is an important conclusion, since for the older workers themselves, perceived support of the supervisor for remaining in the workforce is an important motivation to delay retirement. A large-scale survey among recently retired older workers in The Netherlands (Henkens & Van Solinge, 2003) makes clear that one third of the retirees would have remained in the workforce for an extra year if they had been asked to do so by their supervisors. However, only 15% were approached on this matter.

With respect to the second research question, the results of the present investigation reveal that, in some instances, the selection decisions of business students corresponded with those of managers; whereas in others, clear differences were found to emerge. Business students and managers tended to attach similar levels of importance to factors relating to older workers’ performance. This applied to employees’ knowledge and experience, their state of health, ability to transfer knowledge, occupational flexibility, and ability to work well as part of a team.

The labor market context of the organization, on the other hand, had a minimal impact on student respondents’ desire to retain older workers. Whether the organization was in a phase of growth or downsizing appeared to have no influence on their decisions. First and foremost, business students considered performance-related individual characteristics when making selection decisions; but contextual influences failed to be recognized.

Apparently, experience is needed regarding the influence of economic developments on management decision making in order to take account of these factors. The importance of experience and understanding also seems to affect perceptions of the older worker’s attitudes toward retirement. Whereas managers tend to heed employees’ wishes, business students failed to take into account those wishes when making their decisions. The survey among
business students showed that the wishes of the employee played a rather modest role, in both absolute and relative terms, in the selection process.

A few comments must be made here. The fact that we found differences between managers and business students does not necessarily imply that the quality of decision making was better among managers. It appears that, in many contexts, experts do not perform better than do laymen or inexperienced participants (Summers, Williamson, & Read, 2004; Tazelaar & Snijders, 2004). This might be the case with respect to decision making on retirement/retention as well. Whether managerial decisions that rely heavily on the older worker’s perceived preferences for retirement are most contribu
tive to the company’s overall objectives remains to be seen. Closer investiga
tion may shed more light on this issue.

We conclude with some remarks on the research method used. As is true of studies conducted in laboratory settings, the factorial survey method has the advantage of researcher control over the various dimensions of independent variables. Factorial surveys are very suitable to investigate issues that are difficult to examine, because they are rare or involve complex considera
tions. A clear advantage of this method is that a relatively small number of respondents create a large data set suitable for the analyses of complex decision processes (Ganong & Coleman, 2006).

However, the method also has some disadvantages. The major limitation is the fact that participants are asked to assess hypothetical situations. As a result, participants may be inclined to act more rationally than they would have done in a real-life situation. Another restriction relates to the relatively small number of participants, which does not allow the incorpora
tion of participants’ characteristics (e.g., age, gender), as well as their companies’ attributes in the analysis. Therefore, it was not possible to investigate, for example, whether managers from organizations that had already experienced labor shortages would respond differently than man
agers that had not confronted these problems. A combination of a large-scale survey research and a vignette study may provide opportunities to disentangle these issues. This will be an interesting direction for future research into the role of supervisors in the retirement decision-making process of their older personnel.

An additional limitation of our study is that we may have introduced respondent bias as a result of a repeated-measures approach. The contrast between the first and second vignette study was rather explicit, which may have increased transparency of the factors under consideration.

Further, since managers’ attitudes proved to be influenced by a wider socioeconomic context, it would be interesting to add an international dimen
sion to this research. The Netherlands can be characterized as a country with a strong early-exit culture (De Vroom, 2004). Although the official (and
mandatory) retirement age is still 65, very few workers (< 10%) reach that age while in the workforce.

Early-retirement programs are designed in such a manner that leaving the workforce at the early-retirement age is an offer workers cannot refuse. At the organizational level, the early-exit culture becomes manifest in the lack of managerial support for later retirement. Although the law prohibits age discrimination in The Netherlands, age stereotypes exist, and they encourage early retirement (Henkens, 2005).

Societal norms reinforce early exit as well. Public opinion in The Netherlands does not support prolonged workforce participation of older workers if this is felt to stand in the way of opportunities for younger people (Van Dalen & Henkens, 2005). Extending the research to other countries—particularly countries such as the United Kingdom with a less developed exit culture—may enhance our insight into how organizations deal with retirement in an aging workforce.

References


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**Appendix A**

*Description of Vignette Characteristics: Study 1*

<table>
<thead>
<tr>
<th>Context:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A position for which</td>
<td></td>
</tr>
<tr>
<td>0 It is very difficult to find suitable candidates.</td>
<td></td>
</tr>
<tr>
<td>1 It is rather difficult to find suitable candidates.</td>
<td></td>
</tr>
<tr>
<td>2 It is easy to find suitable candidates.</td>
<td></td>
</tr>
</tbody>
</table>

| Organization faces            |   |
| 0 Downsizing                  |   |
| 1 Growth                      |   |

| Employee:                     |   |
| Knowledge and experience      |   |
| 0 Difficult to replace        |   |
| 1 Easy to replace             |   |

| High occupational flexibility |   |
| 0 No                          |   |
| 1 Yes                         |   |

| State of health               |   |
| 0 Very healthy                |   |
| 1 Average                     |   |
| 2 Not very healthy            |   |

| Attitude toward retirement    |   |
| 0 Looking forward to it       |   |
| 1 Not at all looking forward to it |   |
Appendix B

Example of a Vignette Used: Study 1

Context:
A position for which It is very difficult to find suitable candidates.
Organization faces Growth

Employee:
Knowledge and experience Difficult to replace
High occupational flexibility Yes
State of health Very healthy
Attitude toward retirement Not at all looking forward to it

How desirable would it be to you to retain the older worker described a little longer?
1 2 3 4 5 6 7 8 9 10 11
Low priority Neutral High priority

Appendix C

Description of Vignette Characteristics: Study 2

Employee:
Knowledge and experience 0 Difficult to replace
1 Easy to replace
Able to act as a mentor 0 No
1 Yes
Is a team player 0 No
1 Yes
High occupational flexibility 0 No
1 Yes
State of health 0 Very healthy
1 Average
2 Not very healthy
Attitude toward retirement 0 Looking forward to it
1 Not at all looking forward to it
Appendix D

Example of a Vignette Used: Study 2

Employee:
Knowledge and experience Easy to replace
Able to act as a mentor No
Is a team player Yes
High occupational flexibility No
State of health Not very healthy
Attitude toward retirement Looking forward to it

What priority would you give to the retention of the employee described?
1 2 3 4 5 6 7 8 9 10 11
Low priority Neutral High priority