



Does a raised mandatory retirement age influence managers' attitudes to older workers?

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Abstract

As a part of an international extending working life trend, Norway recently raised the mandatory retirement age (MRA) from 70 to 72 years. This article discusses possible effects on managers' attitudes and behaviour towards older workers. This is of particular interest because employers' federations and central unions opposed the reform as they feared considerable negative consequences both for older workers and for employers. Data are collected by mixed methods. The Norwegian Senior Policy Barometer for the years 2013 through 2018 interviewed managers in 600 private sector companies each year. In addition, qualitative interviews were performed with managers and HR directors in 19 companies with employees 67 years and older. The results indicate that the fear of negative effects was exaggerated. We find no clear changes in the years around the implementation of the new MRA in the rather positive conceptions of older workers, in the more modest desire to recruit older workers, or in the reluctance to call applicants above 58 years of age in for interview. The government launched the reform to, in the long run, encourage higher employment in older age groups and to eliminate age discrimination in working life. To confirm or refute such changes requires further studies in the years to come.

Keywords

Extended working life, employers' attitudes, mandatory retirement, age discrimination, Norway

Introduction

The demographic transition from high birth rates and high mortality to low mortality and low birth rates is resulting in ageing populations in most industrialised countries (Landry, 1987). This ongoing transition implies that the working population has to support increasing numbers of older citizens. Numerous governments are responding to the transition by implementing measures to extend working life in order to counteract undesirable effects of the ageing of the population (Phillipson, 2011, 2019; Sonnet et al., 2014). The measures take different approaches, e.g. financial incentives for late exit, a rise in the eligibility age for old age pension and a rise in, or the abolition of, mandatory retirement age. Twenty-five of 34

OECD countries have recently raised or plan to raise the eligibility age for old age pension (Axelrad & Mahoney, 2017), and a handful have raised (e.g. Norway) or abolished mandatory retirement age, most recently the UK (in 2011) and Denmark (in 2016).

In addition to changes in retirement rules, extending working life is dependent on workers' motivation to extend their working life and employers' willingness to retain and recruit older workers (Wainwright et al., 2018). Older workers in Norway (Solem, 2020) and in other European countries (Hofäcker et al., 2015) have extended their labour force participation over the last two decades, and are also preferring later exit from work than before (Hess, 2017).

Employers seem less eager to adjust to the policy of late exit. Studies in a number of European countries indicate that employers are less interested in extending their employees' working life beyond the need expressed by the authorities (Axelrad & James, 2016). Few firms hire older workers (Eichhorst et al., 2014), and most employers in an OECD study admitted that they rarely recruit older workers (OECD, 2006). Van Dalen et al. (2015) concluded from a study in six European countries that employers, in relation to older workers, use exit policies more often than they use developmental measures such as workplace accommodation, individual training and career development. However, a recent study in the Netherlands indicates that employers have become more responsive to the policy reforms for extended working life (Oude Mulders et al., 2020), while data from Norway indicate that managers are still responding less positively than older workers to the call from the authorities for later exit from work (Solem, 2020).

This article explores if the attitudes of managers towards older workers have changed after the implementation of the reform raising the mandatory retirement age from 70 to 72 years, and if the feared effects of the reform are realistic. These are topical questions, because the government intended the reform to contribute to extending working life, while influential social partners feared the opposite effect.

The change from 70 to 72 may seem to be a rather small step, but nevertheless, the reform encountered strong opposition from the main employers' organisations and from influential unions as well. The government's explicit aims of the reform were: to create a working life for all, without age discrimination; to increase the contribution from older workers to economic growth; and to give older individuals better opportunities for earning income from work and take part in social arenas at workplaces. However, the government did not expect strong immediate effects on the employment of older citizens, but declared the raising of the mandatory retirement age as a signal that might contribute to increased employment of older citizens in the long run (Prop.48L (2014-2015) p. 39).

The main arguments put forward against the reform were that employers would probably become more restrictive in their recruitment of older workers, and that employers could be stuck with underperforming older workers or would have to fire such workers. Firing is unpleasant for both the involved parties and would constitute an undignified exit for the older workers. A third argument was that the reform could block out younger workers from the labour market (Prop.48L (2014-2015) p. 46).

The raise in MRA (Mandatory Retirement Age) is a third main step in Norwegian policies for extending working life. The first step, the IA agreement, was introduced in 2001 through a close cooperation between the government and the major labour unions and employers' associations. The IA agreement aimed at a more inclusive working life. Postponed exit from work was one of three main aims (The IA agreement 2014).

The second, and greatest, step was the pension reform implemented in 2011. Due to demographic shifts and ageing of the population, the sustainability of the pension system

was at stake. The reformed social insurance scheme (Norwegian Ministry of Labour and Social Affairs, 2019) now grants a pension from the age of 62, with no income test. The eligibility age for old-age pension was lowered from 67, in contrast to the many countries that have increased or are in the process of increasing the eligibility age (Axelrad & Mahoney, 2017; OECD, 2017). Despite the lowered eligibility age, and rather counterintuitively, a considerably increased employment rate in the age groups above 60 emerged in the years after the reform (Bjørnstad, 2019).

As mentioned, the third step was to raise the mandatory retirement age from 70 to 72 years, which was implemented by 1 July 2015. From this date on, employers are not allowed to fire employees on the basis of age alone until the age of 72 years (Lovdata, 2019). However, there are several exceptions. Private companies are, on certain conditions, allowed to set a company-specific mandatory retirement age (CMRA) at 70. In general, the most important condition is that all workers in the company are to be treated equally. That is, if the retirement age is set at 70, in principle no worker should be allowed to continue beyond the age of 70. In contrast, companies that stick to the MRA of 72 years are free to pick the workers they wish to retain beyond the age of 72.

Compared to the IA agreement, and particularly to the pension reform, the mandatory retirement age reform is a rather small step. The reform is meant to change employers' attitudes and behaviour toward older workers; in order to look into such changes, we frame the study within the tripartite model of attitudes, as this includes a predisposition for behaviour, as well as conceptions about and likings of older workers.

According to the tripartite model of attitudes (Allport 1954; Rosenberg & Hovland, 1960), cognitive and affective elements of attitudes form a readiness to act in certain ways toward a target. In a working life context, managers' beliefs about older workers' productivity and the extent to which the managers like or dislike older workers form a readiness to act toward older workers in a positive or negative way. When beliefs become stereotypes and likes or dislikes become prejudices, there is a risk of discriminatory behaviour – age discrimination (Solem, 2016; Stypinska & Turek 2017). Taken together, stereotypes and prejudices about ageing and age discrimination make up the tripartite model of ageism, as inspired by Butler (1969), who coined the term ageism (Iversen et al., 2009). Applied to the mandatory retirement reform, the supposed changes in managers' behavior might be influenced by conceptions of older workers, e.g. that workers between 70 and 72 have suboptimal productivity, or by a dislike of older workers, e.g. that employers feel uncomfortable with older workers (Axelrad & James, 2016).

Research questions

1. Have managers' attitudes and behaviour towards older workers changed since the mandatory retirement reform?

With this question we are looking for indications of possible trends that might result in the reduction or elimination of age discrimination in working life.

2. Do managers consider the extended right for older workers to stay in the job as an advantage or disadvantage for their company?

Managers' opinions about the raised mandatory retirement age may give signals of how eager, indifferent, or antagonistic managers' attitudes are towards older workers remaining in the job up to a high age, i.e. after the age of 70.

3. Can we trace an increased risk since the reform that employers are becoming stuck with underperforming older workers?

This question is meant to test the empirical solidity of the fear influential social partners expressed in advance, by asking managers directly if they have had problems with poorly performing older workers that cling to the job up to the mandatory retirement age.

4. Can we trace an increased unwillingness among employers to hire older workers?

This question is meant to test the empirical solidity of the fear influential social partners expressed in advance – that employers would become less willing to hire older workers – by asking if the new age limit has made them more cautious about hiring senior workers.

Method

We approach the research questions with mixed methods, both quantitative and qualitative data. The *Quantitative data* are from the Norwegian Senior Policy Barometer (NSPB), which consists of annual surveys from 2003 on. The surveys are performed by Ipsos for the Center for Senior Policy. Each year a sample of top managers in 600 private companies and 150 leaders from public sector units are interviewed (Ipsos, 2018). Data are collected by computer-assisted telephone interviews (CATI) and samples are drawn from companies with more than 10 employees. Companies are recruited from all over the country and represent all main branches. The sample is, according to Ipsos (2018), representative for Norwegian private companies with more than 10 employees. This implies that the sample is not necessarily representative for employed persons in the various branches of working life. Yet, the same sampling procedures are applied every year, which makes changes in the observed time series reliable. The public sector is somewhat underrepresented compared to the private sector. However, because the rise in MRA has only been implemented in the private sector so far, the analyses presented in this article include only data from the private sector samples from 2013, two years before the reform, and up to 2018. The 2015 interviews were performed two to three months after the reform was implemented. Thus, changes due to the reform in 2015 should be visible from 2014 to 2015. However, changes may occur earlier, as anticipations of the reform to come, or later, as delayed reactions.

To what extent can we expect immediate and measurable effects of the apparently small change from 70 to 72 years in mandatory retirement age? The social partners opposing the reform expressed strong opinions and seemed to fear immediate reactions from employers. An earlier study using NSPB data supports the possibility of immediate reactions from employers. Norwegian employers reacted within a few months to the financial crisis in 2008, with more negative attitudes to older workers (Solem, 2012). As the situation in 2008 was a crisis for Norwegian finances for only a short time, the attitudes reverted within a year.

The *qualitative data* stem from interviews conducted in 19 companies with employees aged 67 years and over from the following sectors: hospitals, health care, public transport, industrial manufacturing, cleaning and canteen services, retail trade, fashion shops, coastal shipping, research and development. The companies were selected in collaboration with regional working life centres of the Norwegian Labour and Welfare Administration (NAV). The regional centres assist companies in the implementation of an inclusive working life, including senior policies, and the centres were established as a part of the IA agreement mentioned earlier.

The interviews lasted 60–120 minutes and were based on a thematic oriented semi-structured interview guide, which functioned as a checklist for guided conversations (Yin, 2011). The interviewing period lasted from November 2016 to April 2017.

We interviewed 25 top managers and/or HR directors in the 19 companies. In addition, a union member/safety delegate was interviewed in 12 companies. In 31 of the 37 inter-

views, two of the researchers performed the interview together. This article is based on the 25 interviews with managers and HR directors.

The interviews were tape-recorded. Since the researchers knew which topics to focus on, the interviews were not transcribed. We listened several times to the relevant sections and noted key issues in a simple coding scheme rather than examining extensive transcribed texts. When the interviews were conducted by two researchers, one of the interviewers wrote a first draft and sorted the data according to the research questions. The second interviewer added notes and interpretations. When the notes or interpretations differed, the interviewers discussed their interpretations to ensure high internal validity and reliability (Kalleberg, 1996; Silverman, 2005). All the five involved researchers listened to and contributed to the interpretation of interviews they had not participated in.

Results

1. Have managers' attitudes and behaviour towards older workers changed since the mandatory retirement reform?

In the Norwegian Senior Policy Barometer, the managers' recruitment practices were detected by the following question: "About how old should a qualified applicant for a job be before you will hesitate to call the applicant in for interview because of his or her age". The question is phrased in an indirect way, since asking directly about a discriminatory practice that is against the law would probably underestimate the prevalence of such practices, as managers could be reluctant to admit breaking the law.

The mean ages for hesitation to call in applicants for interview are close to 58 years and not significantly different over the period from 2013 to 2018 (table 1). Thus, this measure of the behavioural element of ageism shows no sign of change over the period. Likewise, there is no significant change within any of the private sector branches of manufacturing, trade or services.

Table 1. Mean age for managers' hesitation to call applicants in for interview. Private sector. The Norwegian Senior Policy Barometer, 2014-2018. Mean (N)*

	2013	2014	2015	2016	2017	2018
Mean age (N)	57.9	57.7	58.1	58.3	57.6	58.3
Sum N	(478)	(474)	(487)	(513)	(512)	(504)

*68 (2.3%) outliers outside the span 30–80 years are removed

Another comparison over the 2013–2018 period is about managers' likes for recruiting and for retaining seniors and older workers (table 2). The general impression from the table is a high degree of stability in managers' likes for seniors and older workers. However, some changes occur between 2015 and 2016.

Seniors seem to have become less attractive both to hire and to retain from 2015 to 2016. This may be a delayed reaction to the raise in mandatory retirement age, which was implemented a couple of months before the interviewing took place in 2015. The preference for hiring *older workers* is stable over the four years, while the preference for retaining *older workers* is significantly reduced between 2015 and 2016. However, the pattern is fluctuating, resulting in the same level in 2018 as in 2014 (33%). The highest level of liking to retain *older workers* is reached in 2015, that is two months after the reform was implemented.

Thus, there is no consistent pattern, neither within any of the private sector branches, pointing to effects of the reform.

Table 2. Proportion of managers in the private sector that would very much like to hire seniors and older workers, and that would very likely wish to retain seniors and older workers when downsizing. The Norwegian Senior Policy Barometer, 2014 – 2018. Percentage (N).

	2013	2014	2015	2016	2017	2018
Like very much to hire seniors	27	27	27 *	22	24	21
Like very much to hire older workers	22	19	22	19	19	18
Would very likely wish to retain seniors	39	39	40**	33	34	37
Would very likely wish to retain older workers	34	33	38***	28	32	33
(N)	(601)	(604)	(602)	(607)	(601)	(602)

For differences between 2015 and 2016; * $p < .05$. ** $p < .01$. *** $p < .001$.

The likings for hiring and retaining older workers and seniors contains an affective element. The results indicate some changes in this affective element, but the quite small changes show no obvious connection to the rise in MRA.

The cognitive element of attitudes toward older workers is indicated by this question: *To what extent do you agree that many 70 years old workers may perform just as well at work as people 10–15 years younger?* There are no significant differences over the period from 2014 to 2018 (table not shown). However, one exception is that managers have become significantly more positive to the 70-year-old workers in 2018. This pattern is present only in the manufacturing industries, and not in trade and services. If this is a positive reaction to the MRA reform, it is a reaction with a considerable delay, and the direction is opposite to what was feared by employers' federations and unions in advance.

According to the qualitative interviews, the new MRA did not seem to have any impact on the recruitment policies of the companies. In general, managers are hesitant to recruit older workers. That was the case before the introduction of the new MRA and it is still so after the reform.

2. Do managers consider the extended right for older workers to stay in the job as an advantage or disadvantage for their company?

The most frequent answer in the quantitative survey is that the extended right to continue working up to the age of 72 is neither an advantage nor a disadvantage. For 54 percent of the private sector managers, this extended right does not matter (Table 3). However, about twice as many managers consider the extended rights to stay as a disadvantage (30 percent) as compared to an advantage (14 percent). Nevertheless, this result leaves the impression that this sample of managers are more indifferent to the reform than their organisations are. The variations between branches are small and insignificant.

Table 3. Do you consider it an advantage or disadvantage for your company that workers have the right to stay in the job up to a higher mandatory retirement age? Private sector. Percent (N) The Norwegian Senior Policy Barometer, 2016

	Private sector
Advantage	14
Disadvantage	30
Does not matter	54
Don't know	2
Sum	100 (607)

Also, in the *qualitative interviews*, some were negative to the new MRA, some were neutral, and some were in favour of the reform. It was easier to identify those who were definitely against the new MRA than those who were in favour of it. Even among managers who were in favour of the new MRA, the enthusiasm for the reform was not very clear. We will present some examples of the content in three categories: A) indifferent or undecided opinions, B) negative, and C) positive views of the reform.

A) Indifferent to the new MRA or undecided

The indifferent managers most often wanted to gain more experience with the reform before deciding for an MRA of 72 or a Company Mandatory Retirement Age (CMRA) of 70. In the meantime, many of them practised 70 years. The interviews took place about 16 to 21 months after the implementation of the new MRA, and experience with the extended right to stay was rather limited. Most of the companies had few employees around seventy years and it was not easy to predict what would happen in the years to come.

One reason for being indifferent was that the extended MRA was irrelevant because few older workers wanted to stay until retirement age:

So far no impact of the changing MRA..... I believe we have a culture saying there is no big wish to continue after 70. They stop, their job is physically exhausting. Those with easier jobs stay a bit longer (Power company, HR manager)

No need for any MRA. The CMRA is 70 years now. I never understood this discussion – in general, people will quit at 67. Many are tired – We had one here who turned 67 last year, looked forward to it. It is a long drive (for him, salesman), exhausting, employed more than 30 years, he looked forward to staying at home... There was another who retired at 67 years, flowers and speeches, but then his successor did not work out – so we had to take him back then, write a new contract until 70 – he worked til he was 73... (Wholesale company, manager).

The main point of the last citation is that the new MRA of 72 is irrelevant because most employees quit at 67, and yet in some rare cases even the limit of 72 is too low.

Another line of argument was that MRA was irrelevant because underperforming workers should be handled if and when the problems arise, irrespective of age. Managers holding this view pointed to the importance of early action when employees did not perform up to standard:

No problem with the extended MRA. The older workers do have a required competence. It is a tough industry, this one, so we cannot keep workers who are not functioning. (Construction company, HR manager).

I have not noticed any changes with the new MRA. If some older workers who are not coping want to hang on to the job, we have to tell them in time. There has been a couple of cases where – puh! – good she quit now.... (Hospital, Head of department).

In general, these statements reflect general trends in contemporary working life. Almost all jobs are demanding and are undergoing technological, organisational and commercial changes. With outdated skills, it is not easy to stay in a job. From the point of view of the managers, it is an obligation to ensure that the staff has the necessary skills and to take action when someone is not performing. The two managers cited above are of the opinion that managers are failing to do their job if they refrain from taking action before underperforming workers reach the mandatory retirement age, whether it is 67, 70 or 72.

B) Negative to the new MRA

The manager of a knowledge company appreciated the skills and work of their older employees, but took a firm stand against 72 years as mandatory retirement age. The manager's main argument was that older workers in the company resisted change and did not adjust to an increasingly market-oriented environment. They acted "as troublesome small kings", and for the manager it was challenging to handle them in the organisation. The manager seemed to consider it as too much to be stuck with these "troublesome and active" older workers for an extra two years.

In an industrial company dealing with dangerous products, the head of division expressed the following:

After the introduction of the new MRA, I have to say it is a bit risky to think that all our employees should have a right to decide if they want to continue working to 72, and then I think about the safety aspect.

However, later during the interview the same person explained that many of the younger employees could also operate at risk since they sometimes worked too fast to take care of the safety aspects, and that in this case, older workers were less of a safety risk because they worked slower.

A medical doctor, the head of division in a hospital, was very clear in his opinion of MRA:

If you are good doing surgery until you are 67 years, then you can work until you are 67, but as soon as you pass that age and your eyesight and hearing and your knees and everything (are getting bad) then it will be natural to fade out....

In certain jobs, managers consider older workers to be a risk to safe working performance. It is a reasonable argument when one is dealing with very dangerous products or performing advanced surgery. However, the statement from the medical doctor above is very categorical, and the industrial manager modified his statements by saying that younger workers may also operate at risk. It is also interesting to relate the reactions above to the statements from a bus company. Their monitoring systems in the buses showed that drivers around seventy years of age were driving at least as safely and more comfortably for the passengers than younger drivers.

One common argument in the media is that older workers have outdated skills and are unwilling to learn new skills. One reason why a large bank was sceptical to the new MRA was a mismatch between the competence of the staff and the main tasks in the company. Bank employees had to change tasks from front-desk service and customer assistance to

sellers of financial products. ICT competence was also changing, e.g. from traditional money transfer systems to payment apps. However, in our qualitative interviews, only a few managers mentioned outdated skills as a major problem with older workers.

One argument against the new MRA is based on the notion that older workers are sceptical toward change rather than the notion that older workers lack the skills to handle changes. One manager in particular had been struggling to convince older workers to accept new strategies and priorities, new market situations, and organisational changes in the company. According to this manager, the older workers were blocking the necessary renewal of the company's strategy. This is an interesting reaction since it refers to attitudes of older workers rather than their skills.

Another argument also used in the debate and mentioned in the proposition to the parliament (Prop. 48L, 2014-2015) is that older workers are blocking jobs for younger ones, or at least hindering the advancement of younger workers. This may particularly be the case at workplaces with a fixed number of positions, e. g. in universities and public administration. However, in the research and development companies included in this study, this was not a big issue. Nevertheless, the blocking of jobs by those who retired late was mentioned in an industrial production company located in a small community with a limited labour market for young people.

C) Positive to the new MRA

Some managers are positive to the new MRA because they have positive experiences with the work performance of older workers, and some are positive due to their need for manpower.

With the rapid development and the use of new technical equipment it is demanding to stay on longer. At the same time, we need more manpower. Continuous updating is necessary and even more so when people get older. We cannot risk anything concerning quality. (Hospital, Head of department)

We have a great challenge (concerning staffing)...if it was not for people working longer than before. We have several over 70, one 73. (Public transport company, Team leader)

There is a need for older priests. If it was impossible to reengage them, the church would stop. (Church, Dean)

In addition to stressing the need for older workers, these statements also underline the need for continuous upgrading of staff competence.

3. Can we trace an increased risk that employers are becoming stuck with underperforming older workers?

The question about underperforming older workers clinging to their jobs up to the mandatory retirement age was introduced in the Norwegian Senior Policy Barometer (NSPB) in 2016, the year after the reform in 2015. A clear majority of managers state that they had no such problems (Table 4). In 2016, the question was not restricted to 'the last two years', and a slightly higher proportion than in the following years reported that they had experienced such problems.

Table 4. During the last two years, has your company had problems with older underperforming employees who intend to remain in the job up to the mandatory retirement age? The Norwegian Senior Policy Barometer, 2016, 2017 and 2018. Private sector. Percent. (N)

Problems with underperforming older workers?	2016	2017	2018
Yes, several times	6	2	3
Yes, once	8	10	6
No	84	87	90
Don't know	2	1	1
Sum	100 (607)	100 (601)	100 (602)

Nine out of ten managers experience no problems with older underperforming workers who intend to remain up to the age of mandatory retirement. However, some managers report that they have had such problems, indicating that the described problem does exist in some companies. There are only small differences between branches of industry, except that managers in wholesale trade more often report problems with underperforming older workers clinging to their jobs (20 percent, compared to 8 percent in the rest of the sample, $p < .001$).

Data from the qualitative interviews support the main conclusion above. Especially interviewees in the transport company, the church and some of the hospitals stressed the need for older employees. In the transport company, compulsory training and certifications ensured quality of the performance of older drivers. Others, such as representatives for the fashion shop and banking sector, explained that there were no problems of underperforming employees since almost the entire staff leave and find other jobs long before they reach the age of 50. However, managers and HR personnel interviewed in knowledge companies and in one of the hospitals reported examples of problems with underperforming older employees.

4. Can we trace any increased unwillingness among employers to hire older workers?

A majority of seven out of ten managers denies that the new mandatory retirement age has increased their unwillingness to hire older workers (table 5).

Table 5. How well does the statement describe the situation in your company? *The new mandatory retirement age has contributed to the company becoming more cautious about recruiting senior workers.* The Norwegian Senior Policy Barometer, 2016, 2017 2018. Private sector. Percent (N)

The statement describes the situation.....	2016	2017	2018
Very well	5	4	4
Fairly well	9	7	7
Somewhat	10	9	8
Not at all	69	72	73
Don't know	7	8	9
Sum	100 (607)	100 (601)	100 (602)

From 11 to 14 percent say that the statement describes the situation in their company very well or fairly well, while eight to ten percent indicate a weaker support for the statement by saying ‘somewhat’. The results indicate that some managers have become more cautious about recruiting older workers, but these figures have decreased slightly since 2016 ($p < .05$). However, even if fewer managers are cautious about recruiting senior workers due to the reforms over the last years, the situation for older jobseekers may not have improved. It was hard for older workers to find a new job before the reform, and it may still be difficult for older workers to find a new job.

A similar uncertainty about the consequences is also present in the finding (table not shown) that the hospitality industry (hotels and restaurants) stands out with only 14 percent answering that they at least have become ‘somewhat’ more cautious, compared to 29 percent among managers in trade and in manufacturing. Since the hospitality industry employs few older workers, the relatively small increase in the unwillingness to recruit older workers does not imply that the situation for older jobseekers is better there.

Other recent surveys have shown that only one in ten managers assumed that the new mandatory retirement age of 72 would influence their decision to recruit older workers (Svalund & Veland, 2016), and that up to 2016 there was no decrease in the recruitment of seniors after the raise in MRA (Midtsundstad & Nielsen 2019). Thus, shortly after the implementation there was no sign of negative effects of the reform on the actual recruitment of senior workers.

The qualitative analyses give us an opportunity to elaborate on changes in the willingness to recruit older workers. The main observation supports the quantitative results, which are that the companies have not become much more cautious about recruiting older workers after the new MRA. However, some companies are concerned about an already uneven age composition with many older workers who soon will retire. Some see the need for new market competence and technological skills. Below we give some examples of statements among those who are sceptical to the new MRA, as well as among companies that are neutral or in favour of the reform.

The new MRA has not influenced our recruitment policy. We are recruiting mature adults. People at 50 may have a higher competence than those in their 30s or 40s – right? Recently, we recruited an engineer aged 55. We have many seniors, so it is an exception when we recruit seniors before a younger one (Power company, HR manager).

The new MRA has no impact on our recruitment policy. Two older employees were recruited to canteen service and we took over seven seniors when our company bought another company (Cleaning company, HR manager).

We have not changed strategy, but if the choice is to recruit one aged 45 versus one 65, then we select 45 because he will stay longer in the job (Coastal shipping, HR manager).

These statements indicate that managers are sticking to the same policy as before the MRA reform concerning recruitment of older workers. The competence of applicants seems crucial, but the age distribution in the labour force is also important. Managers are worried about having too many older workers.

Discussion

As with many reforms, it is difficult to trace the impact only a few years after the introduction of the MRA reform. The reform intended, among other measures, to contribute to keeping workers in the labour market for longer.

One condition for the success of a reform is that the involved parties are supporting it, or even better, are enthusiastic about the reform. Three main stakeholders are important in this respect: the employers, the employees and the authorities. The Ministry of Labour launched the new MRA without great expectations for an immediate effect on employment rates. The expectations were for long-term effects (Prop.48L (2014-2015)). Over recent years, the employment of age groups above 60 has increased (Bjørnstad, 2019). If this increase persists into coming decades, a mandatory retirement age of 70 or even 72 may restrain new cohorts of employed seniors from extending their employment beyond 70 years of age. By removing such a restraint, older workers may set themselves up for a later exit from work, and the effect may take some time to be visible. Thus, if the motivation for extended work continues to increase and sustainable working conditions allow late exit, the removal or upwards sliding of mandatory retirement may become an effective way to increased employment among older workers.

1. Changes in managers' attitudes and behaviour toward older workers?

Through the MRA reform, the government wanted to contribute to the elimination of age discrimination in working life (Prop.48L (2014-2015) p.39), while leading social partners feared an increase in some kinds of age discrimination as a consequence of the reform. The results of our study so far indicate that there are no substantial effects on the attitudes and behaviour of managers toward older workers. Managers continue to exclude applicants above 58 years of age, as they did before the reform, and a clear majority hold that they have not become more cautious about recruiting older workers. There are some fluctuations in managers' likes for hiring seniors and older workers, but not a clear pattern and no firm evidence of lasting effects. The cognitive element of attitudes, or stereotypes about older workers shows a stable pattern over the years around the MRA reform. Thus, there is no indication of reduced or increased age discrimination in this period.

2. How do managers assess the reform?

According to the survey, the majority of the managers are indifferent or neutral, while 30 percent see the reform as a disadvantage for their company and 14 percent see it as an advantage. Thus, there seems to be little enthusiasm for the reform, but the managers seem less opposed to the reform compared to the clear disapproval expressed by the employers' federations. Still, 30 percent of the managers express a negative attitude to the reform.

Some of the interviewed managers have very specific experiences with cases of older employees who underperform or resist organisational changes. Such experiences seem to influence their negative attitudes to the reform. Quite a lot of the managers who accept the new MRA take a "wait and see" position. Since it is possible to establish a company mandatory retirement age (CMRA) of 70, some managers want to try out this option first. However, some of them do not realise that with a CMRA of 70, the company must block all employees, with very few exceptions, from continuing to work after the age of 70. Most likely, some companies are violating the law by allowing some employees to continue in the same job as before, or as self-employed consultants.

3. A problem with underperforming older workers?

We find no strong indications of an increase in the risk of having to dismiss underperforming workers due to the new MRA. In the qualitative interviews, just a few such cases are mentioned. Likewise, in the survey data only one in ten managers reported having experienced problems with underperforming workers who intended to stay up to the mandatory retirement age during the previous two years. However, managers may use a strategy of waiting for underperforming workers to reach the MRA rather than firing them. Such a strategy becomes less attractive when the mandatory retirement age is raised. Some of the managers we interviewed commented that by following such a strategy, companies create a problem for themselves. Possible problems with underperforming workers are most likely better handled by continuous feedback on performance and measures to improve the workers' competence than by waiting until they reach the mandatory retirement age.

4. Increased unwillingness to hire older workers?

The employers' organisations, and some of the unions, were concerned that the new MRA would contribute to a lower interest to hire older workers among managers. Our data from managers in the private sector indicate that this concern might be exaggerated. Seven out of ten managers state that the company has *not at all* become more cautious about recruiting senior workers due to the new MRA. Such cautiousness seems more prevalent in trade and in manufacturing than in hospitality industries. However, hotels and restaurants are particularly youth-oriented and recruit less older workers than other industries (Ipsos, 2018). Thus, managers in hotels and restaurants may be less concerned because they employ only a few older workers.

Conclusion

So far, the expectations for the effects of the MRA reform in 2015 seem not to have been fulfilled. With data only up to three years after the implementation of the reform, it is not yet the time to draw final conclusions. In addition, there is a possibility that our measures are insufficient to detect small changes, or changes in variables that are not included in the study. For example, managers may have changed their preferences from full-time older workers to a preference for part-time older workers or self-employed older workers. Thus, the position of older workers may have become weaker after the reform in ways not fully covered in our study. Nevertheless, this study indicates that the fears of negative effects are exaggerated. We see no clear changes in the years around the MRA implementation. As before, managers like to recruit older workers only to a modest degree, and they still tend to exclude workers above 58 years of age from job interviews. The conceptions of older workers' performance are still quite positive, and only a few managers report problems with underperforming older workers that intend to work up to the MRA.

Hence, we see no convincing changes after the reform, either in a positive or a negative direction. The government launched the reform primarily as a signal or encouragement for long-term increases in the employment of older workers and for the elimination of age discrimination in working life. In a sense, mandatory retirement is in itself age discrimination, and raising – or abandoning – the MRA might hopefully show the expected long-term effects. Such possible effects need to be followed by further research.

Acknowledgement

This article is part of the project 'Older workers and how companies deal with mandatory retirement age' (ExitAge) at Oslo Metropolitan University. It is a cooperation project

funded by the Norwegian Research Council (No. 254786) involving researchers from two institutes at OsloMet and practitioners from the Centre of Senior Policy and the Norwegian Work and Welfare Directorate (NAV). Our colleagues Katharina Herlofson and Britt Slagsvold, NOVA, took part in designing the project and some qualitative interviews. Kjetil Frøyland, AFI, and Tale Hellevik, NOVA, took part in the final stage of the project. However, none of them are responsible for conclusions and viewpoints in this article.

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An interactional perspective on age management for prolonged working life

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There is a need for an expanded perspective on age management that draws attention to the interaction between employers and employees in order to understand organisational capability for a prolonged working life. The way in which workplaces are managed is of central importance to people's ability and willingness to continue to work. At the individual level, the timing of retirement depends on the individual's health, job satisfaction, competence, social inclusion and family life, as well as pension benefits. These are conclusions from previous studies on age management, and they indicate that the individual's decision to stay in a workplace and ability to work longer depends on a complex interaction between the person's preferences and health as well as social networks and work environment (see e.g. Brooke & Taylor, 2005; Furunes, Mykletun & Solem, 2011).

Previous studies and perspectives on age management have also noted that managers' conceptions of older workers and employers' interests in retaining older employees are of great importance for when an employee retire. Central to such assumptions is the managers' views of older people's knowledge and know-how, conceptions of older employees' ability to develop as well as normative conceptions of what is an appropriate retirement age. For example, Henkens (2005) has shown that managers often assume that older people find it difficult to learn new things and accept organisational changes. Another study shows that employers have interest in and motivation to implement organisational changes to adapt the conditions for older workers and also invest in developing skills for older workers if the organisation benefits financially (Brooke & Taylor, 2005). However, according to Taylor (2006), employers often prefer their employees to retire early, and thus they do not perceive organisational changes and measures to extend working life to be justified.

We argue that in addition to employers' and managers' conceptions, motives and interests, the interaction between managers' and employees' needs, to a greater extent, to be improved in order to increase the understanding of extended working life. Our studies show that what happens in the interaction between managers and employees long before

the traditional retirement age is crucial for an extended working life. This interaction affects the length of the career and not just the employee's retirement decision just before retirement. More specifically, our studies show that the HR routines – for example, career and development routines, pay routines, internal recruitment and assessment routines – used by operational managers in interaction with employees, at any point in their careers, set the stage for extended working life or retirement at the formal age (Liff & Wikström, forthcoming).

An interactional perspective on age management could also be used as a framework to investigate three types of organisational changes that could support prolonged working life:

1. *The importance of changing what is considered to be the appropriate age for retirement.*

There are studies in the age management literature showing that the most important factors in the workplace that influence the retirement decision occur long before the traditional retirement age approaches, which is also shown by studies using the life course perspective (Moulaert & Biggs, 2012). Wainwright et al. (2018) point out that there are many challenges for the employer, both in adapting the workplace for the ageing workforce, but also in convincing older employees to stay longer than the formal retirement age. Furthermore, the individual's retirement decision is considered a private matter by the employee, which is respected by the employer. It can be assumed that this attitude and perception among employees and employers have diminished the opportunities to understand what would actually be necessary to change a pension decision near the planned retirement day, and that a deviation from what is considered appropriate requires a special argument in the workplace.

2. *The importance of employers understanding and valuing older workers tacit knowledge.*

Employers' perceptions of knowledge form a strong underlying mechanism behind the managers' negative notion of older workers and how managers manage and organise an ageing workforce (Wikström et al., 2018). The older workers' knowledge is often not valued from a business perspective because it has the characteristic of being a tacit knowledge. The knowledge of the younger workforce is associated with knowledge of new ways of working and new technology. Thus, from the employers' perspective the latter form of knowledge is fundamental to increase efficiency and productivity. Based on this logic, we can see that employers' negative conceptions of an older workforce are constructed through their knowledge view. It can be assumed that if employers were willing to let older workers participate in the same education as younger ones even after the age of 60, then it would demonstrate the relevance of tacit knowledge both to younger colleagues and managers. The separation of young people with high formal knowledge and older people with great tacit knowledge would thus decrease, and probably increase the value of the older people's knowledge and the value of them remaining longer in working life.

3. *The importance of adapted HR routines during working life.* Previous studies (Brooke & Taylor, 2005; Taylor, Earl & McLoughlin, 2016) have also shown that human resource management can have a strong impact on the retirement decisions of older employees. Although operational managers appear to be active in the application of HR routines, there is a passivity in their use of the routines because the underlying norms and perceptions embedded in the routines are taken for granted, and are not discussed or reviewed; therefore, they are not actively adapted to the needs of different employees in order to promote age diversity in organisations. Instead of changes in organisations that would extend working life, one can see that norms and taking for granted the HR routines used by employers and operational managers both stabilises and "predetermines" the timing of retirement to the normal age for retirement (Wikström & Liff, 2019; Liff & Wikström, Forthcoming). Mechanisms for

rational and appropriate behaviour are embedded in the main institutional routines that affect a long-term or a “predetermined” working life.

In conclusion, perspectives on age management, in other words, need to be expanded not only to emphasise the importance of working conditions and the physical and mental working environment for extended working life, but also to include how employers interact with their employees through the use of different personnel management routines. An interactive perspective on age management can contribute to a deeper understanding of dynamic interaction patterns in the workplace and their importance for an extended working life. More specifically, here we have highlighted how the norm for a suitable retirement age affects the interaction between operational managers and employees. We have also highlighted that the interaction between employers/managers and employees expresses what the older workforce can contribute to the organisation, which in turn is based on the organisation’s definition and evaluation of knowledge and know-how in the organisation. A third key issue that we have highlighted is how operational managers interact with employees through their use of HR routines in recruitment, promotion and salary setting, affecting older people’s opportunities for a long and successful career.

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