

# **The New Zealand Ageing Workforce: An Analysis of the Export Manufacturing Industry**

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## ATTESTATION OF AUTHORSHIP

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any degree or diploma of a university of higher learning.

*Estelle Curd*

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*No matter what people tell you, words and ideas can change the world.* – Robin Williams



## **ETHICS APPROVAL**

This research was approved by the Auckland University of Technology Ethics Committee (AUTC) on 26/07/2013, ethics application number 13/168.

## ABSTRACT

The workforce is rapidly ageing and this is evident in the export manufacturing industry in New Zealand. This could mean that in the next 10 to 15 years, there will be an increased rate of retirements with many aged workers leaving organisations, taking all of their critical skills and knowledge with them. Six of the largest export manufacturers in New Zealand were investigated to ascertain their awareness and readiness for this demographic shift.

Interviews with employers (human resources (HR) or senior managers) and key stakeholders, as well as focus groups with those in the aged employee bracket (55+) were analysed, and the results around considerations for retirement and the value that aged employees held in their organisation are presented in this thesis. The analysis has identified key considerations for retirement to be, financial security, health and wellbeing and social aspects of work. The analysis also identifies that some stereotypes of aged workers are unfounded and that employers and employees need to establish a mutual trust and communicate with each other if they want to move forward positively.

The results of this research highlight the lack of preparation by export manufacturers in future proofing their organisation. In addition, the organisations studied have underestimated the need for strategically engaging their aged employees and facilitating the transfer of critical knowledge and skills. The findings also explore the general lack of understanding employers have on the needs of the aged worker.

# CHAPTER 1 INTRODUCTION

## 1.1 Background

Many developed countries are now experiencing rapid ageing throughout their general populations. With the ageing of the general population, a second-tier issue – the ageing of the workforce is imminent (Schultz & Adams, 2007). A 2007 report issued by the Department of Labour outlines that the ageing workforce is already a reality for New Zealand.

One of the reasons the demographic of the country has shifted towards an older population, is the rise in births between the 1940s and the mid 1960s (Dychtwald & Baxter, 2010). This increase in births created a phenomenon known as the ‘baby boomer generation’ due to the exponential increase in the number of births during this period (Kupperschmidt, 2000; Dychtwald & Baxter, 2010; Westerman & Yamamura, 2006). Due to increased longevity and the health of the baby boomer group, it is expected that there may be a number of mature employees who choose to stay within employment past the age New Zealand superannuation becomes available (age 65). Should the majority of these ‘boomer’ employees decide to retire at 65, other younger age groups will struggle to replace their aged worker counterparts. This is because other generational groups have much lower birth rates, meaning the replacement rate for each baby boomer employee is declining (Armstrong-Stassen, 2008). Looking in depth at these two possibilities of ageing employees retiring or remaining in employment, there emerge two critical questions for New Zealand employers: how do we maintain engagement of the mature employee group to help them to continue employment?; and how will we replace the critical skills and knowledge of ageing employees if they choose to leave the organisation?

The New Zealand export manufacturing sector was chosen as the setting for this research, as the New Zealand economy has a significant reliance on the wealth gained through exporting commodities. In fact, export manufacturing product accounts for a significant amount of New Zealand’s gross domestic product (New Zealand Statistics, 2012). The impending shift in the demographic of the workforce is set to have negative financial implications for the New Zealand economy (Department of Labour, 2007). It is therefore, increasingly important that export manufacturing organisations concentrate on how they operate, given that the ageing workforce profile is prevalent in the manufacturing sector (New Zealand Institute of Economic Research, 2013).

In a report on the implications of the ageing workforce for New Zealand industries, the New Zealand Institute of Economic Research found that manufacturing firms, compared to organisations in the services sector, would be under a greater burden because of being comparatively labour intensive, exposed to international competition, and is sensitive to price (New Zealand Institute of Economic Research, 2013). If this is true, there needs to be a focus on how the factors of an ageing workforce are mitigated, as previous research on New Zealand organisations has shown there is very little organisational planning for aged employees' skills and engagement (New Zealand Work and Research Institute, 2015; Equal Employment Opportunities Trust, 2014). This research is looking to ascertain what capability plans export manufacturers have created in regards to skills and knowledge transfer and engagement for aged workers. It will also be looking to the employee to understand what influences a mature employee's decision on whether to retire or remain in employment.

This research is important to both organisations that operate in export manufacturing and the employees who are employed by those organisations. It will provide important information to help in understanding the ageing workforce in large export manufacturers, and will help to highlight opportunities for the aged workers and the organisations that employ them. Organisations must learn to adapt to the ageing worker in this new world. Previous studies have shown that in an international context, organisations are yet to make any sort of human capital plans to ensure that the organisation's critical knowledge is not lost (Calo, 2008). Studies have also shown that progress has not been made internationally towards human resource planning in retaining workers within an organisation (Van Dalen, Henkens, & Schippers, 2010; Pengcharoen & Shultz, 2010; Silverstein, 2008; Patrickson & Ranzijn, 2005). If the issue goes unaddressed, the skills shortage for organisations could severely hinder their ability to meet the market demand and, therefore, will have negative financial implications on many New Zealand export manufacturing organisations.

## 1.2 Objectives and Scope of Research

Using the qualitative approaches of semi-structured interviews and focus groups, this study endeavours to establish the influences behind aged employees' decisions to stay in employment or retire and what organisations are doing in regards to preparing for a skills shortage and engaging with aged employees. The intent of this research is to help identify areas of concern for organisations around capability with the growing number of aged employees, and to help highlight

the importance of critical knowledge and skills awareness. Accordingly, this study focuses on those employees who are aged 55 years or older. To achieve this, women and men who were employed by an export manufacturer who were at the age of 55 years or older, were asked to volunteer to participate in focus groups to help provide insights on their views about the organisation and what influences their decisions around retirement. Further to the focus groups, those who had influential power for change in the organisation were interviewed, such as senior human resource managers and senior managers. These employees did not have to be in the 55 plus age bracket, but were interviewed to give an in-depth scope of the organisation's strategies and plans – if there were any – around the ageing manufacturing workforce. To provide triangulation to the research, key stakeholders were also interviewed on their perspective about the ageing workforce in export manufacturing. These included union officials and subject matter experts. This provided three robust perspectives on the ageing workforce in export manufacturing.

### 1.3 Organisation of the Study

This thesis comprises of five chapters. Following this introduction, chapter two reviews the literature on the ageing workforce and details the New Zealand context, theories that help highlight aged employees and organisational behaviour, as well as the importance of critical skills and knowledge transfer. Chapter three details the rationale of the chosen methodological approach. It begins with a justification of the selected data collection method, which is a qualitative mixed-method approach including focus groups and semi-structured interviews. It then discusses the procedure and the key analysis tools that have been used to evaluate the data. Finally, the chapter ends with a discussion on the validity and reliability of this study. Chapter four outlines the research findings and discussion, looking at the employer, employee and key stakeholder views separately, followed by a comparison of views from the employee, employer and key stakeholder groups. The fifth and final chapter summarises the key findings from the study, its implications and recommendations for practice, theory and Government, and identifies key areas for further research and the limitations of the study.

## CHAPTER 2 LITERATURE REVIEW

### 2.1 Background

The ageing population warrants an in-depth look at how organisations are preparing for using their ageing workers more effectively. Many organisations have not yet considered the ageing worker as a strategic human resource, however, they should be considered as such, as they are a very valuable resource and have an abundance of human capital (in other words, skills and experience) (Department of Labour, 2009, Kooij, De Lange, Jansen, Kanfer, & Dijkers, 2011). It is predicted that by 2020, one in four New Zealanders will be aged 55 years and older (Boyd & Dixon, 2009). At the same time, there is also a growing demand for skilled labour. This means older people will become an integral part of the labour force (Department of Labour, 2009). The theory that younger people will replace aged workers can no longer be looked upon as the solution (Department of Labour, 2009). Traditional patterns of work and retirement, therefore, need to change (New Zealand Institute of Economic Research, 2013). However, whilst organisations are aware of the issues around the ageing population, the literature shows they are not utilising, engaging, training and in some cases retaining their aged employees (McGregor & Gray, 2002; Armstrong & Taylor, 2014; Loretto, Vickerstaff, & White, 2005).

Organisations will need to look at how to utilise their aged employees if they want to keep the same level of skills and knowledge within their organisation, as it can create a competitive advantage for the organisation (Boxall, 1996; Taylor & Walker, 2006; Armstrong-Stassen, 2008). A more engaged and thorough approach is required by organisations, even at an industry level, to create and enhance overall economic growth (Department of Labour, 2009). Industries and employers need to fully understand and utilise the skills of the older workforce to maintain productivity levels and performance, as we see New Zealand take shape into a different demographic make-up (Department of Labour, 2007; 2009). Industries and employers need to fully harness the skills of the older workforce to maintain productivity levels and performance as the worker profile changes. For example, employers will increasingly need to consider employing older workers for longer periods or create phased options to retirement, to ensure they are able to transfer key skills and knowledge (Calo, 2008; Davey, 2007). Most of all, it is important the aged worker feels valued by the organisation so that they want to remain in employment, this means that organisations should concentrate on alleviating potential blockers, such as age-related stereotypes and ageism (Posthuma & Campion, 2009).

The following chapter will highlight relevant literature that will inform the research agenda of this thesis. These are defining the ageing employee and ageing employees in a New Zealand and international context; the overall New Zealand strategy, macros and micro theories that inform this research; issues with the ageing workforce; and finally the importance of skills and knowledge transfer.

## 2.2 Defining the Ageing Employee

How do we define an ageing employee? This is an interesting question and is still a lively debate in academic literature today, with different schools of thought weighing in with their views. The ageing worker can be defined in a variety of ways and the researcher looks at this from a generational, as well as an age-based perspective. Below, the researcher explores these definitions of the ageing employee from the different schools of literature and how the ageing worker is defined in this thesis. This is followed by a section that explores the ageing worker and the New Zealand demographic.

One of the ways to define an ageing worker is by the generational cohort to which they belong. For example, the ‘baby boomer’ generation can be seen as those currently nearing retirement and they are therefore classed in the ageing employee group. The problem with defining aged employees by a generational cohort is that it does not give a specific age, only a time period during which a person was born. The ‘baby boomer’ generation holds some evidence as to why this age group should be defined as ‘ageing’, given that this generational cohort is the group closest to the voluntary retirement age of 65. However, there are many definitions of what constitutes the baby boomer generation, as well as other generations as shown below.

**Table 1.1: Generational Cohorts**

Source	Years assigned to Each Generational Cohort			
	Silent Generation	Baby Boomers	Gen X	Gen Y
Howe and Strauss (1991)	1925-1942	1943-1960	1961-1981	1981-
Jurkiewics and Brown (1998)	1925-1942	1943-1960	1961-1981	
Kupperschmidt (2000)	Pre 1940	1940-1960	1960-1980	
Dries, Pepermans, & De Kerpel (2008)	1925-1945	1946-1964	1965-1980	1981-2001

<b>Twenge <i>et al.</i>, (2010)</b>		<b>1946-1964</b>	<b>1965-1981</b>	<b>1982-1999</b>
<b>Parry and Urwin (2011)</b>	<b>1925-1942</b>	<b>1943-1960</b>	<b>1961-1981</b>	<b>1982-</b>
<b>Current approximate age</b>	<b>70-91</b>	<b>52-76</b>	<b>35-56</b>	<b>15-35</b>

As we can see from Table 1.1, the boomer generation holds a current approximate age of 52-76. Therefore, if we defined the ageing employee as a boomer, they would need to be between 52 and 76 years of age. However, this is only an approximate age range and does not give certainty on how to define an aged employee.

Other perspectives have defined the ageing worker relative to an actual age as opposed to a generational cohort. This next section gives an understanding of how to define an ageing worker from an ageing literature perspective. Similar to Table 1.1 above, Table 1.2 looks at literature that defines the age of an ageing worker.

**Table 1.2: Ageing Employees Defined by Age**

<b>Source</b>	<b>Age</b>
<b>Warr (1994)</b>	<b>45</b>
<b>Loretto, Vickerstaff, &amp; White, (2005)</b> <b>Costa &amp; Milia (2008)</b>	<b>50</b>
<b>Claes &amp; Heymans (2008)</b> <b>Avery, Wilson, &amp; David (2007)</b> <b>Alley &amp; Crimmins (2007)</b> <b>Silverstein (2008)</b> <b>OECD (2000)</b> <b>McGregor &amp; Gray (2002)</b>	<b>55</b>

From Table 1.2, we can see that academic literature often refers to the point of 55 years of age as being when an employee becomes an aged worker (Claes & Heymans, 2008; Avery et al., 2007; Alley & Crimmins, 2007; Silverstein, 2008; OECD, 2000; McGregor & Gray, 2002). The researcher has found this age to be consistent amongst the different schools of thought (for example, psychology



and management) and so this has been used as the most practical age to reference. Additionally, it sits around the median of the baby boomer generational cohort.

In this thesis 'ageing' 'aged' 'mature' and 'older' all refer to those who are 55 years and older. This appears to be the most common point of reference in the literature for those in the ageing employee bracket. This is also an important age as it is the last 10 years of an employee's working career if they choose to retire at the non-compulsory retirement age of 65, which is the age the New Zealand superannuation scheme becomes accessible. In a study conducted by McGregor and Grey (2002), those aged 55 years and older were asked about their retirement decisions. Just over half (51.1%) of older workers indicated that they planned to retire between 65 and 69 years of age, with a further 5.8% indicating they would retire at age 70 or older. Just over a third (37.7%) specified that they would retire between 60 and 64 years (McGregor & Gray, 2002). With 88.8% of employees aged 55 years and older planning to retire between 60 and 69, it is practical to look at this group of employees as the group most likely to be considering retirement in the coming years.

So with the ageing employee being defined in this research as 55 years or older, what does that mean in a New Zealand context? The next section looks at the current New Zealand demographic and how the government is looking to cope with the demographic shift and the ageing workforce.

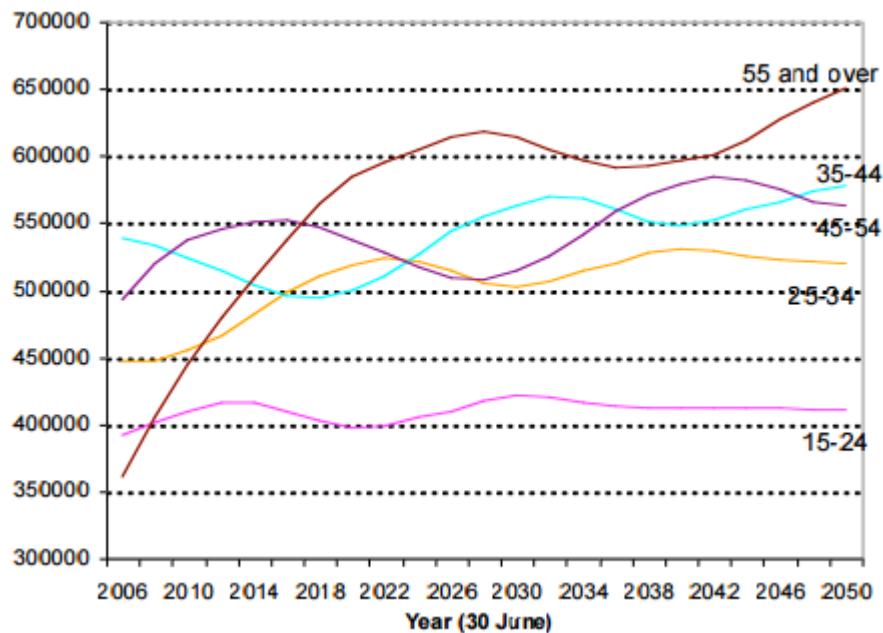
## 2.3 New Zealand and the Ageing Workforce

Aged employees (55+) are becoming more and more important in the New Zealand workforce, both in relation to their numbers and in terms of their skills and knowledge (Department of Labour, 2009). In 2009, aged workers comprised one sixth of the New Zealand labour force and this is expected to increase to nearly one in four in the New Zealand workforce by 2020 (Department of Labour, 2009).

There has also been an increase in the number of people undertaking further education (Ministry of Education, 2013); consequently, this means that the average age of those who enter the labour market is increasing.

Figure 1.1 shows how the ageing worker will become increasingly important in the coming years in a New Zealand context, as other labour force groups do not experience the same predicted rate of growth.

**Figure 1.1: Workforce Demographic Movement New Zealand: Past and Future Trends**



(Source: Department of Labour, 2009)

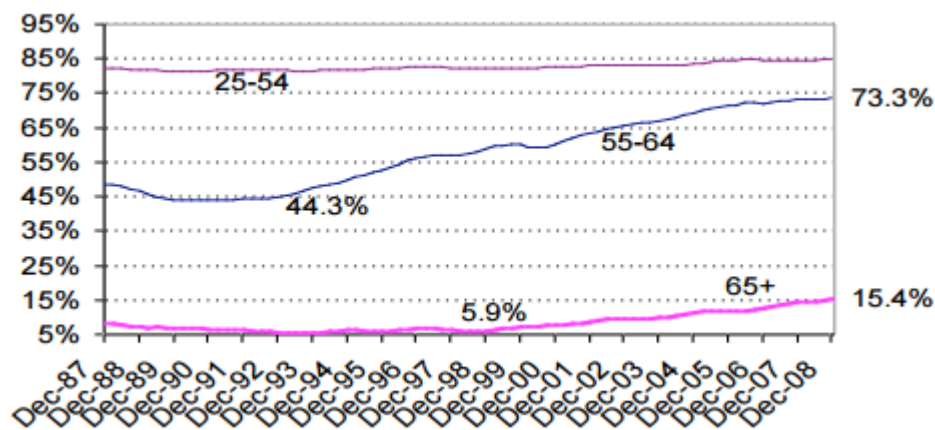
Figure 1.1 illustrates that the age group 15-24 remains relatively stable. The age group 25-34 has a steady rise which then tapers off, while both the 25-34 and 45-54 group are predicted to have relatively tumultuous growth and decline throughout the years; and the 55s and over have exponential growth. Comparing all five groups, it is clear that the group with the largest increase in numbers is the 55 years and older group.

Given the rapid acceleration in the aged worker category and the lowered replacement rate of working individuals, the overall growth of the workforce is now expected to be negative, leading to a pronounced skills shortage (Davey, 2007; Department of Labour, 2007). This skills shortage may be seen to not only affect those highly educated or skilled white collar professionals, it will also have a large impact on those who work in blue collar roles. In fact, blue collar workers are suggested to be the decreasing proportion of the older employee group (Rappaport, Bancroft, & Okum, 2003). As the economy improves, roles requiring trade-related backgrounds will become increasingly hard to fill, given that industries such as construction and manufacturing are in somewhat of a decline, causing prospective employees to look for other industries or lines of work unrelated to these industries (Rappaport et al., 2003).

Fortunately, one benefit to New Zealand's society in relation to the ageing workforce is that since 1992, there has not been a compulsory retirement age in New Zealand. This means that although

the 55+ age group is growing at an exponential rate, they now have the choice as to whether they will remain in the workforce or retire. It has now become an individual as opposed to a governmental or organisational choice. As a result of this change, there has been an increase in aged workers who participate in the workforce. Figure 1.2 below, illustrates their increase in workforce participation from 1987 to 2008.

**Figure 1.2: New Zealand Labour Force Participation Rates by Age Group, 1987–2008**



(Source: Department of Labour, 2009)

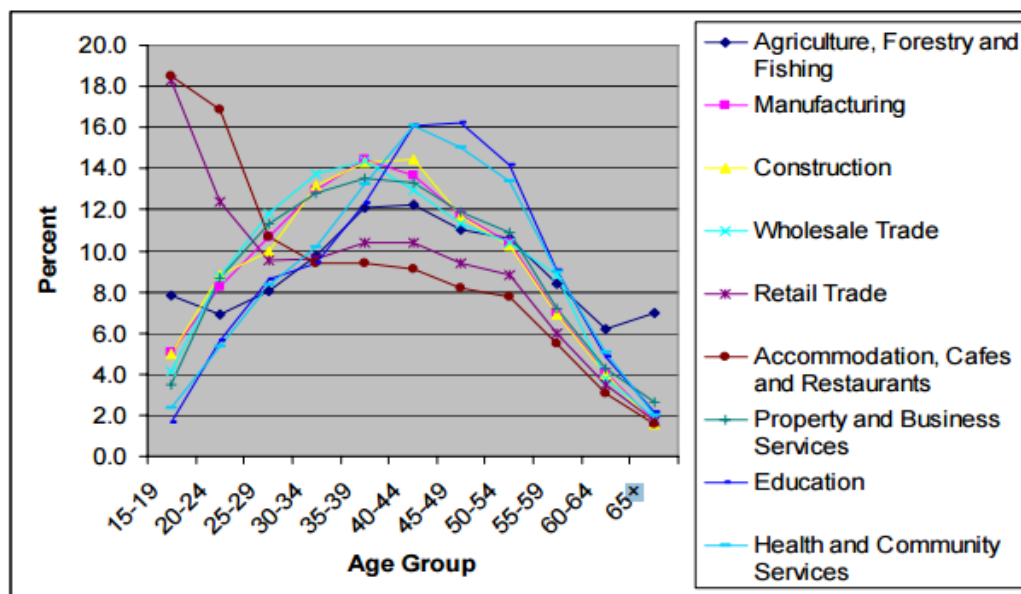
From Figure 1.2, we can see that the labour force participation rate of the 55-64 age group, as well as the 65+ age group, increased during the period 1987 to 2008. More aged workers are continuing to remain in employment. As such, serious consideration will need to be given to the changing nature of employment and those who are employed by organisations, as we can see that the workforce demographic has changed substantially over the last 20 years. Although Figure 1.2 presents somewhat historical data, Figure 1.1 shows the predicted changes in workforce demographic, with the 55+ age group becoming the largest represented group in the workforce. The approach to these aged individuals and their resources and capabilities, therefore, needs to change from the current traditional approach.

Older workers have a wealth of human capital (in other words, skills and experience) and as such, this is an available resource for New Zealand organisations to consider (Department of Labour, 2009). The New Zealand Department of Labour estimates that there will be approximately 50,000 job vacancies per year due to impending retirements and the replacement rate for these individuals will be significantly lower; as a result, there will be a skills shortage (Equal Employment Opportunities Trust, 2014; Department of Labour, 2007). Utilising aged workers will therefore be key.

This utilisation of aged individuals will become increasingly important to the New Zealand economy as key industries such as agriculture, forestry, fishing and other types of manufacturing industries, are said to have high levels of ageing workers (Department of Labour, 2007). As these industries are core to New Zealand's economy (New Zealand Statistics, 2012), this makes the ageing workforce a concern for New Zealand at a macroeconomic level. The loss of key skills and knowledge that the ageing worker in these industries holds could cause a loss in productivity and a knock-on effect in terms of the New Zealand economy.

Export manufacturing in particular, is heavily reliant on its employees, given that many of the jobs are labour intensive. Within the export manufacturing industry, a large number of employees are 55 years and older, compared to those in the 18-30 age bracket (New Zealand Institute of Economic Research, 2013). Employees in this particular age bracket are known as the replacements or understudies for those ageing employees choosing to exit the workforce (OECD, 2000). Figure 1.3 below shows a comparison of industry age profiles in New Zealand.

**Figure 1.3-Comparison of Age Demographics Across New Zealand Industries**



Source: Statistics New Zealand 2001 Census

Manufacturing has a high age working profile. Other industries that also have high workforce profiles are the Education and Health and Community Services sectors. Manufacturing sits closely alongside construction in age demographic. Although Education and Community services has a slightly higher age profile, manufacturing has been chosen as it is a key primary industry for New Zealand, with much GDP being gained from this sector.

In New Zealand, there is currently not enough working age individuals to replace those in the baby boomer bracket. This presents a number of concerns for export manufacturers and the two critical questions are, how will mature employees be engaged with and retained; and, how will the critical skills and knowledge that these employees hold be retained. This thesis seeks to address these two questions through exploratory research in some of New Zealand's largest export manufacturers. It is clear that the ageing population and workforce is a key issue for New Zealand and its organisations. The next section looks at the strategy the New Zealand government is currently utilising to help engage aged employees and the organisations that these aged employees work for.

## 2.4 Overall New Zealand Government Strategy

Having discussed statistical data on the New Zealand ageing population, this section now goes on to look at the New Zealand Government strategy. The New Zealand Government strategy focuses greatly on equal employment opportunities and engagement in employment for aged workers. This is potentially because of the large number of New Zealanders approaching 65 and the lack of understanding by employers on how to utilise their aged workers, as well as keeping the work environment free from discrimination and ageism. Thus, it is crucial that New Zealand and New Zealand organisations understand the reasons for remaining in or retiring from employment.

A survey conducted in 2006 by the Equal Employment Opportunities (EEO) Trust on work and age, found that 30% of respondents would like to retire between the ages of 60 and 64; 23% preferred the possibility of retiring between the ages of 55 and 59; and only a fifth saw the ideal age as being 65 years or older (Davey, 2007). So, if 80% of people are considering retiring before the non-compulsory retirement age, why do ageing workers continue to participate in the workforce? There are many reasons according to research conducted by the EEO Trust (2006). One such reason is that New Zealanders are experiencing better health in older age and thus increased longevity

(Department of Labour, 2007; New Zealand Statistics, 2006). Predictions for 2051 suggest that the average life expectancy will increase to the mid 80s (New Zealand Statistics, 2006). There are, however, a number of people who will continue to retire at 65 or before due to ill health. Ill health is among one of the most important influences in retirement decisions according to Kim and Feldman (1997). There are also degenerative issues associated with ageing (Palmer, K., Walker-Bone, K., Harris, E., Linaker, C., D'Angelo, S., Sayer, A., & Coggon, D, 2015;; Hayflick, 1994; Silverstein 2008; Ilmarinen, 2006; Costa & Milia, 2008). Older adults are generally more susceptible to disease and the accumulation of chronic health conditions such as heart disease and vision and hearing impairment (Hayflick, 1994). This is because the normal ageing process involves the deterioration of 'critical physiological functions' (Hayflick, 1994). Although there isn't overwhelming evidence for a reliable relationship between ageing and work performance (apart from in physical roles), the potential for a reduction in productivity due to age and declining health can still be a concern for organisations (Taylor, Steinberg, & Walley, 2000). Financial stability also influences the ability of aged workers to retire from employment (OECD, 2006). People living longer lives also suggests that the financial need to support themselves grows (Calo, 2008).

There are also reasons that aged workers choose to leave employment. One such reason is discrimination and ageism (Duncan & Loretto, 2004; Brooke & Taylor, 2005; Taylor & Walker, 1994). The New Zealand government has put in place directives to support the ageing population of New Zealand to ensure that those who are classified as aged have access to the same opportunities that all New Zealanders have, free from discrimination (Ministry of Social Development, 2013). One such initiative implemented by the Ministry of Social Development is *The New Zealand Positive Ageing Strategy*, which provides a framework for developing and understanding policy with implications for older people (Ministry of Social Development, 2013). The strategy was inspired by the 1999 International Year of Older Persons as a way to promote the value of older people. The strategy has identified ten goals with the aim of improving opportunities for older people as follows.

1. **Income** – secure and adequate income for older people.
2. **Health** – equitable, timely, affordable and accessible health services for older people.
3. **Housing** – affordable and appropriate housing options for older people.
4. **Transport** – affordable and accessible transport options for older people.
5. **Ageing in the community** – older people feel safe and secure and can age in the community.

6. **Cultural diversity** – a range of culturally appropriate services allows choices for older people.
7. **Rural services** – older people living in rural communities are not disadvantaged when accessing services.
8. **Positive attitudes** – people of all ages have positive attitudes to ageing and older people.
9. **Employment opportunities** – elimination of ageism and the promotion of flexible work options.
10. **Opportunities for personal growth and participation** – increasing opportunities for personal growth and community participation.

Although not all of these goals directly relate to employment, they have an indirect impact on older workers' employment. A positive attitude, for example, can help in changing an employer's view on older workers and can contribute to alleviating discrimination against aged workers.

Further to the above ten goals, the Minister for Senior Citizens also identified the following three priority areas:

- **Employment of mature workers** – encouraging flexible work options and opportunities for older workers to remain in work.
- **Changing attitudes about ageing** – promoting inter-generational programmes and reinforcing the important contribution older people make to their communities.
- **Protecting the rights and interests of older people** – by raising awareness of elder abuse and neglect prevention.

This highlights three priorities that are a currently of concern to the New Zealand Government and senior citizens. The three priority areas outlined above, directly and indirectly relate to employment conditions for aged workers. Bullying in the workplace around aged workers' contribution to the organisation is often guided by stereotypes and ageism, which is why changing attitudes around age should be a priority for any organisation (Posthuma & Campion, 2009). Older workers can often feel ostracised by an organisation if there is a toxic culture, resulting in resignation. This relates indirectly to protecting the rights and interests of older people. There may be more acceptance of aged workers through better understanding and awareness of what aged employees contribute to an organisation, such as accumulated knowledge (Taylor & Walker, 2006). Hunter, McGregor, MacInnes, & Sproull, (1993) found that in British firms there was an assumption to base employment

decisions on stereotypes around working roles and abilities. For example, the study found that men were assumed to want to work full time, whereas females were assumed to favour part-time work (Hunter et al., 1993). It is the same situation for aged individuals: some employers assume, because of stereotypes, that aged employees do not want to participate in developmental activities such as training and learning initiatives (Posthuma & Campion, 2009; Kafner, Beier, & Ackerman, 2013).

Further to the positive ageing strategy, good practice guidelines for employers to help in engagement with older workers have been developed by several important stakeholder groups including: the Retirement Commission, Human Rights Commission, Council of Trade Unions, EEO Trust and Business New Zealand (Department of Labour, 2009). It is important to also note that there is legislation such as the Bill of Rights 1990, which outlines a number of rights that are applicable in many situations for older workers, such as freedom from discrimination and the right not to be deprived of life. There is also the Office of Senior Citizens Society and the Positive Ageing Reference Group, which have been appointed by the Ministry of Social Development for their interest in understanding and creating positive measures for older people. They are representative of building a brighter future for older workers. The Positive Ageing Reference Group's mission statement is detailed below and is one positive example of how an organisation could view its ageing workforce.

*'Our vision is for a society where people can age positively, where older people are highly valued and where they are recognised as an integral part of families and communities. New Zealand will be a positive place in which to age when older people can say that they live in a society that values them, acknowledges their contributions and encourages their participation'*  
– The Positive Ageing Reference Group (2010).

From the above, we can see that the New Zealand Government has taken some significant steps in order to mitigate some of the perils associated with ageing, such as discrimination and the lack of employment opportunities. The next section look at

## 2.6 Stereotypes of the Ageing Workforce

There are arguments for and against retaining older workers in the workforce. Many of these arguments are formed from the stereotypes of older workers. Older employees may choose to leave the organisation if they face discrimination and become disheartened by the so-called self-fulfilling prophecies of aged workers (Taylor & Walker, 1994). The business case for retaining aged employees far outweighs any of the negative stereotypes of ageing employees. Organisations should be mindful



of the importance of an aged employee to an organisation because of their corporate memory, the cost to replace such skills, the public image of the company and the morale of staff. The future demographic of the workforce is forecast to change radically over the next twenty years, shifting towards an older workforce profile (New Zealand Statistics, 2006; New Zealand Institute of Economic Research, 2013). Organisations should be looking to create strategies and policies to decrease and eliminate aged employee discrimination.

Age discrimination occurs when an individual is disadvantaged in employment due to a negative perception and this could translate into a refusal of employment, remuneration at a lesser rate and fewer career or development opportunities (Warr, 1994). Stereotypes can have huge implications for employees, especially when you factor in globalisation and the rapid change in technology, as older workers can sometimes be stereotyped as being unable or slower at adapting to change and technology (Taylor & Walker, 1994; Roscigno, Mong, Byron & Tester, 2007). One popular belief is that older workers are not open to training or development (Maurer, 2007). Research suggests that they are less inclined to search out development opportunities, especially around career development (Maurer, 2007, Buyens, Van Dijk, & De Vos, 2009). The older worker group is, however, heterogeneous and to say that all aged employees do not want development opportunities and want to retire when they get the first chance, is not the reality as each individual has a different preference (Ko & Seung, 2014). Training and development opportunities for older employees should be encouraged as Armstrong-Stassen and Schlosser (2007) pointed out, there is very little research on the issues around developing workers over 50. If they are not encouraged, aged employees may choose to leave the organisation, which causes another issue: how to retain their skills and knowledge in an organisation. This is examined further in the following section on the retention of key skills and knowledge.

## 2.7 Retention of Key Skills and Knowledge

The ageing workforce will have obvious effects on the makeup of the labour market, with the ageing worker group becoming closer to being the majority group in comparison to others (Department of Labour, 2009). Retention of key skills and knowledge is incredibly important for organisations given that this group, as discussed previously, is the group closest to potential retirement (McGregor & Gray, 2002). The presence of an older workforce profile in certain industry sectors is expected to intensify with the current difficulties in managing the labour supply (Jorgensen & Taylor, 2008).

Organisations such as those that operate in manufacturing especially need to be aware of this demographic shift and potential retirements. This is because of the high labour component involved in their operations (New Zealand Government, 2012), the high age profile (Department of Labour, 2007), and the knowledge and skills held by these aged individuals, given that they make up a high proportion of the employee group.

As this aged worker group approaches retirement, it is hard to know how organisations will manage, as more employees are forecast to leave than there are starting employment (Equal Employment Opportunities Trust, 2014). Thus, organisational strategy and human resource planning (for example, talent management) are important considerations for any company in order to future proof their organisation. The labour market supply of older workers will increase as the population demographic shifts towards an older composition. Although the labour market will struggle for newer skilled members, there will be an abundance of older individuals who are capable of filling roles on a full or part-time capacity (Hansson, DeKoekkoek, Neece, & Patterson, 1997; Department of Labour, 2009). Given that the baby boomer generation is much healthier than previous generations (Hansson et al., 1997), and there is significantly less cognitive and physical disabilities within this group than previous groups of a similar age, their abundance of human capital makes this group perfect candidates for jobs within a tight labour market (Hansson et al., 1997). With the over-supply in skilled labour in older generations, there is an opportunity for organisations to strongly target this group. The study conducted by Osberg (1993) suggests that older workers often retire as they believe there is no work available for them, given their age. This may be a self-fulfilling prophecy as referred to in the section on stereotypes. Thus, they may enter retirement on the pretence that because they are not a so-called 'desirable worker', no organisation would be willing to hire them and it is easier to go on a social security/pension scheme (Osberg, 1993). Therefore, New Zealand organisations need to look at ways to promote opportunities for ageing workers to capitalise on their skills and knowledge, as well as involving their current aged employees to ensure they remain positively engaged in employment.

An approach that could help organisations in engaging with older workers as well as future proofing the organisation is a knowledge management strategy. Knowledge management is defined broadly by O'Dell & Jackson-Grayson, (1998) as a strategy of getting the knowledge to the right people at the right time, and can be used to help build organisational agility and performance by focusing on a long-term strategy as opposed to a short-term gain. Knowledge is one way in which an organisation remains competitive and having the knowledge dispersed, helps in relation to the company's flexibility (Slagter, 2007). The more employees who share in the knowledge, the more likely it is

activities can be spread amongst the workforce, thus achieving higher levels of productivity (Slagter, 2007). As previously mentioned, aged workers and their key skills and knowledge can be seen as a strategic human resource. Involving aged employees in a strategy to help manage their knowledge and build organisational capability could help ageing workers remain in employment, as a survey conducted by the EEO Trust showed that aged workers like to feel valued and involved (Equal Employment Opportunities Trust, 2006).

The discussion above gives a brief overview of potential options for organisations that want to retain their aged employees, however, further to retaining aged workers, there also needs to be a strategy as to how to transfer key skills and knowledge.

## 2.8 Skills and Knowledge Transfer

As older workers move into retirement, the direct impact will be a tighter labour market and a shortage in key skill sets (Silverstein, 2008). This elicits questions around not only trying to replace the employee, but also how to transfer the key skills and knowledge that the employee has built up over a number of years. 'Knowledge has become recognised as the most strategically significant resource of organisations' (Calo, 2008, p. 404). Often the knowledge learnt is not physically documented, such as the culture of an organisation or how a specific piece of equipment operates, which, in some cases, is tacit knowledge built from experience.

The concept of knowledge transfer looks at how knowledge and skills can be maintained in an organisation, by the sharing of knowledge from one employee to another (Calo, 2008). The retention of skills and knowledge in an organisation has been identified as one of the main ways in which an organisation maintains a competitive advantage (Goh, 2002; Simonin, 1999; Calo, 2008). As aged employees are usually well established within their working discipline, they often have accumulated large amounts of tacit knowledge, which is not typically documented (Calo, 2008; Leibold & Voelpol, 2007). This knowledge is not often dispersed widely amongst peers within the organisation (Calo, 2008), and thus if the employee were to leave, so would the critical skills and knowledge.

Although much literature discusses the criticality of knowledge management, transferring knowledge is often not easy and does not usually occur without facilitation from the organisation. One of the reasons for the difficulty is that if aged employees believe that holding on to their knowledge is what keeps them valuable to the organisation, and to let go of such information would

mean that they may feel their worth to the organisation has decreased (Siemsen, Roth, Balasubramanian, & Anand, 2009). When an employee feels they can trust their employer, this is known as 'psychological safety', whereby an employee can share their knowledge without the fear of negative consequences (Siemsen et al., 2009; Kafner & Ackerman, 2004; Slagter, 2007).

Psychological safety is a very important factor to note, especially when considering the sensitivities around age and retirement. If an employee passes on knowledge to another employee or protégée and is then exited from the organisation, it can create a sense of distrust and disloyalty among employees who may then shield their knowledge. Fleig-Palmer and Schoorman (2011), suggest that trust is a core element of knowledge transfer, and trust in all parties – both the organisation and the employee receiving the information – is needed to help create a more positive and open process.

Manufacturing is a knowledge labour-intensive industry, with one in every ten employees in New Zealand being employed in the manufacturing sector (New Zealand Government, 2012). Employees are often long serving and have amassed critical tacit knowledge of machinery, practices and processes. This comes about due to natural evolution over time, the fact that technology is not replaced often and because of the large cost to the business. Therefore, the life of the equipment is stretched through modifications and adjustments, meaning that the original design of the product is now different. If this is not documented – which often it is not – it leaves large gaps in knowledge between those who leave the company, and those who replace them (Calo, 2008). A research paper by the New Zealand Institute of Economic Research (2013), outlined that one response to the ageing workforce is the creation of human resources practices that retain knowledge, experience and the skill sets of older employees. If this is true, then we must also turn our attention to workforce planning, as set in behind knowledge management is the identification of the demographic makeup of an organisation's workforce. Workforce planning is an assessment of the current workforce through a number of factors such as demographics and knowledge, against forecasted changes to the work environment, considering both internal and external factors (Rappaport et al., 2003). With a workforce plan, it is far easier to create a human capital strategy around knowledge management, as the areas to which there is more risk associated – such as one employee holding all the information for a particular process – are identified and then the knowledge management process can begin (Calo, 2008). Although there can sometimes be a concentration on the workforce planning strategy and then little concentrations on action on the outcomes (Rappaport et al., 2003). This is a reality for New Zealand organisations, with many unprepared for the coming demographic shift (Equal Employment Opportunities Trust, 2014; Department of Labour, 2007), and with many yet to conduct a formal workforce plan or have in place any type of critical knowledge management strategy (Calo, 2008).

Leibold and Voelpol (2007) take this further and suggest that a knowledge assesment is needed. Leibold and Voelpol (2007) suggest a four-step approach when looking at knowledge assesments across an organisation consisting of: determining the current requirements of knowledge for the organisation; creating a future knowledge requirement; determining the knowledge gaps; and surpluses and then finally, implementing strategies to close knowledge gaps and to reduce knowledge surpluses. A knowledge assesment also looks at implicit as well as explicit knowledge. Explicit knowledge is known, documented easily and is easy to transfer between employees (Leibold & Voelpol, 2007). Implicit or tacit knowledge is knowledge that is not formally documented and is not easily transferred between employees (Leibold & Voelpol, 2007). Implicit knowledge tends to be the area that is of most concern, as there is no formal structure to how the knowledge is gained. It is most likely to be learned through on-the-job experience or by trial and error. Critical skills and knowledge transfer are of great importance and are often undervalued by organisations. This also helps in understanding why aged employees should be viewed as a strategic human resource.

The literature provides a bleak outlook for organisations who have not yet taken steps to transfer core skills and knowledge from aged employees to others in the organisation. The retention of skills and knowledge in an organisation has been identified as one of the main activities that allows an organisation to maintain a competitive advantage (Goh, 2002; Simonin, 1999; Calo, 2008). Thus, it is important for an organisation to have a knowledge management plan or an assessment of what the current situation is in terms of their knowledge capability.

Further to this, is the need to understand at an individual, or micro level, how aged workers find meaning in work and how they make their choices. At an organisational or macro level, we also need to understand if, or how, organisations are utilising aged workers. The vast knowledge and core skills that aged workers have makes them a valuable resource to any organisation; aged workers can be classified as a strategic human resource. The next section explores strategic human resource management and the theoretical frameworks (theories) that the resercher believes help to identify how aged workers can be utilised, and why they choose to remain in or retire from employment.

## 2.9 Strategic Human Resource Management and the Ageing Worker

Given the strategies outlined above from the New Zealand government and the lack of uptake from New Zealand's organisations (O'Driscoll, 2015), it is important we begin to consider aged employees as not only an important human resource, but also a strategic human resource. Strategic human resource management (SHRM) looks at how the strategy of a firm and how its human resource management (HRM) is being used to achieve organisational goals (Armstrong & Taylor, 2014; Boxall & Purcell, 2003). One of the most commonly cited definitions of SHRM is, "the pattern of planned human resource deployments and activities intended to enable an organisation to achieve its goal" (Wright & McMahan, 1992, p. 298). SHRM gives an in-depth view that HRM does not, as it looks at how HR practices can be connected to the organisation's strategy for the achievement of the greater organisational goals, not just the HR and employee goals. With new technology and changes in the way organisations operate due to access to different markets and economies, HRM has become increasingly important (Storey, 2014). Strategic HR is believed to have evolved from HR through a two-step process: from personnel management looking at administration aspects to HRM, and then from HRM to SHRM (Schuler, 1990).

The history of organisations presents some interesting subtleties and the most interesting for organisations is how to maintain competitive advantage (Wright, McMahan, & Mc Williams, 1994). The ever-changing environment of business, presents unique challenges to organisations to ensure they can maintain their competitive advantage over other organisations (Boxall & Purcell, 2003). Competitive advantage includes aspects such as, capabilities, resources, and other elements that allow an organisation to capitalise on opportunities and evade threats (Storey, 2014; Armstrong & Taylor, 2014; Becker & Gerhart, 1996; Boxall, 1996). 'The notion of HRM refers to all activities associated with the management of employment relations in the firm' (Boxall & Purcell, 2003, p. 1). HRM covers all employees in the workplace and is said to form part of this competitive advantage (Boxall & Purcell, 2003). This thesis refers to the aged employee as a way to compete and maintain an advantage over other organisations.

HRM is a term that encompasses all the aspects of human resources including procedures, practices, viewpoints and ideals (Becker & Gerhart, 1996; Armstrong & Taylor, 2014). SHRM uses these procedures, practices and ideals to help create systems within an organisation to retain, motivate and attract the right talent to the company (Becker & Gerhart, 1996; Armstrong & Taylor, 2014). This gives the organisation a competitive advantage in terms of its employees (Storey, 2014; Armstrong & Taylor, 2014; Becker & Gerhart, 1996). However, with the influx of new technologies and the opening of markets and many other factors in this new world, organisations need to think more strategically about their HRM on order to continue to develop their organisation and maintain their

competitive advantage (Truss, Mankin, & Kelliher, 2012). Hence, the influence of SHRM has become more important (Storey, 2014; Mello, 2011).

### 2.9.1 Macro Level Theories: Aged Employees at Work

There are two macro level theories that help to inform the SHRM perspective on aged workers in this research, these being:

- Resource based theory
- Human capital theory

Macro level theories inform the research from an organisational perspective, looking at the organisations awareness of its ageing workforce. The next section discusses these two theories and the relevance in understanding ageing workers from an organisational perspective.

### 2.9.2 Resource Based Theory

Resource based theory (RBT) is one of the most common theoretical frameworks in SHRM both in empirical research and in the development of theories (Carmeli & Schaubroek, 2005). RBT looks at how an organisation's key resources can outperform a competitor's without such resources (Carmeli & Schaubroek, 2005; Shaw, Park, & Kim, 2013), thereby giving the organisation a competitive advantage (Boxall, 1996; Carmeli & Schaubroek, 2005). Resources can be either physical or human (Boxall, 1996). Physical resources refer to capital resources, for example machinery and systems, whilst human capital refers to employees and the value that their skills, knowledge and abilities bring to an organisation. These resources and capabilities can be viewed as bundles of tangible and intangible assets, including a firm's management skills, its organisational processes and routines, and the information and knowledge it controls (Barney, Wright, & Ketchen, 2001, p. 625).

Haynie, Shepherd, & McMullen, (2009) suggest resources can be broken down into the following four categories:

**V**-Valuable

**I**-Inimitable

**R**-Rare

**O**-Organisation (of these resources).

VIRO forms 'unique bundles of resources' (Boxall, 1996) which become an important tool for an organisation, as it helps create a non-replicable resource (Boxall, 1996; Shaw et al., 2013; Carmeli & Schaubroek, 2005). Some of these resources can be traded, but various resources are internally developed, for example employees' knowledge.

From a SHRM perspective, the focus of RBT is how human capital can be viewed as valuable to an organisation, as things such as knowledge are non-substitutable, scarce and valuable (Carmeli & Schaubroek, 2005; Boxall, 1996). Investing and developing this human capital, is seen to be a way to retain and engage employees in the organisation, as well as a means to create and sustain competitive advantage. For example, two organisations have invested in systems to the same degree. The difference is that one of the two organisations has invested heavily in the people who operate and engage with the systems. Thus, hypothetically, the organisation that has upskilled its employees in the particular system, gains greater benefits as their employee group is well educated in the systems, requires less time to achieve tasks through the system and is able to complete the tasks with less human or physical capital. Over time, the skills developed by employees become more unique and harder to imitate (Shaw, et al., 2013).

RBT is particularly important to this study, as we are facing a critical skills shortage and an impending rise in retirements due to the baby boomer generation beginning to reach the voluntary retirement age in New Zealand. Ageing workers are key when looking at RBT as, based on tenure of experience, they have a knowledge base far beyond those just beginning their careers. What's more, these ageing workers are critical in the manufacturing space as they hold much of the knowledge in terms of machinery, systems and operations. In addition, the average service tenure in manufacturing is relatively high, with many employees being with the same organisation for at least ten years, leading them to having valuable tacit knowledge. Manufacturing in New Zealand is also heavily human capital based. In the year ended September 2011, manufacturing sector output accounted for 12.2% of real GDP and the proportion of the labour force employed in manufacturing was around 10.3% (New Zealand Government, 2012). This gives an understanding of how labour intensive manufacturing is, with one in every ten people in the labour force in New Zealand being employed in manufacturing industries.

Manufacturing, therefore, relies on the RBT to invest in its human capital. This puts the industry at risk with the potential loss of its scarce and valuable human resources, especially those who hold key knowledge in specific processes for the organisation. This is more often than not, the ageing worker. This is why RBT is so critical in this research, as the potential losses to productivity could be huge in a manufacturing context given the years of accumulated knowledge that key ageing individuals hold,



coupled with the labour intensive resource strategy. As human capital is depleted through voluntary turnover, the complexities and knowledge associated with a long tenured workforce are depleted; this means competitors can more easily replicate the remaining resources and start to eradicate any competitive advantage the organisation may have once had (Shaw et al., 2013).

The theory, however, is imperfect, and relies on employees wishing to fulfil the needs of management and the organisation (Boxall, 1996). If an employee is a valuable resource but chooses to use these skills negatively, the resource is null and void. There are benefits and disadvantages to organisations looking to base their SHRM model on RBT. If an organisation invests heavily in their human capital, it is more likely to be at risk of losing its competitive advantage should there be a loss in key human resources (Carmeli & Schaubroek, 2005).

In summary, the resource-based view looks at how an organisation's key resources can outperform its competitor's without such resources (Carmeli & Schaubroek, 2005; Shaw et al., 2013). In terms of HRM, RBT looks at the human capital resources and the development of, and investment in, these resources. This is particularly important in a manufacturing context, as it is particularly labour intensive requiring much human capital. Human capital can help form a part of RBT and is explored further in the next section.

### 2.9.3 Human Capital Theory

Human capital theory (HCT) refers to the knowledge, skills and abilities of workers (Nyberg & Wright, 2015; Wright, Coff, & Moliterno, 2013) and in this specific context, those of aged workers. HCT can be viewed both as a macro and micro level theory. From a macro perspective, human capital is linked to the firm's strategy and maintaining its competitive advantage through the deployment of skills (Coff & Josephine, 2015). At a micro level, HCT looks at the variation in individual or group performance and attitudes (Coff & Josephine, 2015). In this thesis, HCT is considered from a macro level, looking at how the skills and knowledge of aged workers can be leveraged in order to create value for an organisation through strategy and competitive advantage.

Each individual employee holds a unique 'portfolio' of human capital, with the different skills and abilities that they have (Wright et al., 2013). The portfolio that each individual has is exclusive to them, making each individual uniquely valuable to the firm (Wright et al., 2013). For example, an employee may have one proficient skill that he/she is able to deploy, whilst the rest of that

employee's human capital skills are relatively low (Wright et al., 2013). Compare that to an employee who has a moderate skills set across a number of different human capital characteristics, making them a high performer (Wright et al., 2013). In both cases, it is the ability of the individual to deploy their particular skills set in order to make a meaningful contribution to the organisation, which makes their particular portfolio of human capital a valuable resource for the firm (Wright et al., 2013).

Human capital creates value in an organisation, especially when the skills and knowledge are firm specific, i.e. the skills are specific to the organisation (Coff & Josephine, 2015). There are also general skills, which refer to skills that are relatively transferable across different organisations (Wright et al., 2013). Employees with firm-specific skills may believe that their skills are non-transferable and thus remain in the organisation, believing that their skills are less valuable to another organisation (Coff & Josephine, 2015). This forms a mobility constraint, which in turn means the employee remains with the organisation and deploys their specific skills and knowledge within the organisation (Krscynski & Ulrich, 2015; Coff & Josephine, 2015). As such, firm-specific knowledge has associated detriments for the individual, as this knowledge cannot be deployed in other organisations as it is only relevant to the current organisation (Coff & Josephine, 2015). A report conducted by the Department of Labour (2009) found that older workers are productive and valued, but their knowledge may be specific to their current job. This rings very true for many older workers in New Zealand and thus the mobility constraint is formed. However, this constraint is based on the assumption that the individual is in the organisation for monetary reward and other elements of the work are not factored in (Coff & Josephine, 2015).

HCT links closely with RBT as when we look at resources and the criteria of a RBT – this being that resources are valuable, rare, inimitable and organised – we see that aged workers fit these criteria because of their specific knowledge and skills set, especially when the aged employee has many firm-specific skills. Aged employees have a vast portfolio of skills and abilities, which should make them a strategic resource for an organisation. Because aged employees have accumulated human capital in very specific areas, aged employees tend to remain in the same job for a reasonably extended period of time (Department of Labour, 2009). With long-serving aged employees, the portfolio of firm-specific skills increases and this in turn makes the aged employee a hard resource to duplicate. Utilising this resource strategically creates a competitive advantage. For example, two organisations are competing in the same market. One organisation has an employee who is very skilled and holds much knowledge in relation to the firm and the industry, with many years of experience. The other organisation has recently hired an employee in a similar position; however,

this employee has not been with the organisation before and is relatively new to the industry. Thus, the new employee needs more time to be able to acquire the skills and knowledge necessary to compete with the other organisation's employee. With aged employees holding so many years of knowledge that is not easily transferred or downloaded, it is easy to see how they can be used as a strategic resource for an organisation to maintain competitive advantage.

In summary, HCT refers to the knowledge, skills and abilities of workers (Nyberg & Wright, 2015; Wright et al., 2013). This portfolio of skills helps to create value for an organisation, as the skills and knowledge are hard to duplicate, are rare and when deployed correctly, can help create a competitive advantage for an organisation (Coff & Josephine, 2015). This is especially important when looking at aged workers as they have a wide set of skills and knowledge which is often specific to an organisation, making them a key strategic resource for that organisation. This ties closely with RBT as human capital forms a part of this theory (Wright et al., 1994).

#### 2.9.4 Macro Level Theories Summary

The above two theories of RBT and HCT inform us at a macro level about organisational awareness of the aged employee. These two theories tie closely with SHRM and help support the idea that an aged worker can be defined as a strategic human resource from an organisational perspective. At a micro level, there are two additional theories, which relate to an aged employee at an individual level and help to inform us about why ageing employees behave in a certain way and why aged employees choose to remain in employment or retire. These two theories are explored in detail in the next section.

#### 2.9.5 Micro Level Theories: Aged Employees at Work

It is important to understand from an individual level, why aged employees continue to work or leave the workforce. The researcher has found two distinct theories, which inform the research on why aged employees behave in a certain way in relation to employment and what they get out of remaining in the workforce or retiring. These two micro theoretical frameworks are:

- Social exchange theory
- Social optimisation and compensation theory.

The next section discusses the elements of these two theories with a focus on its relevance for understanding ageing workers.

### 2.9.6 Social Exchange Theory

Social Exchange theory (SET) is based on the norm of reciprocity, specifically that we help those who help us (Blau, 1964; Tzafrir, 2004; Hennekam & Herrbach, 2013). In an organisation this norm is established through managerial expectations that recognition, empowerment, investment in human assets, and other favours will be reciprocated (Tzafrir, 2004).

SET argues that employees form general perceptions about the intentions of the organisation towards them through the HR policies and practices that the organisation has in place. This then helps to create the relationship between the employee and employer (Hennekam & Herrbach, 2013). The 1964 work of Blau gives a framework for SET and provides a basis for understanding the role that organisations and managers play in creating a sense of employee obligation and positive work attitudes (Blau, 1964). SET ties in closely with the psychological contract employees have with their organisation. It can either create or destroy trust between an employee and employer (Blau, 1964; Tzafrir, 2004). Each party (employee and employer) acts according to what they expect the other party will give; this creates a mutual obligation between the two parties over time (Hennekam & Herrbach, 2013). For example, an employee works for an organisation and receives the benefit of that work in an arrears payment the following week. The mutual obligation that has been created is that the employee will work for the week and the expectation is to be paid the following week by the employer. If the payment is made on time, this creates trust and if the payment is consistently made on time, this builds stronger trust.

Trust in management and the organisation is said to be a critical component that underpins SET in the realm of HR, as the established relationship requires the recipient to respond to the initiator in kind (Blau, 1964; Tzafrir, 2004; Muthusamy & White, 2005). A study conducted by Gould-Williams & Davies (2005) found that trust in management consistently predicted change in employees' commitment, motivation and desire to remain within the organisation (Gould-Williams & Davies, 2005). In this study, the researcher concentrates on particular HR practices and policies, as well as

the culture of organisations, to see what role SET plays in engaging older workers and managing their trust. The researcher also explores social exchanges between employees.

According to the social exchange approach to employment, HRM policies and practices that are positive towards the employee group should be interpreted as such, thus employees feel a sense of kindness from the organisation (Hennekam & Herrbach, 2013; Blau, 1964). If an organisation provides certain HRM practices that are viewed as a positive by an employee group, that employee group will believe that the organisation wants to engage in a social exchange relationship. Thus, employees feel that they are supported, important and fairly treated by the organisation. These HR practices and policies that the organisation provides, should in turn lead to the employee reciprocating in a positive manner, since these HR practices positively affect their employment (Hennekam & Herrbach, 2013). This also creates a constructive perception of the organisation in the employee's eyes. It is important to note that this is the perception of the organisation, and is not always based on the reality of what the organisation is providing.

Examples of HRM practices that an organisation can provide for employees, which have been identified as showing positive reciprocity, are:

- flexible working arrangements
- continued learning and development
- job design
- performance evaluation
- recognition and respect.

The above is not an exhaustive list and there are many other HRM practices an organisation can provide. However, many of the HR practices outlined above have particular significance to this research. Providing these types of practices does not represent a complete blanket approach though, and ageing employees should not be seen as a homogenous group. A study conducted by Ko and Seung (2014) found that if organisations want to build positive employment relationships with their employees, managers should focus on benefits that recognise the organisation's and employees' particular concerns, rather than the general benefits offered by most organisations (Ko & Seung, 2014, p. 184). This means that although employees may perceive the organisation positively through the offer of HR practices, they are likely to feel more positive if the particular HR practice is tailored to their specific needs.

In the context of ageing workers, many of the above HRM practices have been found to be important, in particular, flexible work arrangements, continued learning and development and

recognition and respect (Hennekam & Herrbach, 2013). Ageing workers want to feel valued and empowered by the organisation (Hennekam & Herrbach, 2013). For example, in an ageing worker context, if an organisation offered flexible working arrangements for those aged 60 years or older, this may create a perception in employees' eyes that the organisation cares for its aged workers. Thus, the employee may opt to stay with the organisation for longer or in a different capacity, i.e. part time, whereas if this HR practice was not offered, they may have chosen to leave or retire earlier. The social exchange that occurs in this situation is that the organisation is able to keep the valuable ageing employee in the workforce longer than they may have previously been able to by offering an alternate employment situation. The aged worker feels valued that the organisation offers this type of arrangement and thus stays engaged with the organisation thereby strengthening the psychological contract.

It is also important to note as previously mentioned that SET is, to an extent, based on perceptions of the organisation (Hennekam & Herrbach, 2013). For example, if there has not been a good culture of trust between the employee and employer built before the introduction of HR practices and policies, they could be viewed negatively by the employee. Taking the previous example of flexible working arrangements for older workers who are 60 years or older, if the organisation has previously had a poor relationship with its ageing worker group, the offer of flexible working arrangements could be perceived as an exit strategy for those in their sixties. Employees would then see this as a negative offering from the organisation. SET can also be applied to person-to-person relations; for example, an employee helps out another employee, who in turn reciprocates this behaviour at a different time. 'The behavioural aspect of commitment focuses on the patterns of exchange found in networks of social exchange, in which actors choose to interact repeatedly with one another rather than with their available alternatives' (Cook, Coyne, Rice, & Nakagawa, 2013, p. 74). Emotional bonds are developed over time, from repeated experience of successful exchanges between the same partners. This in turn, creates friendships (Cook et al., 2013). However, there is no certainty that others will reciprocate in turn, thus social interactions are based on trust (Lawler & Yoon, 1993; Cook & Emerson, 1978).

In summary, SET in an organisational context, is the reciprocity of actions and practices between employee and employer (Hennekam & Herrbach, 2013; Blau, 1964) and can also be between employee and employee (Cook et al., 2013). This is based on perceptions of the organisation's HR practices and on trust as well as the physical contract between employee and employer (Gould-Williams & Davies, 2005).

### 2.9.7 Selection and Optimisation and Compensation Theory

Selection and optimisation and compensation theory is a theory commonly used to explain how people make decisions. It has also been identified as a key theory on how aged individuals manage their activities (Baltes & Dickson, 2001). The selection and optimisation and compensation theory (SOCT) 'provides a framework with which to understand an individuals successful development process across their entire life span' (Baltes & Dickson, 2001, p. 52). The SOCT is based around human beings having a set of resources such as cognitive, physical and environmental (i.e. wealthy, poor, etc.) which are limited to a specific point in time and that opportunities such as education, starting a family, moving locations or losses, i.e. age-related deficiencies, result in the individual having to make choices on how to allocate their limited 'resources' (Baltes & Dickson, 2001).

SOCT can help with understanding how people master the challenges of ageing, through selecting, optimising and compensating choices (Lang, Rieckman, & Blates, 2002). In simple terms, SOCT suggests that older adults maximise the positive and minimise the negative by selection, optimisation, and compensation (Riediger, Freund, & Baltes, 2005; Baltes, 1987). For example, an older adult who is accustomed to going to the gym for exercise finds that it is no longer safe due to the strain on the body, so he now exercises at home with workout videos to minimise the strain. Another example is an aged individual who no longer has all the energy and time to attend all the social engagements that he/she once did, so picks the most rewarding and lets the others go. Older adults select fewer and more meaningful goals and activities, thus *optimising* their existing abilities, and *compensating* for the losses of other abilities by finding new ways to accomplish tasks. Three general strategies are encompassed in the theory: selection, optimisation and compensation, can be used to deal with the development of opportunities or losses successfully (Baltes & Dickson, 2001; Weise, Freund, & Baltes, 2002). Each of the three strategies is explained below.

**Selection:** This involves the selection of choices in order to achieve important goals and what the opportunity costs of these choices are. Selection is based on two different categories: elective selection and loss-based selection. Elective selection refers to instances in which an individual's selected choice is not based on a loss, i.e. education over sport. Loss-based selection is based on the loss of some human resources, for example loss of money or decline in physical or cognitive ability. This pressures an individual to make changes to their goals (Baltes & Dickson, 2001). For example, if an aged individual can no longer run each day as his physical ability declines, he may choose instead to reduce his exercise time to mitigate the risk of hurting himself.

**Optimisation:** This refers to the allocation of resources as a means to achieving one's goals. Related situations could be enhancing one's personal profile as a means of getting ahead career wise. This could be achieved through an employee choosing to attend specific social events, in order to build their networks (Baltes & Dickson, 2001).

**Compensation:** This is where an individual, when faced with losses, will have to use new or alternative means to maintain a certain level of functioning (Baltes & Dickson, 2001). Baltes and Dickson (2001) advise that there are two types of compensation: external and internal. External compensation refers to seeking help outside of one's own resources, for example, hiring an assistant. Internal compensation refers to the use of 'impression management' by impressing those around you to mask any deficiencies or to make them seem less important to others.

An example of how SOCT can be applied in one work situation is given in the following. An aged employee who has worked as a semi-skilled operator in the manufacturing industry has found that his physical strength is waivering. Part of his role involves operating controls and manually lifting bags of concrete, which he continues to do, but at a much slower pace. He needs to make a choice on whether he should retire or continue to work. His selection will, therefore, be loss based. He foregoes the retirement option as he does not have enough saved to support himself and he has also not yet reached the age for superannuation payments. Therefore, he chooses to optimise what resources he does have, by exerting extra effort when he is on the controls to get this task completed twice as fast, thereby giving him extra time in which to complete his lifting duties so that he achieves his normal work duties in the same given amount of time. He works very hard on the controls so that his superiors and team members will think he is a good worker and will not notice or will disregard his deficiencies when it comes to lifting the bags of concrete. This situation is just one of many possible scenarios that show how SOCT can be applied. If we look at SOCT on an everyday basis, it would be the reduction in the number of goals and activities an aged individual can focus on. They would focus on achieving what they considered to be the more important goals. When dealing with everyday situations, aged individuals have more to consider than their younger counterparts, as tasks that used to be easy can now be more challenging, i.e. lifting a load of washing, travelling to the supermarket etc. There is a recognition stage when aged individuals categorise priorities (Baltes & Carstensen, 1996). Even when they have many resources (i.e. wealth), older people who are approaching the end of their lives, seek emotionally meaningful experiences in their everyday lives (Lang et al., 2002). This is one of the key reasons why older individuals, who may be past the non-compulsory retirement age, continue to work on a part-time or reduced basis, as they still want to feel challenged and working creates an emotionally meaningful experience for them (Armstrong-



Stassen, 2008). The SOCT is an ageing strategy which has been found by several studies to be useful when applied in a work context (Lang et al., 2002; Baltes & Dickson, 2001; Baltes, 1987). The reason why it is considered as a successful ageing strategy is because by optimising choices, an aged individual can still fulfill their duties at work and at home.

### 2.9.8 Micro Level Theories Summary

In summary, SOCT is important to this research as it gives a theoretical context on how ageing individuals make choices in the work context. These can be a mixture of both tangible factors such as financial or health and intangible factors such as social aspects of work. These factors have a large impact on whether an ageing worker chooses to remain with an organisation or retire.

### 2.9.9 Conclusion of Macros and Micro Theories

The above theories, both at a macro and micro level, help to inform us on how organisations, as well as aged individuals, behave. RBT allows an analysis of the organisation's resource as it looks at the company's strategy and policies and the management of its employees. The burgeoning human capital movement allows for a greater analysis of human capital resources and strategy. Human capital refers to the knowledge skill and abilities of workers (Nyberg & Wright, 2015; Wright et al., 2013). From this perspective, human capital is linked to the firm's strategy and maintaining its competitive advantage through the deployment of skills (Coff & Josephine, 2015).

While RBT and HCT allow this study to be contextualised, SOC and SET allow for an analysis into the exchange at the individual and organisational levels. SOCT relates to an individual and how they go about the completion of activities, based on optimising each social encounter to compensate for weaknesses. SET is based on the norm of reciprocity (Hennenkam & Herbach, 2013). In an organisation, this norm is based on established expectations that aspects such as recognition or investment into development will be reciprocated (Tzafrir, 2004). Thus, the above framework allows for a more comprehensive and thorough analysis.

The four theories outlined above help us to understand the overarching themes that arise from the findings. Each theory looks at the ageing worker and the organisation from a different perspective, yet all are important in understanding how the organisation hopes to engage ageing employees and what drives ageing employees to remain engaged in employment.

Bridging Macro and Micro theories is important to the understanding of ageing workers as it provides an understanding from an individual perspective, as well as an organisational perspective on how ageing workers impact the workplace as there are limitations to both. These limitations are described below.

RBT helps identify ageing workers as a key resource, however, the RBT overemphasis 'competitive advantage' (Boxall & Purcell, 2000) and therefore needs to be balanced against other theories (Boxall & Purcell, 2000). This is why this research includes three other theories across a micro and macro level to support the findings of this research.

Similar to RBT, HCT is a macro level theory which has some flawed assumptions around the creation of a competitive advantage (Coff & Josephine, 2015). HCT assumes that employees working for an organisation are working towards the organisations goals, giving the organisation a competitive advantage. However even if an employee has amassed much HC, this does not necessarily mean they will use it constructively in the organisation (Coff & Josephine, 2015). Therefore micro, or individual level theories are also considered and applied in this research.

There are two further theories that are applied in this research, these are SET and SOCT, these are micro level theories and also have limitations to each.

SET is based on social exchanges, however the underlying element of SET is perception, which is also a limitation of social exchange theory (Hennekam & Herrbach, 2013). Even if an organisation or individual has good intentions for an exchange, how the exchange is received is based on the perception of the individual receiving the message. For example if an organisation puts in place a new policy for phased retirement, depending on the organisational culture, individual preference and other influential factors, this could be perceived positively or negatively by individuals. Some employees may feel the organisation is assisting them into retirement, others may feel that the organisation is trying to gradually rid itself of its ageing workers. Therefore it can be assumed that in some situations SET will not be able to correctly analyse the perception of an exchange.

The last theory that is applied in this thesis, is SOCT. SOCT largest limitation is that it is based on an individual understanding all there opportunities and shortcomings, which is not always known (Baltes & Carstensen, 1996). Therefore individuals do not always optimise their outcomes. This could therefore lead to sub-optimal choices being made from the options available.

Because of the limitations of each theory a combination of theories at a macro and micro level were applied to fully understand the ageing worker from both an organisational and individual

perspective. The type of methodology, explored in chapter three has also been chosen to mitigate the limitations of each theory.

## 2.10 Summary of the Literature Review

Based on the above literature review, there is a predicted impending retirement of the aged workforce group and a potential skills shortage (Davey, 2007). While it has been identified that the New Zealand government is aware of the shifting demographic (Department of Labour, 2007), and has started a programme to support positive ageing (Department of Labour, 2007), the literature suggests that with the impending labour and skills shortages, organisations are not necessarily identifying strategies to help manage knowledge and are not trying to engage their aged employees or utilising them as a strategic human resource (Armstrong-Stassen, 2008; Calo, 2008; Davey, 2007).

Based on SHRM, theories have been applied at both a macro and micro level to help inform us on why ageing employees may choose to retire or remain in employment and why organisations should view ageing employees as a strategic human resource.

The literature highlights that there are a number of factors that need to be addressed to ensure the employees who are nearing retirement stay engaged with the organisation or impart their skills and knowledge. Therefore, this thesis hopes to uncover what drives aged employees' decisions around retirement and the perceptions held by employers and key stakeholders, in the hopes of illuminating how aged workers can be managed and strategically used in an organisation.

The next chapter provides an overview of the methods and assumptions the researcher has used to obtain the data from several different informative groups, including employees, employers and key stakeholders. The research is based on an exploratory approach, and is qualitative in nature, therefore, the philosophical paradigm and methods used relate to this particular style of research.

## CHAPTER 3 METHODOLOGY

### 3.1 Introduction to the Methodology

Chapter three looks at the methodological techniques, methods and assumptions that were used for this thesis. Below is the rationale behind the chosen philosophical paradigm and each method in terms of its importance and relevance in meeting the research intentions.

As highlighted in the literature review, the ageing workforce is a looming issue for organisations, with the demographic shifting dramatically and causing a spike in retirements in the imminent future. The flow-on effects from this will be that organisations will lose key skills and knowledge. Thus, the purpose of this thesis is to explore and understand the ageing workforce and how to engage and retain older workers in the export manufacturing industry. This study is based on an exploratory approach, seeking to elicit participants' emotional and rational understanding of the topic. The location of the study is in New Zealand and took place across six different export manufacturing organisations; however, only three of these organisations gave the researcher access to their employee group.

The qualitative methods of semi-structured interviews and focus groups were used to explore the phenomenon of each group of participants. The research is an exploratory and qualitative approach to answering the research questions. The data was then analysed through a thematic analysis. This particular methodology was founded on the philosophical paradigms explored in detail below.

### 3.2 Philosophical Paradigm

A philosophical paradigm is a cluster of beliefs that prescribes how researchers in a particular area conduct and interpret their research and results (Bell & Bryman, 2011). Philosophical paradigms are based on the researcher's beliefs on the two philosophical elements of ontology and epistemology. These perspectives help shape the researcher's choice of methodology and the methods used to explore the research topic. The researcher's philosophical paradigms in relation to this study are outlined below.

### 3.2.1 Ontological Considerations

Ontological perspectives have an influence on how a researcher will approach the research in terms of research methods and methodology. Ontology looks at what the nature of reality is and what can be discovered about it (Guba & Lincoln, 1994).

There are two views that originate from ontology. The first view is that the nature of reality can be described objectively. This is known as 'objectivism'. Objectivism holds that only one reality can exist and it is not based on an individual's perspective, but rather there is one truth based on objective knowledge (Peikoff, 1993). An objectivist believes that there is one reality and those who interact in that reality will experience the same phenomena. Therefore, in the situation that there is an accident between two vehicles, those who were a party to the crash, i.e. both drivers, will experience the same phenomena.

The constructivist has a different perception on reality and believes that the world can be viewed in multiple ways, as different people construct different realities of the world (Bell & Bryman, 2011). For example, two employees could have completely different views on the organisation that employs them. Their views on the organisation are constructed from their own experience and thus multiple realities exist within a single organisation.

This research considers there to be multiple realities existing in the world, which contrasts with the view that there is one single reality that is the absolute truth (Myers, 2011). In this study, we see that there are multiple truths, which is founded on there being three segmented groups: employers, employees, and key stakeholder experts, which all have different realities on the ageing workforce, although some of the views were very similar. The employee, as the ageing worker, has a view from an individual perspective. An employer sees ageing workers as a group operating in their organisation and the last group, key stakeholders, see the ageing workers and the organisation from an outsider perspective, commenting on the interactions between the two. Each group has formed an opinion based on their position, perception and interactions. Therefore, the research adopts a constructivist approach when researching and analysing the data.

### 3.2.2 Epistemological Considerations

There are two epistemological approaches, these being positivism and interpretivism. Epistemology expands on the nature of reality to include the researcher and the nature of that relationship, 'how the researcher researches the social world' (Guba & Lincoln, 1994, p. 108).

Positivism believes that a social phenomenon exists as a concrete identity (Bell & Bryman, 2011). Thus, there is only one reality that exists from a tangible theory (Bell & Bryman, 2011). Positivism looks at how deductive logic and empirical observation can create causal laws that predict general patterns of human behaviour (Hindle, 2004). The positivist believes that if they observe a pattern of behaviour in one group, it is likely that this will occur in other groups. Thus, the observation of behaviour creates a causal law that can be applied across a broad spectrum. Positivists generally approach research from a quantitative perspective, as a number can be seen as more definitive than other approaches (Guba & Lincoln, 1994). The positive researcher is also likely to view a scenario from one single point of view and believe that there is a true reality. For example, if a positivist researcher finds in their research that there is a strong preference by older workers for financial stability, the positivist researcher would then apply this to the wider group of ageing employees, thinking that this finding applied to all ageing individuals.

Interpretivism is different to a positivist approach in that it believes that a person's view on the world is subjective and it proposes that each individual will hold a different perspective on one phenomenon (Bell & Bryman, 2011). The aim of an interpretivist is to understand the multiple constructed realities or truths held by different individuals (Bell & Bryman, 2011). Interpretivism adopts an organised investigation through detailed observations of people in their natural settings, in order to understand how people form views and understanding about their own social worlds (Hindle, 2004). The interpretivist researcher considers that each different subject creates their own social world based on factors such as their experiences, perceptions and belief systems; therefore, they may view a scenario or subject matter differently to others based on these factors. For example, two aged individuals may have the same position in the same organisation but may have a different perspective on retirement based on their financial situation. Therefore, the reality of retirement may be viewed very differently.

In this study, the researcher has taken an interpretivist's approach, as placing oneself within the participant's world gives an authentic, direct and personal look into the participant's reality (Giddings & Grant, 2002). The researcher has tried to involve themselves as much as possible in the social construct in which the participant resides (Bell & Bryman, 2011). This gave the research a depth that cannot be obtained from other forms of research where the participant's world is fabricated, for example, a role play or a questionnaire (Walsham, 1995). How can one be certain of

how a phenomenon affects a person without acknowledging and being surrounded by the environment in which that individual resides? Trying to involve oneself in the participant's world reveals these kinds of truths, which are not explicitly given (Young, 2009). Placing oneself in the subject's world gives a holistic view on a single phenomenon (Weber, 2004). Therefore, the research was conducted at the participant's place of work in every situation.

For this exploratory research, the philosophical elements outlined above mean that this study was based on an interpretative paradigm. Within in this interpretivist approach, the researcher has chosen to use qualitative methods when looking at the ageing workforce in export manufacturers. The researcher has taken this approach because of the belief that qualitative data provides a richer and more in-depth overview of the data collected, as opposed to the numerical overview that quantitative data provides. The researcher has chosen a qualitative approach as the research method for the information that cannot be described by numerical data, such as feelings, beliefs and opinions. The information the researcher is seeking cannot be measured through a quantitative approach, as it may not be rational. For example, one of the questions that was posed to employers through the method of semi-structured interviews was: what are some of the reasons you believe employees past the New Zealand retirement potential causes is subjective, as it is based on the interviewee's feelings, opinions, ideas and their own reality on what they believe are some of the considerations for mature workers.

Qualitative information provides a holistic and well-rounded view of the information the researcher has collected and helps the reader understand a deeper level of the material, rather than a descriptive numerical outline that a quantitative study provides. It is an exploratory approach, which enables the researcher to generate scientific constructs (Calder, 1977). This means that the research will also not be testing a hypothesis, but instead will be exploring the similarities and differences between employee and employer and other groups in export manufacturing, in terms of the ageing workforce. The study's qualitative methods are outlined in the next section.

### 3.3 Qualitative Multi-Method Approach

The research utilised a multi-method qualitative approach involving focus groups and semi-structured interviews for the collection of data. The researcher hosted focus groups and interviews in several large export manufacturers in New Zealand, as well as seeking additional interviews outside with a key stakeholder group to obtain a triangulated understanding of the ageing

workforce. The multi-method approach was selected in order to gain an understanding from the perspective of senior managers, employees and key stakeholders on their realities around the ageing workforce and retirement decisions. To understand both the manager's and the employee's perspective was very important, as they could think collaboratively or it could be a case where both parties do not understand the needs of the other. The research also included a key stakeholder view, which added robustness to the understanding of the ageing worker. The research included a comparison of views, which provides the reader with a deeper level of understanding of the ageing workforce from all three perspectives in order to see what themes the groups had in common and what themes they had opposing views on.

Three groups contributed to this study. The first group was employees who are aged 55 years or older; the second group was employers (HR & Senior Managers) in export manufacturing; and the final group was key stakeholders on the issue. This gave the research a triangulated approach, where three different groups presented their views on the ageing worker.

Manager's held a senior role in the organisation that impacted on the HR function of the organisation and they tended to be HR managers or senior managers.

The key stakeholder group was made up of three individuals, these being: a union organiser whose constituent group had a large proportion of mature employees and whom looked after several unionised export manufacturing organisations (all organisations within this research had a union presence). The other two key informants who formed the key stakeholder group were a senior executive of an organisation that looked at diversity in the workplace, and the head of a research organisation that had conducted extensive research on the ageing workforce. The key stakeholder group with a third point of view, added robustness to the data collected. The key stakeholder group were selected based on their wealth of experience and contact with the ageing worker group. Key stakeholders were identified through ageing workforce or union forums, keynote speakers and diversity workshops and did not form a part of any of the organisations, but were key informants of ageing workers. They were able to give a holistic view on the subject from their in depth awareness of the ageing workforce as an imminent issue.



### 3.3.1 Qualitative Approach

A qualitative methodology was chosen for this research as this denotes the essence of a ‘thing’, the what, how when and where (Denzin and Lincoln 2000) that cannot be explored by numerical data. In conducting this study, the researcher has adapted the steps identified in Bazeley’s 2013 work *Qualitative Data Analysis: Practical Strategies*. The research steps are identified and explored in depth below.

- 1. Organise and prepare for data analysis**
- 2. Collecting data in the field**
- 3. Analyse data**
- 4. Prepare report.**

### 3.3.2 Organise and Prepare the Data for Analysis

The researcher selected several organisations to help gain a deeper understanding of the ageing workforce in an export organisational setting.

For the purposes of this research, the researcher chose to do theoretical sampling as opposed to random sampling. Theoretical sampling is when the subjects chosen are selected based on a particular criteria (Eisenhardt, 1989). These particular organisations were chosen because they are large and well-known export manufacturers in New Zealand, they also have an international presence and they provide New Zealand with a large portion of its GDP each year and are a part of its core industries. The researcher has also selected these particular organisations as they have a large workforce and a noteworthy proportion of their employees – as described by the employer – are in the mature age category. Thus, this research is also important for an organisation to discover more about the organisation’s people and their views on retirement. This particular selection criterion enabled the researcher to exclude any organisations that would not add value to this research. Based on this simple but effective selection method, the researcher was able to select organisations and informants that had similar qualities. Each informant served a purpose and thus the selection of informants on the subject matter was critical to the overall outcome of this research.

Six organisations were chosen based on the selection criteria. These organisations were then contacted through personnel contacts and public information listed on the companies' websites. Managers were then contacted by either telephone or email and briefed on what the study was exploring and how their insights would add value. Upon agreement to take part in the research, a thesis brief was sent via email to the Manager who would be participating in the interviews. A copy of the questionnaire was also sent to those who participated. Only three of the organisations agreed to let the researcher speak to their 55 years or older employee group, although their insights were valuable and gave rich information in the emergence of themes.

Focus Group participants were selected based on the criterion of being an employee of one of the organisations interviewed and had to be 55 years or older to ensure that quality data on retirement decisions was obtained. The bracket of 55 years and older was selected as this is commonly denoted as the age when people are considered 'aged' (Claes & Heymans, 2008; McGregor & Gray, 2002).

As above with Managers, Key stakeholder were contacted through personnel contacts and public information listed on the companies' websites. Key stakeholders were contacted by either telephone or email and briefed on what the study was exploring and how their insights would add value. Upon agreement to take part in the research, a thesis brief was sent via email to the key stakeholder who would be participating in the interviews. A copy of the questionnaire was also sent to those who participated.

The qualitative approach utilised in the research is what Yin (2011) describes as 'embedded'. This means that the researcher is looking at organisations not only at the holistic level (semi-structured interviews with managers) but also at the embedded level (focus groups with employees).

The researcher investigated each organisation before entering the field and this was to ensure the researcher had a good understanding of the company before engaging in interviews or focus groups.

The methods used to obtain the initial data for the case study analysis from each organisation, focus groups and interviews, are discussed in detail below.

### 3.3.3 Collecting Data in the Field

### *Focus Groups*

The focus group technique involves convening a small group of respondents for an open-minded conversation about a set of questions (Calder, 1977). The discussion moderator, which in this case was the researcher, is a neutral observer who keeps the discussion on topic and in line with the questions put forth to the group. The moderator also ensures that everybody is heard and that the conversation does not become argumentative. Advertisements placed in common areas and emails sent through the company intranet, when available, were used to recruit volunteers for the focus groups. The number of participants per focus group was 4, as this ensures everybody can provide their insights and reduces the possibility of the tyranny of the majority or group think occurring (Bell & Bryman, 2011). The researcher hosted three focus groups in total. This gave the researcher an understanding about organisational strategies in relation to either the ageing workforce, employees' feelings towards the organisation, and what aged employees take into consideration when thinking about retirement. There were a series of four questions considered over a period of 45-60 minutes; each question was discussed for 10-15 minutes to ensure that there was ample time for consideration of the four questions. The types of questions that were posed to the group were open-ended to ensure that the members of the group were able to give their opinions on the matter. One example of a question is, 'what do you think our organisation is doing well or should do better to manage its older employees' This kind of question provoked the participant's personal thoughts and feelings on the matter. The researcher was a neutral observer in the room that did not skew the conversation to their perspective, but prompted discussion if the participants got off topic, reached the end of their discussion or the time allotted had concluded for the particular question the participants were discussing.

### *Focus Group Method*

For each focus group, the same procedure was used. The focus groups were conducted on site at the organisation. Permission was sought from the senior/HR manager (employer) to hold a focus group and once permission was granted, the researcher advertised for focus group volunteers for three weeks on the company's intranet and noticeboards. Those who volunteered were sent an information sheet detailing the research. Once the researcher had the required amount of participants, the researcher held one focus group for each case study organisation. Verbal permission was sought from each participant at the beginning of the interviews to record the focus group. Written permission was gained through the participant information sheet and the consent form. Recording of the information eliminated the possibility of variability between the scripts and the actual data and ensured accurate information.

### *Semi-Structured Interviews – Employers*

Because of the researcher's embedded approach, semi-structured interviews as well as focus groups were conducted as it gave a multi-dimensional view to the subject. For the semi-structured manager interviews, the participants held a senior role in the organisation that impacted on the HR function of the organisation and they tended to be HR managers or senior managers. These managers were contacted through personnel contacts and through these managers; permission was gained to host focus groups on a voluntary basis with their ageing workforce. The interview was hosted at the participant's place of work, in either their office or a small meeting room on site. The researcher asked seven questions in each interview over a period of 45-60 minute period and although the questions were the same, if the interviewee discussed a subject that was important to the research question, the researcher asked further questions around the subject matter. For this reason, the researcher chose semi-structured interviews as it gave a degree of freedom to discuss any topics of relevance that were brought to light by the interviewee, without having to strictly stick to the interview scripts, although the researcher did factor the need to complete all questions within the hour for consistency across all the interviews. The semi-structured interviews were research focussed, meaning that the researcher tried to understand the interviewee's reality of the situation and questions (Wengraf, 2001).

The interviewees were asked questions around their organisation's strategies for the ageing workforce and what they believed were some of the considerations mature employees take into account when considering retirement. For example, one of the questions was 'what are some of the reasons you believe employees past the New Zealand retirement age continue to work?' The questions posed were open-ended and gave a degree of freedom for both the interviewee and interviewer, allowing the information to flow unrestricted, but keeping to the overall subject structure (Bell & Bryman, 2011). The semi-structured interviews were also one on one, which gave a more personal interaction. The sample size for the interviews with senior managers was seven, with two HR managers commenting from one organisation. The researcher felt it was an appropriate number given the time constraints for these senior staff, as well as the data analysis to be completed, and was sufficient to provide the information that was needed for a full and informed analysis of the information provided.

### *Semi Structured Interviews – Key Stakeholders*

Semi-structured interviews were also conducted with key stakeholders. The process was very similar to the employer semi-structured interviews. Key stakeholders were identified through ageing workforce or union forums, keynote speakers and diversity workshops and did not form a part of any

of the organisations, but were key informants of ageing workers. The interviewees were asked a series of five questions around their views on the ageing workforce and what they believed were some of the considerations aged employees take into account when considering retirement and what organisations should be doing to help facilitate this.

The questions in the semi-structured interviews asked of the employers and key stakeholders were all similar. This was to help align the thoughts and opinions on the issue from each group.

#### *Procedure Semi-Structured Interviews*

All interviews were conducted at the offices of the Key Stakeholder or Manager. Permission was sought from each individual to record each interview through the participant information sheet and the consent form. Verbal permission was also sought at the beginning of each interview. All participants agreed to be recorded; this allowed the researcher to have accurate information and thus eliminated the possibility of threats to valid data description.

#### *Approach and Process*

The research took place over a concurrent 6 month period. This was based on being able to secure dates and times with participants. The researcher approached each focus group and semi-structured interviews in a neutral manner, without mentioning any information that had been gained from other export manufacturers as the researcher did not want any of the focus groups or semi-structured interviews to be influenced by the researcher's opinions or the opinions of others.

A catch all question was also asked at the end of every interview and focus group asking as to whether there was anything further pertaining to the ageing workforce or themselves that they would like to comment on. This was to ensure that all opinions and comments on the matter were heard.

All recordings from interviews and focus groups were sent to a transcriber following completion, so that the data could be evaluated and analysed.

### **3.3.4 Evaluate and Analyse Data**

Following on from the collection of the data through semi-structured interviews and focus groups, the data was then sent to a third party to be transcribed. The researcher then used a thematic analysis to identify the themes that emerged from the data.

### *Thematic Analysis*

A thematic analysis is an approach to dealing with data that involves the creation and the application of codes to data (Braun & Clarke, 2006). It involves identifying, analysing and reporting patterns (themes) within data (Braun & Clarke, 2006). It organises and describes the data set in detail. Often it goes further than this, and interprets various aspects of the research topic, to create something more emergent that may not have been discovered within the data before (Boyatzis, 1998). The process involves the identification of themes through 'careful reading and re-reading of the data' (Ezzy & Rice, 2001, p. 258). Thematic analysis consists of a five-phase process as outlined in Braun and Clarke's *Using Thematic Analysis in Psychology* (2006). These are:

**Familiarising yourself with your data:** This involves reading and re-reading the data carefully, acknowledging what meanings there are beyond what is transcribed and relating it to the context, which in this case is an ageing workforce in the export manufacturing industry and beginning to understand what the deeper meaning behind each answer was. For example, when reading the transcripts it was evident that each focus group had similar thoughts on the topic; however, there existed multiple realities for each individual, therefore there was a need to read and re-read to group these into similar thought patterns. It was only by looking deeper that the initial codes started to emerge.

**Generating initial codes:** After the researcher became familiarised with the data, commonalities emerged within each group and also between groups. The researcher searched for commonly used words, phrases and inferences in the transcribed information and this provided a low level of abstraction. These phrases, words and inferences are known as initial codes. Once the researcher discovered all initial codes, they were then sorted into categories to help create higher level codes known as themes.

**Searching for themes:** The commonalities found in the transcripts from the interviews and focus groups from the previous step, were grouped into higher level themes. The researcher first grouped them into categories from each case study, and initially only by commonalities between one single focus group and interviews, then the researcher cross-analysed the themes to focus groups and interviews. An example of how this works is if the words 'unease', 'suspicion' and 'cynicism' came up a number of times across different case studies, they could be grouped as one higher level theme of 'distrust'.

**Reviewing themes:** Once themes were created, the next stage was to look at what the themes meant to the research and how robust the themes were, i.e. did the particular theme occur in all focus groups

or was it more relevant to just one focus group. The researcher also looked at the potential of the themes to be merged to reach an even higher level of abstraction.

**Defining and naming themes:** The final stage of the thematic analysis was grouping all of the lower level themes created in the thematic analysis to create ultimate or overarching themes as in this research it was evident that there is not one theme only. The themes may have been relevant to many of the organisations, focus groups and interviews and may give a greater understanding of the ageing workforce in New Zealand's export manufacturing sector.

The type of thematic analysis the researcher conducted was inductive, where theory emerges from the data (Bell & Bryman, 2011). What the term 'emerges from the data' means, is that there is no predisposition on what the researcher could have possibly found. The words, terms or phrases that were common through the transcripts were coded, instead of looking to find codes that may not have been there. The type of coding the researcher conducted is called axial coding. Axial coding is the breakdown of core themes during the analysis of the qualitative data (Corbin & Strauss, 1990). Initially, a high level disaggregation of the data is conducted which formed sub-categories for the higher level categories and then these higher level categories were analysed to form the developed themes. Every initial code that was brought into the study or discovered in the research process was first considered conditional. Each code was identified a significant number of times through the transcripts to become a theme (Corbin & Strauss, 1990).

Analysing the data through inductive thematic analysis meant that the themes emerged naturally and the researcher did not attempt to fit findings to an existing theory. This research is about seeing the data through multiple lenses and appreciating that there is more information to be discovered than the initial impressions the data gives. When the themes emerge naturally from data, this is known as grounded theory (Corbin & Strauss, 1990). Grounded theory is when there is no pre-existing theory that the research is trying to validate through testing a hypotheses; the theory is created through the research findings (Corbin & Strauss, 1990). This is most appropriate for this research as it is exploratory in design.

For this study, an inductive thematic analysis is the most appropriate method, as the researcher did not want to speculate a theory that could possibly be applied or try to skew the data to match a theory. By conducting an inductive thematic analysis, the researcher was able to draw out data and themes that they had not anticipated which made the research more in-depth and richer than that of a deductive approach.

### 3.3.5 Prepare the Report

Once the thematic analysis was complete, the findings were prepared. This is covered in chapter four through seven in which the themes that emerged from the thematic analysis are listed and examined.

## 3.4 Ethical Considerations

Ethical considerations were taken into account when conducting this research as age and retirement can be viewed as a sensitive issue. Some organisations that were willing to be interviewed were unable to elicit interest in their employee groups over the age of 55, citing that it was a 'sensitive subject' and that some employees viewed the researcher's presence as a management tool for retirement discovery. The researcher took this into consideration when hosting the focus groups with those aged 55 years or older, as this was the group most affected by the research and its findings. The researcher also ensured that all interviewees understood their rights in regards to reviewing transcriptions and any other sensitive materials.

The research design encouraged reliable and trustworthy responses. There was no intention to deliberately deceive, harm or coerce participants. Focus groups and semi structured interviews were conducted only with participant volunteers and participants signed a confidentiality agreement. A focus group can put the privacy of the participants at risk, but given that they had volunteered and could withdraw at any time; this risk was judged to be minimal. Findings from the focus groups were generalised and pseudonyms were used. The focus groups were facilitated by the primary researcher to whom the participants had no accountability. In all cases, the participants' cultural and social sensitivities were protected and the researcher remained sensitive and empathised with the participants' needs. Participants were able to choose as to whether they would like copies of the research outlined in a section on the participation form by outlining their details for the researcher, which was kept confidential, and once the research is completed, the research they will send all those who have selected to have a copy of the research through a hard or soft copy of the results.

The researcher abided by the Auckland University of Technology Ethics Committee's principles and submitted an ethics application, which was approved by this body (see Appendix 5). All participants were provided with a participant information sheet that shared information on the research and the research purpose (see Appendix 10,11&12). Consent agreements were provided and signed by all participants (see Appendix 6,7&8). They were also advised verbally and in the consent form and that



they could withdraw their participation at any time. All practicable steps were taken to ensure that the participants felt they were in a non-threatening environment, so the flow of information would be open and honest.

### 3.5 Validity and Reliability

Validity and reliability are important concepts when conducting research. Validity is important as it defines the area to which the findings can be applied and generalised (Yin, 2011). The ability to generalise is based on the appropriateness of the findings to similar situations and contexts.

The results of this research was not intended to be applied outside of the examples provided which were for the purposes of this research only. To enable this to happen, this study would need to go further into the participants' world, requiring more thorough research beyond what has been conducted. Based on the fact that this research is also exploratory and not confirmatory, to generalise outside of the initial scope may not be appropriate. In saying this, there may be opportunities to generalise some of the findings to other manufacturing organisations in New Zealand of a similar size and demographic.

Reliability refers to a broad range of phenomena. Reliability means repeatability and consistency (Girden & Kabacoff, 2010, p. 3). Reliability infers that if this research were to be conducted again under the same conditions, the same data would be obtained. The exact methodology and approach that was undertaken in this research with the exact participants would have to be followed. However, this is not the focus of exploratory qualitative research. This research is an investigation into people's perceptions of the ageing workforce and thus the lines of evidence are more critical as evidence of reliability. The analysis and conclusions drawn from the data were based on the researcher's interpretation of the data. Through the systematic approach of voice recording, transcribing and the accurate presentation of the data, this research meets the test for reliability.

### 3.7 Limitations

There were limitations to this research methodology, based on a number of factors. One of these factors was the inability to gain access to employees for a focus group. Only three of the six organisations interviewed allowed the researcher to involve those aged 55 and older to be included

in the research. This was due to the age sensitivities of the employees as well as the incompatibility of the shift patterns in allowing the employees to have time to be involved with the research.

The implications of not having all 6 companies involved in focus groups was that the themes that were found are not qualified against all the organisations that participated. This also meant that the researcher could not compare all employee and employer views. If all 6 companies had participated in focus groups it may have given the themes more robustness or there could have potentially been some extension on the findings made, including further themes or different themes relating to different manufacturing organisations, given that two of the three organisations that participated were Steel manufacturing organisations. 75% of focus group participants were also male, further focus groups could have presented more female participants, which could have potentially brought about different findings.

Another limitation was that there was only one focus group at each organisation, given the complexities of being able to access the employees; this was the greatest number the researcher could obtain. This was also due to the time constraints of the research, as there was a set completion date. The nature of the research also hindered the relationship between the researcher and subjects, as well as the situational limitations that formed the analysis (Denzin & Lincoln, 2000). While there were some limitations of access, a more in-depth discussion on the limitations of the study and the steps taken to mitigate them, will be included in the chapter eight.

### 3.8 Summary

This research is exploratory in nature, the intention being to provide a greater understanding of the ageing workforce in New Zealand's export manufacturing industry. This methodology provided reasoning and associated actions that connected the data to the analysis of the data, through a thematic analysis and conclusions were drawn from the collected information to the initial subject matter (Yin, 2011). The use of an unsuitable methodology may mean that inappropriate conclusions are drawn from irrelevant data. Thus, theoretical justification is provided for the appropriateness of using a qualitative, multi-method, as it is empirical to use an appropriate methodology to ascertain the best conclusion. The multi-method approach uses the techniques of focus groups and interviews. Findings from each informant group were then analysed against each other. The methodological approach used was the most effective way in which to draw the richest data in the

short timeframe for completion of this thesis. Other means of research such as quantitative methods do not provide a full understanding of the depth of the themes as it generally has a numerical data point that it draws from, i.e. the majority of people in a focus group at organisation X would like to retire at 70. While this is a good data point, it does not go deep enough into exploring why the majority of the focus group would like to retire at 70. With qualitative research, there is the opportunity to abstract to a much higher level and, in this case, the use of an inductive thematic analysis has given the ability to see through multiple lenses, the different realities of the ageing workforce in the export manufacturing sector. The next chapter looks at findings from each of the participant groups.

## CHAPTER 4 EMPLOYEE FINDINGS

### 4.1 Overview of Findings Chapters

The objective of this research was to first explore what influences an aged employee's decision to continue in employment or to retire, by conducting focus groups with employees who were in this category. Then correspondingly, to gain an understanding of senior/ HR managers' views on their ageing workforce. Finally, key stakeholders were invited to give their opinions on the aged workforce in the manufacturing industry and this was to gain a third point of reference and understanding.

This chapter presents the results of the employee views. The results are presented under themes that emerged from the questions posed to each focus group.

Questions were posed to aged employees in regards to skills and knowledge transfer and the influences on retirement and employment decisions. Similar questions around influences on retirement decisions and company views on aged workers were posed to the employer and key stakeholder groups.

The questions posed sought to understand what influences retirement decisions and whether the different groups (aged employees, employers and key stakeholders) held similar or differing views.

The employee findings chapter outlines employees' views obtained from the three focus groups.

### 4.2 Introduction of Employee Findings

In this chapter of the findings , the information is presented by the themes that emerged from the employee focus groups. The focus group questions were used to elicit participants' feelings around retirement and overall engagement with their organisation.

Table 4.1 presents pseudonyms for each participant and their organisation and gives a brief context for the participant.

**Table 4.1: Focus Group Participants**

Participant	Organisation	Gender	Role	Industry
<b>Lester</b>	Steel Technology	Male	Senior Engineering Manager	Steel Manufacturing
<b>Timothy</b>	Steel Technology	Male	Senior Engineer	Steel Manufacturing
<b>Marcus</b>	Steel Technology	Male	Senior Engineer	Steel Manufacturing
<b>Shaun</b>	Steel Technology	Male	Team Leader of trades employees	Steel Manufacturing
<b>Christina</b>	Fishing Incorporated	Female	Senior Operator	Fish Processing
<b>Tom</b>	Fishing Incorporated	Male	Senior Operator	Fish Processing
<b>Lizzie</b>	Fishing Incorporated	Female	Senior Operator	Fish Processing
<b>Nikita</b>	Fishing Incorporated	Female	Senior Operator	Fish Processing
<b>William</b>	Steel Holdings	Male	Fitter/Welder (trades employee)	Steel Manufacturing
<b>Richard</b>	Steel Holdings	Male	Senior Engineer	Steel Manufacturing
<b>Joe</b>	Steel Holdings	Male	Senior Manager	Steel Manufacturing
<b>Jim</b>	Steel Holdings	Male	Team Leader of trades employees	Steel Manufacturing

The first group of themes are around one's self and their own view on retirement. These are labelled under considerations for aged employees.

The second group of themes is labelled organisational themes and is a part of the employee's view of the organisational perspective of ageing and engagement. The findings are structured under themes listed below which emerged from the researcher's analysis of the data.

#### **Considerations for Aged Employees:**

1. Financial security
2. Health and wellbeing
3. Social aspects.

**Organisational themes:**

1. Continual development
2. Flexible working arrangements
3. Skills and knowledge transfer

The first theme that emerged from the employee group was financial security and is discussed in depth below.

### 4.3 Financial Security

The financial situation of mature workers, or rather, how well financed the aged employee group was to enter into retirement, was the strongest theme throughout all of the focus groups and was labelled 'financial security'. Overall, all three focus groups talked about their financial situation, and this was evident within minutes of beginning the focus group.

When asked the initial question by the facilitator 'what are your considerations around retirement', the first response of all three focus groups related to their financial situation. For example:

***Lester, Steel Technology:*** *Some of mine is extremely simple and that's money.*

***Christina, Fishing Incorporated:*** *First one's got to be money isn't it?*

***Joe, Steel Holdings:*** *Well financial security...*

***Richard, Steel Holdings:*** *Yeah, that's a biggie for me, my financial security.*

There was general consensus amongst participants that their financial situation had a large impact on whether they would consider retiring or not. Not having enough money to retire appeared to be a fear for some of the participants who possibly wanted to consider retirement. Some participants felt that their ability to leave was constrained by their inability to have the same lifestyle, if they were to leave the organisation.

**Lester, Steel Technology:** *I'm currently aiming to go by about 66 if possible, depending on my financial situation. I've got no intention of working till I fall over.*

**Timothy, Steel Technology:** *It's really financial security; it is probably the main driver.*

**Tom, Fishing Incorporated:** *I'm 65 in 18 months so if I stayed it would most probably be for financial reasons because I, you know, just want a little bit more money for something.*

Although 65 is the 'known' retirement age as this is when New Zealanders become entitled to the pension, some of the focus group participants believed they would work past this age, citing financial reasons.

The theme of financial security relates to the SOCT, where employees will optimise their interactions to avoid negative consequences. Selecting to remain engaged with work and to optimise the hours at their place of work, these older workers are compensating for the future. Even though they could by choice retire, their current financial situation has meant that they are forced to make a decision to optimise their current engagement with work, to ensure they are optimising the future when they do retire. Hirsch (2003) suggests that financial circumstances are very important when considering retirement and often aged employees are not financially stable enough to leave employment.

Two of the three focus groups commented on a financial benefit offered by the organisation, this being, a pension scheme that is outside of the government's superannuation scheme (Kiwisaver). This appeared to be a consideration in continuing employment at Fisheries Incorporated, but was not seen as such a positive from those at Steel Technology.

**Tom, Fishing Incorporated:** *For me I think it's, I suppose partly money...and the super scheme is quite good.*

**Lizzie, Fishing Incorporated:** *I think I'd just stay here because as we said, super.*

**Timothy, Steel Technology:** *Like the original Steel Technology pension fund, you can retire at 50 you know.*

Fisheries Incorporated concentrated on the positives of their pension scheme whereas Steel Technology tended to concentrate on the past pension scheme which was no longer available. When assessed, Steel Technology's current pension scheme was the same as the pension scheme of Fisheries Incorporated, with both having the same investment and return rate. One organisation, Fisheries Incorporated, had a very positive view of the organisation's ability to be able to give such a benefit, the other – Steel Technology – felt that they were not gaining the same benefit as previous

employees, and thus viewed the pension scheme on offer, in a different way. Fisheries Incorporated in general viewed the organisation more positively than the two other groups. The makeup of the Fisheries Incorporated focus group was different from the other two focus groups, with 75% female and 25% male, with the two other groups being 100% male. Fisheries Incorporated also operated in a different manufacturing industry than Steel Technology. There was a perceived organisational culture difference between the groups, which impacted on how ageing employees felt in regards to their engagement with the organisation. Another way to understand the comments made was the employee's perceptions of the organisation and its HR policies. In the situation presented, there are two employee groups with similar pension schemes offered by their organisations. Fisheries Incorporated perceived this as a positive and thus accepted the conditions to remain in employment with the organisation. Steel Technology, on the other hand, while being offered similar conditions to Fisheries Incorporated, received the scheme negatively as it had fewer benefits compared to the previous conditions offered in the company. Thus, the social perceptions of the employer-employee exchange saw the two groups differing in their expectations as one group (Fisheries Incorporated), saw this as a generous scheme while Steel Technology saw it as a negative, due to the diminished conditions from the previous offering. SET focuses on the reciprocity between two groups, in this case the employer and the employee. Based on the perceptions held by one employee group, the social exchange of offering a pension scheme was received differently between the two employee groups.

The researcher also suggested options such as part-time or flexible work patterns to help transition into retirement, for example, part-time or graduated retirement. This was welcomed in some respects, but in relation to financial security, some participants felt they could not sustain their lifestyle on a reduced income.

***Lester, Steel Technology:*** *I think the big issue is again money...I'd be really happy to work three days at the same pay, but at a [non-reduced amount] if you know what I mean? So I couldn't afford to.*

Although this was not the overall group opinion on part-time and flexible work arrangements, some participants in the Steel Technology focus group felt that flexible work arrangements would have a negative impact on their financial situation. Flexible work arrangements is also explored in detail under the organisational themes. The theme of financial security, relates to the financial ability of an aged employee to lead the lifestyle they are accustomed to, or whether they would have to sacrifice this lifestyle in order to retire. Many mature employees did not want to make this sacrifice and thus elected to remain in work to optimise their future (Baltes & Dickson, 2001).



In summary, having financial security was very important to all of the focus groups. Focus group participants were either not financially prepared for retirement, or did not want to sacrifice their current financial situation and lifestyle in order to retire. SOCT is important to note in the financial security theme, as mature employees were choosing to remain in employment and delay retirement to capitalise on their current financial situation.

Overall, the literature shows that finances play a large part in retirement decisions (Lusardi & Mitchell, 2005; Clark, Morril, & Allen, 2012). Calo (2008) found that with people living longer lives, the financial need to support aged persons has grown. Thus, the need to stay engaged with employment increases (Lusardi & Mitchell, 2005). Literature supported the concept that aged employees were not prepared for leaving the workplace based on a lack of financial preparation (Lusardi & Mitchell, 2005; Clark et al., 2012). Not one of the focus group participants said that they were financially prepared to leave the organisation in the near future. Financial security appeared to be a key driver for aged individuals in regards to retirement decisions and thus is an important discovery to make for future research. Interestingly, the New Zealand Positive Ageing Strategy, referred to in the literature review, does not cover financial preparation for aged individuals, but concentrates on an aged employee's current income.

Although financial security was the first consideration that came to participants' minds, it was not a theme that was discussed at length; rather it was a main consideration. However, the two other employee-related themes, discussed over the next two sections, tended to be more robust. Theme two – health and wellbeing – was a strong theme in all three focus groups and is explored in detail in the next section.

#### 4.4 Health and Wellbeing

Although financial security was a strong theme and was the initial expression of concern from each group, there were other drivers that participants felt strongly affected retirement decisions. The second theme that all focus groups associated strongly with was health and wellbeing. Health and wellbeing is the general health and wellbeing of an ageing individual, as well as their physical and mental capability to be able to do the job to the required standard in a heavy industrial environment. The table below shows some of the types of exposures employees are subjected to, based on the industrial environment.

**Table 4.2: Workplace Environment Employees per Organisation**

Organisation	Workplace Environment	Work Conditions & Design
Steel Technology*	<ul style="list-style-type: none"> <li>• Severe heat (hot product)</li> <li>• Environmental (open plant means subject to weather conditions in certain areas)</li> <li>• Long periods of standing</li> <li>• Heavy lifting</li> <li>• Long periods of sitting (desk, operational pulpits)</li> </ul>	<ul style="list-style-type: none"> <li>• Shift work (24/7)</li> <li>• High remuneration</li> </ul>
Fisheries Incorporated	<ul style="list-style-type: none"> <li>• Severe cold (cold product)</li> <li>• Environmental (open plant means subject to weather conditions in certain areas)</li> <li>• Long periods of standing</li> <li>• Heavy lifting</li> <li>• Long periods of sitting (desk, operational pulpits)</li> </ul>	<ul style="list-style-type: none"> <li>• Shift work (24/7)</li> <li>• High remuneration</li> </ul>
Steel Holdings*	<ul style="list-style-type: none"> <li>• Severe heat (hot product)</li> <li>• Environmental (open plant means subject to weather conditions in certain areas)</li> <li>• Long periods of standing</li> <li>• Heavy lifting</li> <li>• Long periods of sitting (desk, operational pulpits)</li> </ul>	<ul style="list-style-type: none"> <li>• Shift work (24/5)</li> <li>• High remuneration</li> </ul>

\*Focus group participants in Steel Technology and Steel Holdings were not all subject to these environmental impacts, but worked in an organisation where many employees were. No focus groups participants in Steel Technology were subject to shift work.

Table 4.2 shows some of the industrial exposures that employees in these organisations are facing. It shows that across organisations in similar types of industries, the environmental exposures are similar. Therefore, it is assumed that across these organisations, the environmental impacts on the aged employee are similar.

One of the work design elements in common across all organisations was shift work. This is because the demand for heavy industry product is high, whether it be meat, dairy, fish, steel or other commodities for domestic and export markets. For this reason, many heavy industrial organisations run a 24/7 operation, which requires employees to work different shift patterns, including extended hours and night shifts. All organisations that participated in the focus groups had shift work

operations of some description, and all of the employees interviewed in the focus groups were currently or had previously worked, or were very aware of the requirements of shift work. They found that both the physical and mental requirements of shift work would be challenging for an employee of any age, but had an even greater impact on aged employees.

**Richard, Steel Holdings:** ...but you know, as you got older it just got harder and harder [shift work].

**Joe, Steel Holdings:** You could come in on a night shift and have five changes and it was really hard physical work.

**Christina, Fishing Incorporated:** It's very hard mentally and physically, not physically for me because I didn't have to do what the other guys did...but it was very, very tough.

The literature supports the notion that there are degenerative issues associated with ageing (Palmer et al., 2015; Hayflick, 1994; Silverstein 2008; Ilmarinen, 2006; Costa & Milia, 2008); cognitive ability begins to decline and thus the role becomes increasingly hard (Costa & Milia, 2008) and is further compounded by shift work (Ramin, Devore, Wang, Pierre-Paul, Wegrzyn & Schernhammer, 2014). This is especially important to note in manufacturing, as there is a large safety component associated with operating machinery. Mature employees may choose to optimise other activities in order to compensate for their health (Baltes & Dickson, 2001).

There was a strong suggestion by two of the three focus groups that as employees aged; their mental as well as physical capability deteriorates, especially with shift working where night shifts were a requirement of the role.

**Jim, Steel Holdings:** ...when I got to say mid-40s I realised I couldn't do shifts anymore. It was not suitable, so I made efforts to get off shift.

**Joe, Steel Holdings:** But it's the night shifts. Yeah, it's eleven until seven in the morning. That's what wipes you out...

**Nikita, Fishing Incorporated:** They have it tough, a tough, tough time.

**Jim, Steel Holdings:** It's also physical capability as well...

**Joe, Steel Holdings:** You're making fairly big decisions in the middle of the night...and the old body's not what it used to be.

Ramin et al., (2014) suggested that as employees age, the effects of shift work are compounded and become more costly to an employee's health. Research has shown that night shift work has a strong correlation with an increase in chronic diseases and illnesses (Ramin, et al., 2014; Costa & Milia, 2008). Deterioration in physical and mental health was also suggested to be more pronounced in night shift compared to day shift workers, due to chronic fatigue and sleep problems (Costa & Milia, 2008). Because of these reasons and others, employees in Steel Holdings and Fisheries Incorporated had made efforts to get off night shifts. They had made a choice to sacrifice the financial component of shift allowance and come off shift work, in order to compensate for their health. The mental and physical toll that shift work took on their bodies and minds meant that they had to make a decision to optimise their options, the option being to come off shift work to ensure that their health was not adversely affected. With increasing age, older adults face more resource losses caused by declining health and cognitive functioning (Baltes & Smith, 2003) and thus have to optimise the resources they currently have to minimise their losses (Baltes & Smith, 2003).

All of the employees involved in the focus group had removed themselves from shift working that required night shifts. This was because of the difficulties participants faced in keeping up with the demands of a role that required night shifts. Some participants, however, did make a point of saying that shift work was a personal choice.

**Joe, Steel Holdings:** *It's like Jim says the guy might be 70 and does night shift and loves it. Well that's fine...But a guy might be 50 and it's killing him you know? It's just your physical capability of doing the job. As long as you feel competent and capable of doing it, then I suppose mentally and all the rest of it, you're happy doing it, then that's the main thing.*

Participants in Steel Holdings supported the idea of being able to come off shift work at a particular age. There was, however, the perception by Steel Holdings that the company would not support the idea of coming off shift work, even as employees aged.

**Richard, Steel Holdings:** *Mmm, but I can think of you know, a shift fitter who's getting older, getting a little bit sicker, and everyone wanted – you know, we wrote a really good letter to shift...about him going off shift work, but saying well you can't say he can't go on shift work because that's saying he's unfit to do the job. Whereas he worked for a long time on days and if he gets put on shift he's – that's going to just about kill him or he's going to get sick. And that's exactly what happened, and how do you deal with that? That's a real problem.*

**Jim, Steel Holdings:** ...and if somebody approached the company and said, look I really can't cope with shift work, is there anything else I can do? The only alternative is yeah, you've got a choice: you can either work or leave.

The comments above suggest that the employees at Steel Holdings perceived their organisation negatively in regards to HR/organisational practices related to shift work. Comments suggested that an aged employee would continue to keep working, even to the detriment of their health, as there was a perception that if they were to ask for assistance, the organisation would negatively perceive the employee and push them out of the organisation. This can leave the employee feeling disempowered and means the employee may have little trust in the organisation (Gould-Williams & Davies, 2005).

Added to the difficulty of shift work was the heavy industrial environment the employees worked in.

**Christina, Fishing Incorporated:** For me I would probably go [if offered the same conditions in a different environment] because we're working in – [heavy environment] you've got to start looking at your health as you get older. Now I, speaking for all of us, we've all got aches and pains and things you know, over a period of time when you've been working in a factory situation, you're on concrete, you're working in a cold environment.

**Nikita, Fishing Incorporated:** ...all sorts of bugs and things, so you're constantly getting sick. To get out of the environment would be quite nice, if you could get something close to what we're getting now around [organisation location] would be...you wouldn't get it.

Participants in Fisheries Incorporated found that the sometimes harsh industrial environment tended to have an impact on their general health and wellbeing, or aggravated already existing health issues. Older adults are generally more susceptible to health issues (Hayflick, 1994) with the harsh environments that some ageing employees are exposed to in a manufacturing environment, exacerbating the likelihood of becoming sick. Older workers are commonly perceived as having higher absenteeism rates than younger employees based on sickness (Pickersgill, Briggs & Kitay, 1996).

The other aspect of the health and wellbeing theme was general health. Focus group participants noted that being active in work and at home helped their mental health.

**Shaun, Steel Technology:** Health certainly is [a consideration for retirement], as people have said, if my health fails before then, then things get pre-empted....It's also, I think it's

*important for the body to be active and there's not much point retiring at 52 because you can afford to and then be sitting around eating chocolate all day.*

**William, Steel Holdings:** *Just trying to keep active. Just trying to keep engaged with different things...continue to learn. That's what we were talking about earlier weren't we, so you always hear about dementia and everything else when you get old.*

Kenny et al. (2008) suggest that physical activity outside of work for older workers can decrease the risk of work-related injury. Ageing workers can optimise the time spent in their career if they keep active (Kenny et al., 2008). Focus group participants understood that as they got older, their health had a natural decline.

**Timothy, Steel Technology:** *Health wise I thought – there's probably more issues in that.*

**Shaun, Steel Technology:** *Well health, well that can happen at any age but...*

**Timothy, Steel Technology:** *Um, that's one of the things though that older people will I guess statistically suffer from...*

Degenerative issues are associated with ageing, but are more noticeable in physical or heavy environments (Kenny et al., 2008), although the effects of ageing could be lessened for employees if they involved themselves in activities outside of work. This include for some, reduced hours spent on these activities, which would also having a positive impact on an employee's mental wellbeing.

The focus groups made a point of reiterating that decisions were always centred on personal preference but needed to be mindful of health and wellbeing as the health and wellbeing of an aged employee could legitimately end an employee's employment due to medical incapacity.

**Christina, Fishing Incorporated:** *I think it all depends on the individual person...*

**Nikita, Fishing Incorporated:** *On the individual, of course it does.*

**Christina, Fishing Incorporated:** *Mmm, and their health.*

**Joe, Steel Holdings:** *How many years have you physically got left [to work]?*

SOCT can be applied to situations around health and wellbeing as it operates at the individual level. Mature employees must make an individual decision as to what activities they are capable of doing and whether or not their health and wellbeing is at a stage where they have to choose between employment and retirement.

Health and wellbeing was a strong theme, although participants made it clear that it was personal choice as to whether elements of health and wellbeing affected an employee's reasons to stay. There was a sense of fear from some employees, that there was the potential that health and wellbeing could impact on an employee's employment with their organisation. The quote from Joe of Steel Holdings around years left was focused on the years left being 'useful' to the organisation. This gave the impression that although it was a personal choice to retire, the organisation also had a large part to play in whether the employee continued or exited.

To summarise, two of the three focus groups felt that shift work had a major impact on an ageing employee's health and wellbeing. Points made included that it was a personal choice to continue shift work, however, there was the suggestion there should be an age when employees are given the option to 'retire' from shift work, most notably night shift work and to work 'normalised' hours. The general health of aged employees was also very important, and some participants felt that the heavy industrial exposures exacerbated their health issues.

SOCT is important to note in the health and wellbeing theme, as mature employees may choose to substitute activities, for example, doing less physically demanding tasks to optimise their outcomes (Baltes & Smith, 2003). Focus group participants in Fisheries Incorporated and Steel Holdings had made the decision to come off night shift, in turn sacrificing the financial component associated with shift work (shift allowance), in order to compensate for their health and wellbeing. However, employees in Steel Holdings felt anxiety for other aged employees in the organisation who were still currently on night shift, fearing that if they approached the organisation for a change in shift pattern, they may be seen as being incapable of continuing in their role, and thus be promptly exited.

SET could be used to explain this fear and anxiety as there was a perception from some employees that if the employee could not work their 'normal' hours, the company would respond in a negative manner, by pushing them out of the organisation. Also discussed was the heavy industrial environment in which the employees had to work, which they felt impacted negatively on their health and wellbeing. Generally, ageing employees felt there were some degenerative issues associated with ageing that affected general health and wellbeing; however, this could be eased by keeping active in both body and mind (Kenny et al., 2008). A way to keep the body and mind active is to engage in the social aspects of everyday life. Some of these social aspects, like social exchanges between colleagues can be found at work. The next theme to emerge looks at the social aspects in employment and how they can affect retirement decisions.

## 4.5 Social Aspects

One of the less tangible themes was the social aspects of employment. Social aspects relate to the social interactions at work. In this situation, it is referring to friendship with colleagues at work and enjoyment and engagement with the work being undertaken by the aged employee. This theme is explored in depth below.

Participants discussed their friendships and social aspects of work as being one of the elements that kept them engaged and continuing in their employment.

**William, Steel Holdings:** *[The social side of work] I've definitely got a lot of friends; they've been working for a long time, probably spent longer with their work colleagues than they have with anyone else.*

**Christina, Fishing Incorporated:** *For me, if I retired it would be like, well what am I going to do? Because I have a lot of friends here too.*

**Facilitator:** *If I was in that situation, I'd almost feel like, if I worked for my whole life, five days a week, 40 hours, and then one day I don't.*

**Jim, Steel Holdings:** *Oh, it'd be traumatic I reckon.*

**William, Steel Holdings:** *It's not financial. It's a lot of social orientations...*

**Jim, Steel Holdings:** *Yeah, the social side of [work].*

Appearing to lend support to Fletcher and Hansson (1991), the research findings suggest that there is an anxiety and fear to retiring, based on the loss of social interactions in the workplace. Having friendships and being involved in the social aspects of work were an important part of employment, and for William from Steel Holdings, it appeared to be more important than the financial security of work. If an employee shows kindness to another employee, the other employee will usually reciprocate with kindness. This then, establishes a social connection and becomes a bond of trust between employees at work that creates strong friendships and a purpose to come to work, to have positive social interactions (Cook et al., 2013). This aspect of social exchange theory creates a bond with employment also, as the aged employee needs to be engaged in employment to have the social exchanges.

Some focus group participants also talked about the enjoyment of features of work, such as the actual work environment and everyday learning and the experiences that they had.



**Christina, Fishing Incorporated:** *I think it's, you know, I thought about it. I was going to [retire] but I think about it and I think, it's exactly what Nikita said you know? It's a good environment here as well, and I think you learn quite a bit of things off other people.*

**Nikita, Fishing Incorporated:** *And every day you're learning something new, every day.*

**Lizzie, Fishing Incorporated:** *Yeah and it's multi-cultural which is good too, you know.*

As mentioned above, SET can relate to employee-to-employee interactions, and the above quotes illustrate how this can create a positive work environment, where employees want to come to work. The diversity of positive social interactions that employees have creates a sense of trust with others. Nevertheless, there is no certainty that others will reciprocate in turn, thus social interactions are based on trust (Lawler & Yoon, 1993; Cook & Emerson, 1978).

Fisheries Incorporated focussed on the organisation's ability to engage with them, whilst also being able to share a friendship with colleagues. A very interesting quote from Steel Holdings, was that the participants enjoyed the fact that the organisation was multicultural. The diversity in the organisation could possibly be one of the reasons that Fisheries Incorporated participants tended to speak more positively about their organisation, as well as what appeared to be the greatest engagement with the organisation. Diversity is an interesting aspect, as there was not any extensive literature related to diversity and the engagement of mature employees (or employees in general). However, this could potentially be a reason why Fisheries Incorporated appeared to be the most engaged group of employees with their employment. Fisheries Incorporated also stated that their ability to learn something new every day was another element that kept them engaged with the organisation.

Employees in Steel Technology enjoyed their routine of employment and the fact that they had built up friendships over a long period of time and this made it hard for a mature employee to leave or 'cut ties' with the organisation.

**Timothy, Steel Technology:** *I think sort of elaborating on the first point that [employee's name] made, it's hard to leave but there's a lot of people that have been here you know, 25, 30 years and their friends are all sort of based around work. Their whole lifestyle is connected and all of a sudden, they're cut adrift, and especially if they live a wee way away, it makes it hard to cut the ties. Especially if they don't have outside interests as well, because a lot of people you know...are very regimented in their patterns and going to work.*

All focus groups talked about an element of security in employment that was not financial, but social. In research conducted by Van Solinge and Henkens (2014), their findings suggested that one's social network was a key factor in the timing of retirement and if they did not have strong connections outside of work, aged employees would remain in employment for longer. The social aspects of work, such as friendships, created comfort in their employment that provided a sense of social security. There was also a sense of comfort in the routine that aged employees had created within their employment with others that they worked closely with. This again supported the SET and exchanges between employees appeared to be just as important as exchanges with the employer. In addition, it has been suggested that social exchanges between employees are a useful predictor of job satisfaction, satisfaction with peers, job performance, identity, commitment, and turnover (Cole, Schaninger, & Harris, 2002). Thus, it is important for the organisation to note.

#### 4.6 Summary of Employee Themes

Three key themes emerged from the employee focus groups in regards to the influences on retirement decisions. These are financial security, health and wellbeing and the social aspects of employment.

Financial security relates to the ability of an aged employee to retire; health and wellbeing related to an aged employees general as well as mental and physical health; and finally, social aspects related to the social bonds and interactions aged employees had within employment. The findings suggested that when considering retirement, financial and health considerations were of higher importance to an ageing worker than social aspects. The financial security theme appeared to be the first consideration for retirement, followed by the health and wellbeing of an aged employee. Social aspects of work was the last theme, but still held importance to employees as they felt a connection or bond with those they worked with and the company they worked for.

SET and SOCT can be used to explain, at an individual level, why mature employee's value different aspects of their employment. As discussed in chapter two, these two theories operate at a micro or individual level. The organisational themes, explored in the next section, have links to both micro (individual) and macro (organisational) level theories.

#### 4.7 Organisational Themes

In the previous section, the employee's considerations for retirement were explored. Organisational themes emerged from the data collected, but tended to be less related to considerations for retirement and orientated more towards the organisation's capability. These themes still held considerable meaning for aged employees, as well as for the organisation. These organisational themes are explored below, beginning with continual development.

#### 4.8 Continual Development

Continual development was important to all focus groups. Continual development was centred on the ability to continue to be trained and developed by the organisation, as an aged employee. Literature suggests that aged employees are often not offered any kind of development, as this could be seen as a negative investment by the organisation (Brooke & Taylor, 2005; Posthuma and Campion 2008), and a safer investment would be to continue to train younger members of staff (Brooke & Taylor, 2005). Maurer (2007) suggests that there is a common belief among organisations that aged employees do not want to be developed. This belief appears to be incorrect, given the comments made by the participants below.

**Timothy, Steel Technology:** *I think we all want to be productive, you know. Well I know I do. I want to think that my work is contributing to the success of the company. Now, I would like feedback to say yes, it is... and I'd like feedback to say you know, maybe you could, you know, here's something else for you...*

**Shaun, Steel Technology:** *So I, I mean my perception, would be that the older are not more or less valued than the younger. I mean, it seems to be a bit like horses for courses, like if you have a guy who has, who is getting old, getting on and, and if he's, if he's been perceived as either not being able to change or not being willing to change, then he'll be shifted aside, shifted aside for a younger, faster model...It's only where they can't do that role or they are being perceived as maybe too 'dinosaurish' that they're – they move them aside.*

Steel Technology's perception of the organisation was that it did not want to provide opportunities to learn new skills and challenge its aged employees. Participants seemingly felt that all the training and development was channelled into younger employees. This may have made employees at Steel Technology feel undervalued by their organisation. This relates back to SET and the negative perceptions of Steel Technology held by its aged employees. However, there appeared to be some truth to their perceptions in the employer findings chapter.

The comment made by Shaun from Steel Technology above, first advocated for the organisation in saying that there was no difference between the younger and older groups in the organisation; however, the participant later said that if an older worker is perceived as either not being willing or able to change, they will be shifted aside for a younger worker. Employees in Steel Technology generally had a negative perception of the company based on SET, where they felt that the organisation did not provide adequate training and support for their aged employee group. When organisations are perceived to offer positive HRM policies and practices, employees can interpret this as a plus and thus will feel a sense of kindness towards the organisation (Hennekam & Herrbach 2013; Blau, 1964). Several other comments were made by participants from Steel Technology in relation to the lack of development for older workers.

**Timothy, Steel Technology:** *But there are certain roles within organisations that are less age dependent. There's no doubt that younger people have greater energy levels, and more broad thinking processes. Older people have discount options sometimes based on been there, done that...or you know, it's all too complex. So some organisations do need to be mindful of that and do need to make decisions based around that, so they do need policies that allow them to – with dignity – um move people into different roles. And, and I think that's the challenge; it's how they do it with dignity and if they've not got a positive role model for it, then it creates all of the negative perceptions...*

Steel Technology participants were particularly concerned with continual development and felt that the organisation did not consider a future for them.

**Marcus, Steel Technology:** *...well am I performing; what's my future, you know? It's easy to grab a bright young graduate and say yeah, here's your future planned out. You see it round here..*

Some of the participants from Steel Technology felt that their needs as an employee were not being met because of their age. This group did not make direct mention of discrimination or bias from the organisation, but from the above comments, this could be interpreted as the organisation believing that aged employees are easily replaced by the organisation. HCT suggests that each individual employee holds a unique 'portfolio' of human capital, with the different skills and abilities they have (Wright et al., 2013). An aged employee has much human capital as it has been built up over time and so an argument could be made that a continued approach to development for aged employees could actually make them more valuable to an organisation (Lazazzaraa, Karpinska, & Henkens, 2013).

Other comments suggested that the organisation would look outside the organisation rather than developing their current employee base

**Lester, Steel Technology:** *We tend to employ by looking for the skill outside, rather than developing them within the [organisation].*

Lester believed there was an opportunity to look at the current human capital and develop skills in-house, but he felt that the organisation was looking outside instead. Additional comments suggested that organisations were willing to provide training, but it was actually the aged individual that had a fear of training.

**Facilitator:** *So you reach a level and even if you do want development, do you think the organisation says that there's no value because of the certain age group that you fall into? Or...*

**William, Steel Holdings:** *Well no, well because in that area I know the companies I work with do – they all want to make sure that people are involved. What some of the older people may have got away with, it's either they've got away with it a long time and they've hidden and they're really scared about going back into any sort of training...There's a fear.*

This was interpreted as aged employees feeling that their current ways of working might be challenged or that they may be unsuccessful in the training and, therefore, did not want to attempt it. This can sometimes be a self-fulfilling prophecy as aged employees will decline training and development opportunities based on the fear of being unsuccessful, reinforcing the idea that aged employees do not want continual development (Taylor & Walker, 1994). It is apparent from comments from focus group participants; however, that there is interest from some aged workers in regards to development.

Fisheries Incorporated participants were not so concerned with continual learning and this could have been based on the different occupations they held in their organisation, compared to the participants from Steel Technology and Steel Holdings (see Table 4.1). However, they did make a comment that they found they were learning something new every day, which was in the positive context of why aged employees remain in the organisation.

**Nikita, Fisheries Incorporated:** *And every day you're learning something new, every day.*

To summarise, continual development was an area, which most participants saw was positive, although it appeared that organisations were either not providing development for aged employees or there was a fear of training and development itself. This made some participants perceive the

organisation negatively. The next organisational theme looks at the ability to work flexibly, to be able to enjoy a different lifestyle as a mature employee or to transition into retirement.

#### 4.9 Flexible Working Arrangements

Flexible working arrangements refer to non-standard working hours; this could be in the form of part-time work, job share or casual hours. This concept was posed to the focus groups with the idea being that it would be a transitional period into retirement. Many participants across the three groups responded positively to this idea.

**Richard, Steel Holdings:** ...you need some transition. It's like a bit abrupt isn't it?

**Richard, Steel Holdings:** Ohh it'd be traumatic I reckon [to retire without a transition].

**Joe, Steel Holdings:** Because then I'm doing what I want to do and I can have a bit more financial security as well.

**William, Steel Holdings:** Or even part time. That's what I was planning already.

**Joe, Steel Holdings:** Yeah, like you're doing three days a week instead of five or whatever...and closer to retirement three days a week then yeah.

**Richard, Steel Holdings:** Yeah, that would be a big driver that one, definitely, so you can balance up what you want to do with the rest of your life, plus still work as well.

**Shaun, Steel Technology:** I think there's a huge benefit in that [part-time work]. People have to realise that they're here adding value and they are a permanent employee and it's not one step closer to the gate. I think it'd be a great thing. I mean you get to be middle aged and you just get a bit tired of getting out of bed early five days a week, you know?

**Tom, Fishing Incorporated:** It just means they're still getting a bit of income, they're still having contact with the people but they're not actually working that full 40-hour week – which as you get older starts to take its toll on the body. I'd go for it.

A spread of participant's felt that the ability to have an income source whilst still participating in purposeful work was something that they could realistically consider, as opposed to working full time for a long period and then for employment to abruptly conclude. As previously mentioned, the

financial ability of the person to reduce their hours was a large consideration in whether or not they would consider the idea.

Flexible working arrangements were discussed in all of the groups and can be related back to SET. If the organisation provides HRM practices such as flexible working arrangements, mature employees often perceive this as a positive offering from the organisation (Blau, 1964; Tzafrir, 2004). Shacklock and Brunetto (2011) found that the offer of flexible working arrangements can be used by organisations as a retention tool for aged employees. Many participants talked positively about flexible working arrangements; however, no organisation offered this HRM practice as employers were underprepared, had collective agreements in place that would not allow them to flexi work, or did not see huge value in this offering. This will be explored further in the employer findings chapter.

With flexible working, there was also the ability to keep learning whilst on the job and keeping active if there was the option to stay in employment at a reduced capacity. This plays into the health and wellbeing theme, as employees wanted to be able to have mental stimulation to keep them mentally fit. Steel Holdings in particular, thought this was good idea. One participant labelled retirement without a transition as 'traumatic'. Steel Holdings also talked about having outside interests, as previously mentioned. This they believed helped in terms of increased longevity.

**William, Steel Holdings:** *Mmm, some interests or whatever, yeah, because I know some people who've retired, had no interests, no friends, no nothing...they die alone, sort of shrivel up and, yeah sad.*

**Richard, Steel Holdings:** *Yeah so, you need some sort of transition. It's a bit abrupt isn't it? The bump at the end, nothing worse than that.*

Some participants had started to optimise interactions outside of work in order to help transition into retirement, optimising other non-work related activities in order to compensate for later retirement activities. This is an aspect of SOCT (Baltes & Dickson, 2001).

Steel Holdings participants were fairly active and mentioned a number of activities they enjoyed outside of work such as surfing, tramping and biking, as well as spending time with family. Other focus groups did not discuss to the same degree the activities they were involved in outside of the work environment, which may have been why they were not strongly advocating for a different type of work arrangement. Steel Holdings participants talked about how priorities shifted as you mature in life.

**William, Steel Holdings:** *But I think the older you get, you do appreciate the weekends and time off a lot more because...*

**Jim, Steel Holdings:** *I mean you're sort of grounded half of your life and then suddenly you realise well actually, that's what you're working for isn't it?*

**Richard, Steel Holdings:** *Priorities shift.*

**Jim, Steel Holdings:** *Yeah, priorities shift, mmm, definitely yeah.*

Again, SOCT can be used to explain the priority shift in older workers. This is because mature employees may not be able to complete all the activities that they used to be able to do in their younger years, thus they must change their priorities in order to compensate for other activities (Baltes & Smith, 2003; Baltes & Dickson, 2001).

The discussion at Steel Technology was orientated more towards 'contracting' as opposed to part-time or flexible working. This is because it was unusual for there to be part-time or flexible type work arrangements at their organisation. Even when the facilitator suggested this as an option, not all employees in Steel Technology could see this as a feasible option. Thus, the quotes below from one participant in Steel Technology shows that they perceived flexible working arrangements negatively to some degree.

**Timothy: Steel Technology:** *But you've used the term 'casual' a couple of times [facilitator's name], and that actually describes the problem...Because if a person decides to come and work three days a week then they're not casual...It's an intentional decision and it needs to be recognised both ways. The description within the business is that they become casual and then I think from that leads to the oh well, you're gone in a few months' time. Well, we don't really need to find you a meaningful job...Choice is forced upon you then, then they're moving me to the next step, though they might think I'm ready for it and want to but... There's very few positive examples that we can look at where that model exists and so at the moment the only model that people have, is the one that has all the negative connotations.*

There appeared to be a cynicism towards part-time and flexible options, especially when labelled as 'casual' from one Steel Technology participant. A fear of being moved out of the organisation existed within some of Steel Technology's participants and a reduced working week brought about this fear and distrust of the organisation, even if it was their own choice to reduce their hours. It appeared the social exchanges between Steel Technology and its aged employees were perceived negatively by this group.



As mentioned previously, SET can be used to explain employees' perceptions of the organisation. In this case, the perception of the organisation offering flexible working arrangements was negative, even though flexible working arrangements could be seen in other circumstances as a positive (Hennekam & Herrbach, 2013). The negative perception could be based on the trust and psychological contract that the employee has with the organisation, which plays a big part in whether or not an employee's perception is positive or negative (Blau, 1964; Tzafrir, 2004). Some of the participants in the focus groups were not open to the idea of part-time or flexible work arrangements; this was in part due to fear or perceptions of the organisation.

To summarise, flexible working arrangements in general, were received positively by the participants who thought this would be a good way to transition out of the workforce whilst also keeping engaged socially, mentally and financially. However, no organisation formally offered this HR practice. One organisation had an informal system, which was labelled as casual work, which participants perceived negatively. SET helped show that perceptions were key around how employees felt towards the organisation and flexible working arrangements. SOCT also helped to show why aged employees may choose flexible working arrangements if offered, choosing to optimise their time with family and outside activities, whilst sacrificing financial reward. Although no aged employees had been offered or taken up flexible working arrangements, financial security, as discussed in the employee themes chapter, was potentially a bigger consideration. Flexible working arrangements can be seen as a way to transfer skills and knowledge, by phasing the aged employee into retirement whilst the individual passes on their skills.

The final organisational theme looks at skills and knowledge transfer from an aged employee perspective. This was an area which had great importance in the literature and thus it was crucial to understand it from the perspective of those who hold a large proportion of the skills and knowledge.

#### 4.10 Skills and Knowledge Transfer

Skills and knowledge transfer is broadly defined as the ability to transfer skills and knowledge from one individual to others (Calo, 2008). Aged employees, by virtue of their length of employment, hold core knowledge for the organisation and industry and this can also be classified as human capital (Wright et al., 2013). The focus groups explored this issue as it tended to have great importance in the literature. Managers were also asked how they would transfer skills and knowledge or cope with a gap in skills and knowledge within their organisation. Without the appropriate skills and

knowledge, the organisation would not operate at optimal capability and may lose its competitive advantage (Carmeli & Schaubroek, 2005; Shaw et al., 2013). Skills and knowledge are often built up over a long period of time within one or more organisations (Nyberg & Wright, 2015; Calo, 2008). The participant group were all long-serving employees, who had amassed great skills and knowledge within their organisations.

Knowledge was classified in monetary terms to the participants in Steel Holdings. The investment the company had made in firm-specific knowledge was important for organisations to note.

**Joe, Steel Holdings:** *To a company that's all money, that knowledge. It just disappears and it's gone.*

Focus groups also had an understanding that the knowledge held by employees was often tacit and was not easily learned or transferable.

**Joe, Steel Holdings:** *You know, its father, son. It's people taking two or three years before they start hearing and seeing things. That sort of thing cannot be replaced overnight and needs to be balanced over a long period of time.*

Each individual employee holds a unique 'portfolio' of human capital, with the different skills and abilities they have (Wright et al., 2013). The portfolio that each individual has is exclusive to them, making each individual uniquely valuable to the firm (Wright et al., 2013). The comments above suggest that the skills learnt are labour intensive, making the organisation appear to be orientated towards a human capital approach (Boxall, 1996). Investing in human capital is important in a manufacturing context, as this is a labour-intensive industry with one in ten New Zealand employees working in manufacturing (New Zealand Government, 2012).

Because of the labour-intensive structure of the organisation, Steel Holdings participants concentrated on what they felt was the inability to learn the skills necessary in a short period of time. In Steel Holdings, under usual circumstances, employees have the right to give one week's termination notice, which means that the likelihood of any knowledge transfer is very small. The Steel Holdings focus group also suggested that a mentoring or 'buddying' type system would be useful in the transfer of skills and knowledge.

**Richard, Steel Holdings:** *But maybe that's a good thing, that you get that transition anyway...*

**William, Steel Holdings:** *Yeah, mentoring someone.*

**Richard, Steel Holdings:** *...because eventually you're going to go...*

**William, Steel Holdings:** *And that is a way of transferring a lot of tacit knowledge, because you can't write everything in SOPs...So if you got someone who you were just sort of buddying through as you retire, part time, then that can...*

**Joe, Steel Holdings:** *And they pick it up as – take the slack up.*

Participants in Steel Holdings believed in transferring their skills and knowledge over to the younger generation, which was a very positive reflection of the employee group. This may relate to SET as mentoring a younger employee could help the older employee feel a sense of reciprocity of trust, as well as thankfulness from the employee for the knowledge they received.

Participants in Steel Holdings identified that most of the knowledge they had amassed was tacit and could not be described in a safe operating procedure (SOP), which was the documented system they currently worked with. Thus, it would be beneficial to the organisation to have a buddy system, which could coincide with part-time transitioning into retirement. This would help to ease an employee into retirement, whilst also engaging them in valuable work and knowledge transfer.

**Shaun, Steel Technology:** *The company does have a dilemma you know, with three-quarters of the workforce over 50 or whatever it is...so there's a lot of critical mass of people and knowledge and all that...*

**Timothy, Steel Technology:** *We try to bring on young people and a percentage of them stay and others all then disappear, so obviously if the average age keeps moving, then we're not replacing them in the workforce fast enough, so with that amount going through, how's it going to manage that, so it's a large loss of knowledge and experience going out the door.*

The comments made by participants in Steel Technology related to RBT where the employees felt that the organisation was losing key human capital resources that were valuable, rare and inimitable based on their knowledge and skills and replacing them proved to be hard (Tzafrir, 2004; Hennekam & Herrbach, 2013).

Steel Technology participants were concerned with the turnover of younger employees and that the skills and knowledge that was transferred to this group was lost, as they would leave in a short period of time. As younger employees leave the organisation, some participants in this group felt that this then pushed the average age up and increased the amount of pressure on the organisation to manage knowledge.

**Nikita, Fishing Incorporated:** *You were asking what us older workers are doing toward training new ones, not so much training as passing our knowledge on to others that are you*

*know, other younger ones...For my situation, I am in the throws I suppose, of trying to get someone else to sort of come with me and do, see what I do so that he or she could...But because you'd hate just to go, I mean after all that length of time working and then you'd hate to go and not pass anything on you know?*

Although some of the participants of this focus group felt that they would like to pass on the knowledge and skills they had learnt, it was hard to do so within the constrained timeframe the organisation placed on its employees. Fisheries Incorporated felt that this was one of the issues in carrying knowledge across to others in the organisation.

***Christina, Fishing Incorporated:*** *So we get quite a cultural influx and that, when you've got to do that in a very short period of time to get them to understand...*

***Nikita, Fishing Incorporated:*** *In two weeks.*

***Christina, Fishing Incorporated:*** *...and pass on the information that you've got, it can be quite – it's full on.*

***Nikita, Fishing Incorporated:*** *Not so much daunting as you haven't even got time to think, but you are passing them [lessons]. They get it – most of the time.*

In relation to transferring knowledge, participants from Fishing incorporated also believed that transferring skills and knowledge was a positive. This contradicts findings from Siemsen et al. (2009), which suggests if aged employees believe that holding on to their knowledge is what keeps them valuable to the organisation, they will not share such information, as they feel it will decrease their worth to the organisation. Older employees may feel a sense of reciprocity of thankfulness from the employee for the knowledge they receive. Older employees may also want to transfer knowledge across because positive actions may be reciprocated from the organisation (Hennekam & Herrbach, 2013).

Skills and knowledge transfer appeared to be an area of concern for employees. The focus groups came at the topic from different angles, but the researcher believes that all groups had a desire to see their organisation succeed and felt positively towards skills and knowledge transfer. SET gave an understanding of why the aged employee may want to transfer knowledge, as this could be perceived as a positive exchange. However, there were current practices in place to allow for skills and knowledge transfer. Employees did what they could to a degree, but without any formal systems, felt that their efforts would not close the skills and knowledge gap.

#### 4.11 Summary of Organisational Themes

Three organisational themes emerged from the employee focus groups in regards to organisational considerations. These were continual development, flexible working arrangements and transfer of skills and knowledge.

Organisational themes that emerged were based on questions posed to the group around flexible working arrangements and knowledge transfer. The researcher purposefully included these questions as they were given considerable weighting in the literature and should be a key focus for organisations. Continual learning was a theme that some focus group participants were very passionate about, but felt they did not have opportunities for training and development. Other participants commented that there was a fear of development; while others simply enjoyed the day-to-day learning and it appeared structured development was not a concern. There was a mixed response to flexible working arrangements, with a majority of participants believing this would be a positive and would ease the transition into retirement. A minority felt cynical about flexible working arrangements, citing this as an opportunity for the organisation to gradually remove them from their employment.

Generally, all the focus group participants felt very positively towards skills and knowledge transfer and wanted to be able to pass their knowledge and skills base onto other employees; however, the concern from all groups was how to do this. They could not currently see any structure or measures put in place by the organisation to facilitate skills and knowledge transfer. SET, SOCT and HCT all had applications in these themes. Perceptions relating to the employee's organisation were very different, and SET could be used to explain these different perceptions. SOCT was important as it showed how aged employees consider their options in regards to flexible work arrangements. HCT and RBT were also important to note, as skills and knowledge transfer is in some ways human capital transfer and this human capital can be viewed as a competitive advantage, as it is hard to duplicate. An overall summary of the employee findings is below.

#### 4.12 Overall Summary of Employee Findings

After rigorous thematic analysis of the transcripts, three main themes emerged around personal consideration for retirement: the financial security of an employee; the health and wellbeing of an aged employee; and the social aspects of employment.

Secondary themes that emerged were based on questions posed to the group around organisational considerations. The researcher purposefully included these questions as they were given considerable weighting in the literature and were a key focus for organisations. The themes that emerged were continual development; flexible work arrangements; and skills and knowledge transfer. SET, SOCT, RBT HCT were all important to note in the employee findings. SET and SOCT was used to explain, at an individual level, why mature employees value different aspects of their employment, whilst RBT and HCT gave an understanding, at an organisational level, of what value some of the organisational themes had to an organisation.

The most important learning from the findings is that aged workers should be looked at as a heterogeneous group (Ko & Seung, 2014). For example, comments from participants suggested that there was a definite desire for continual development, and literature suggested that aged employees are not interested in continual development (Maurer, 2007). Participants themselves also commented that there is a need to look at individuals. For example, participants described shift work as a mentally and physically draining experience, however, it is how the aged individuals ability and feeling towards shift work and they could not comment for everyone in their organisation.

The next chapter explores and analyses employer perspectives on aged employees.

## CHAPTER 5 EMPLOYER FINDINGS

### 5.1 Introduction to Employer Findings

In this findings chapter, the themes that emerged from the employer interviews are presented. One of the key aims of this research is to understand what influences employees' retirement decisions and how employers view their ageing workforce. This chapter looks at the themes that emerged from the employer interviews on retirement decisions. Employer and manager are used interchangeably in this chapter to describe the managers interviewed who represent the employers' views on their mature workforce.

Table 5.1 presents pseudonyms for each participant and their organisation and gives a brief context for the participant.

**Table 5.1: Table of Employer Participants**

Participant	Organisation	Organisation Type	Gender	Role
<b>John</b>	Steel Technology	Steel Manufacturing	Male	Vice President HR
<b>Suzie</b>	Steel Technology	Steel Manufacturing	Female	Vice President People & External Affairs
<b>Lucy</b>	Fisheries Incorporated	Fisheries	Female	General Manager HR
<b>Dominic</b>	Steel Holdings	Steel Manufacturing	Male	General Manager
<b>Cecil</b>	Dairy Limited	Dairy Processing	Male	HR Manager
<b>Anna</b>	Wine Company	Alcohol Manufacturing	Female	Senior HR Business Partner
<b>Rick</b>	Beef Business	Meat Processing	Male	General Manager HR

Seven managers across six different, large manufacturing organisations were interviewed on seven questions in relation to: organisational strategy for retaining mature employees; the organisation's approach to retaining critical skills and knowledge and what managers believed influenced retirement decisions for aged employees. The first group of themes are around the employer's view on what influences aged employees to retire, and this is labelled under considerations for aged employees.

The second group of themes is labelled considerations for the organisation, and forms the organisation's view on ageing and engagement. The findings are structured under the themes listed below which emerged from the researcher's analysis of the data.

**Considerations for Employees:**

1. Health and wellbeing
2. Social aspects.

**Considerations for the Organisation:**

1. Resistance to change
2. Continual development
3. Skills and knowledge transfer
4. Flexible working arrangements

## 5.2 Health and Wellbeing

Health and wellbeing was the first theme to emerge and was a strong theme throughout the interviews. Health and wellbeing included the general health and wellbeing of an ageing individual, as well as their physical and mental capability to do the job to the required standards, in a heavy industrial environment. Because of the nature of export manufacturing, all six organisations had a shift work component, with five of the six organisations having night shift operations and four having 24/7 operations. Many roles in all six organisations were subject to harsh environments and physical labour, which in some cases can aggravate degenerative issues. Table 4.4 outlines the environmental exposures on employees per organisation.



**Table 5.2: Workplace Environment on Employees per Organisation**

Organisation	Workplace Environment	Work Conditions & Design
Steel Technology	<ul style="list-style-type: none"> <li>• Severe heat (hot product)</li> <li>• Environmental (open plant means subject to weather conditions in certain areas)</li> <li>• Long periods of standing</li> <li>• Heavy lifting</li> <li>• Long periods of sitting (desk, operational pulpits)</li> </ul>	<ul style="list-style-type: none"> <li>• Shift Work (24/7)</li> </ul>
Fisheries Incorporated	<ul style="list-style-type: none"> <li>• Severe cold (cold product)</li> <li>• Environmental (open plant means subject to weather conditions in certain areas)</li> <li>• Long periods of standing</li> <li>• Heavy lifting</li> <li>• Long periods of sitting (desk, operational pulpits)</li> </ul>	<ul style="list-style-type: none"> <li>• Shift Work (24/7)</li> </ul>
Steel Holdings	<ul style="list-style-type: none"> <li>• Severe heat (hot product)</li> <li>• Environmental (open plant means subject to weather conditions in certain areas)</li> <li>• Long periods of standing</li> <li>• Heavy lifting</li> <li>• Long periods of sitting (desk, operational pulpits)</li> </ul>	<ul style="list-style-type: none"> <li>• Shift Work (24/5)</li> </ul>
Dairy Limited	<ul style="list-style-type: none"> <li>• Long periods of standing</li> <li>• Heavy lifting</li> <li>• Long periods of sitting (desk, operational pulpits)</li> </ul>	<ul style="list-style-type: none"> <li>• Shift Work (24/7)</li> </ul>
Wine Company	<ul style="list-style-type: none"> <li>• Long periods of standing</li> <li>• Heavy lifting</li> <li>• Long periods of sitting (desk, operational pulpits)</li> </ul>	<ul style="list-style-type: none"> <li>• Shift Work (24/7)</li> </ul>
Beef Business	<ul style="list-style-type: none"> <li>• Severe cold (cold product)</li> <li>• Environmental (open plant means subject to weather conditions in certain areas)</li> <li>• Long periods of standing</li> <li>• Heavy lifting</li> <li>• Long periods of sitting (desk, operational pulpits)</li> </ul>	<ul style="list-style-type: none"> <li>• Shift Work (18/6)</li> </ul>

Although none of the questions posed to the managers were specifically focused on the health and safety aspects of aged employees or their job requirements, a number of comments made by managers indicated that there was a noticeable health and safety element required to any strategy they may be thinking about implementing to protect the safety of their aged employees.

***Cecil, Dairy Limited:*** *Health and safety was identified as an issue and raised questions about the ability of people to actually do the work.*

Degenerative issues are associated with ageing, but are more noticeable in physical or heavy environments (Kenny et al., 2008). The physical element involved in a number of the manufacturing roles was of concern for managers, particularly around how they would manage the transfer of knowledge from ageing employees whilst taking a step back and developing others to take on some of the more physical parts of their role.

***Lucy, Fisheries Incorporated:*** *We're now starting to talk certainly in our health and safety space, saying to a number of our people, who are ageing, it's not really about you getting stuck in. What we'd really like you to do is stand back and observe and train and develop.*

***Rick, Beef Business:*** *It's fairly physical work within the industry. And there is no doubt there is an ageing workforce, so we need to [have], new skills coming forward.*

***Lucy, Fisheries Incorporated:*** *It's hard physical work so people do leave when they get to a certain age or a certain physical capability. So that's sort of, some of the challenges we're going to have in the next 15 years.*

Health and wellbeing related strongly to the social optimisation and compensation theory when employees talked about their physical ability. However, when employers talked about health and wellbeing this related to literature on the degenerative issues around ageing and physical work in the workplace (Taylor et al., 2000).

There was uncertainty amongst the managers on whether or not those in physical roles would want to take a step back from the more physically demanding parts of their job. This is possibly due to what managers described as the long-serving, fixed nature of a number of the employees in the aged worker category. It was assumed that some employees would perceive changes to their role as de-valuing their skills and as taking a step backwards, even if it was for the greater good of an employee's health.

Another challenge was the number of injuries mature employees were having. The organisation was finding that employees would leave because they were no longer able to continue with the work because of health issues or the physical nature of the work and degenerative issues were exacerbating existing injuries, posing an increased risk of further injury.

**Cecil, Dairy Limited:** *We do have more injuries occurring and the belief is there is a link there to a population that's ageing, and as a business, like lots of New Zealand companies, we're really conscious that we can't go around hurting our people.*

**Anna, Wine Company:** *What we're finding is with an ageing workforce, we're having a lot of small accidents and incidents where people are getting a sore knee from stepping off a forklift.*

**John, Steel Technology:** *Most of the examples I've been aware of is people's personal situation changes, usually by some form of misfortune attracting them ...So it's usually things like that or retirement under health issues.*

**Dominic, Steel Holdings:** *I've had people where we've had grave concerns that somebody's just starting to lose the edge off their, in terms of their sort of cognitive capability or their alertness. I've had a couple of them over the years where you actually become genuinely quite concerned for the wellbeing of the person and those around them, because you start to see them make more mistakes than they would have in the past. You know, maybe they miss signals or sounds or things that are there to keep them safe.*

The literature strongly supports the connection between ageing and health issues (Hayflick, 1994; Silverstein 2008; Ilmarinen, 2006; Costa & Milia, 2008). This appeared to be also supported by the comments made by managers. Although health and safety of aged employees was a major concern for employers, it appeared there were no HR policies or practices in any of the organisations to support the health, safety and wellbeing of aged employees. In one interview, a manager referred to 'uncertainty or greyness' as there is continual change, so the idea of creating an ageing workforce strategy, seemed to be a somewhat foreign concept.

**John, Steel Technology:** *There is that period of greyness that we also need to manage as we move – if you look out to the 15-year period, I think the model of the business will continually change as we've seen industry change over that last period. For us though, it's quite hard.*

**Dominic, Steel Holdings:** *[when questioned on policies for mature workers] No, not at the moment there's not. Could there be? Should there be? Yes.*

Some managers made mention that work actually helped in terms of mental and emotional stimulation and this contributed to keeping mature employees healthy and active.

***Anna, Wine Company:*** *There's a reason why you know work is a healthy activity to do.*

***Dominic, Steel Holdings:*** *You hear the story – you hear so many stories don't you over the years, of the guy or woman who worked until they were 65, went home and died within six months of retiring? I've heard...it's not uncommon and people, whether wrongly, people cite those examples time and time again about why they don't want to stop working.*

Some interviewees felt that if employees were in good health and over the age of 65, they would continue to work as there was no reason why they couldn't or wouldn't want to. There were also extreme 'cases' where retirees had passed away shortly after retiring because of a possible lack of stimulation. Other managers described poor health as being a large consideration and if an individual was not physically and mentally able to do their role, this would mean retirement would be a highly likely outcome. Ill health is among one of the most important influences on retirement decisions according to Kim and Feldman (1997). Employers also did not speak about shift work, which the employee findings found was a serious area of concern for aged employees. Literature also suggests that shift work exacerbates health and wellbeing issues for mature employees (Ramin, et al., 2014; Costa & Milia, 2008).

Most employers had not given considerable thought as to what they would do in the case where an employee could no longer continue in their current role for health reasons. No organisation had a strategy around this, and rather looked at it on a 'case-by-case' basis. However, many of those organisations interviewed did have contractual obligations and policies that covered medical incapacity, although this was not discussed in the interviews directly as a strategy. This appeared to be an outcome should an employee not be able to complete the tasks required in their role and should there not be alternate tasks that the affected employee could perform. This element was discussed in the employee findings where some focus group participants had a fear of the organisation and not being able to perform their tasks, thus the only option for them was to keep going or be moved out of the organisation.

To summarise, the health and wellbeing of aged employees was identified as an area of concern, but was not a matter of urgency for employers. The employee findings suggest that health and wellbeing was a main consideration in retirement decisions and so, to a degree, employee and employer views were aligned. However, some participants in the focus groups commented that shift work had negative effects on aged employees, but there was no strategy to take them off shift work and a

general fear of the organisation in asking to do so. Although the fear may have been simply a perception, it is clear that the organisations did not have HR policies in place to support the health and wellbeing of aged employees. All the organisations were apprehensive and had concerns around the health and safety of their employees, and had not yet thought of the future in relation to how they would incorporate an approach with a health and safety component.

Another theme that emerged around considerations for retirement from employers was the social aspects of employment. This is discussed in the next section.

### 5.3 Social Aspects

Along with health and wellbeing, another consideration that employers felt was important were the social aspects of employment. Social aspects is referring to friendship with colleagues at work and enjoyment and engagement with the work being undertaken by the aged employee. Employers had similar views on the social aspects as being a motivator for aged employees to remain in employment.

Managers expressed how a number of their mature employees had been with the company a considerable amount of time and had built strong bonds with their colleagues, and to leave the 'brotherhood' of their employment would be difficult. When asked for reasons why mature employees would remain in employment, many managers commented on the social nature and infrastructure that employment provided.

**Rick, Beef Business:** *Well, I must admit that it's the comradeship I think.*

**Lucy, Fisheries Incorporated:** *There's a whole fraternal aspect of it, you know, the relationships they build up with their colleagues, with the business.*

**Suzie, Steel Technology:** *It really is their social fabric, where they come here and actually interact with a lot of their friends that they've built over that 30 years. A lot of them go on holidays together. They go to sports and fishing things together, so it really has become part of their social fabric I suppose, and that's part of the lifestyle that they have trouble transitioning away from.*

**Lucy, Fisheries Incorporated:** *They enjoy the community, the feel they have with Fisheries Incorporated. We talk a bit about people being able to leave but choosing to stay.*

**Dominic, Steel Holdings:** *I think males fear it and I think suffer in retirement more than females. I think for whatever reason – my sense is always – and this is just looking at older males in my life and so on. They tend not to have established the social sort of infrastructure to sort of slide into when they retire, so a lot of them retire and they just, they become – they're lost. They're on their own.*

SET can be applied to the comments above and explains why employees continue to be engaged in employment. Reciprocal actions of kindness between employees can create trust and commitment (Blau, 1964). This can engage employees, as they want to come to work to spend time with their colleagues. Their colleagues are more than just employees at work; they are their friends and create the social fabric which can in some ways bond an aged employee to their organisation.

Some managers believed it was for the pure enjoyment of the role that the mature employee continued to work.

**Lucy, Fisheries Incorporated:** *They enjoy the community, the feel they have with [Fisheries Incorporated]. We talk a bit about people being able to leave but choosing to stay.*

**Anna, Wine Company:** *I mean people to be honest just sometimes enjoy what they do.*

Managers believed employees felt a belonging to the organisation and to the brand. Managers described the way in which their employees interacted with each other and the company, which was described as being like a family.

**Anna, Wine Company:** *I mean, these people in some cases were in very basic factories that have now become very sophisticated and they've evolved with them. They affiliate strongly with it, and for good reason, like their friends worked there. They've often met partners there, their children have grown up and sometimes work in the same place as them, and it's a really close relationship, very, very family orientated. Whanau is used quite frequently in terms of their own branding of the sites they work in, and I think it's just part of not wanting to leave their family and, it's a really nice thing.*

**Lucy, Fisheries Incorporated:** *I think people very much in our business, feel very connected to Fisheries Incorporated and the family that they have there. We talk about whanau, we talk about family and so I think if you feel like that, kind of being booted out the door at a certain age is a complete disconnect to that.*

The social aspects of employment came through as a strong theme in the employer interviews. The daily social exchanges between employees, as mentioned previously, created a bond. This bond grows stronger as it is reciprocated over time (Blau 1964, Tzafrir, 2004; Hennekam & Herrbach, 2013). With many of the mature employees being in the organisation for a long time, the kindness shown in reciprocal actions means that trust grows and strengthens into something more than just a normal social exchange, which possibly describes the sense of belonging to the organisation. Lucy commented that her organisation talks about 'family', which shows that the bond and trust is something more than just a menial exchange. Employees have built a strong trust in the organisation and this may be one reason as to why they remain in employment because they not only trust the organisation, but have a deep trust and friendship with their colleagues also. Cook et al., (2013) support the idea that friendships create meaning in coming to work. The employee findings also suggest that the social aspects of work such as friendships, are one of the main considerations to remaining in employment.

Another social aspect employers thought was important for an aged employee, was feeling a sense of purpose. Some employers believed this gave their aged employees a purpose.

***Cecil, Dairy Limited:*** *When we feel there's purpose in what we do, we feel so much better about what we do... that's someone who really identifies and knows their piece of the puzzle, and how they contribute to this big vision, this big mission, this big purpose. And work and companies provide a real opportunity for that. I think about the people who work for Dairy Limited who love Dairy Limited, there's a huge amount of that purpose in there.*

***Rick, Beef Business:*** *You get up and you face the day and you think...what am I going to do today? And it's that fear of not having something to do you know, kind of – it is I think a concern for a lot of people.*

Employers believed that employees would stay within a company for the social aspects of work provided. The research findings suggested that there was an anxiety and fear to retiring, based on the loss of social interactions in the workplace (Fletcher & Hansson, 1991). The employee findings also supported the notion that social aspects of employment were a large consideration and that there was a fear from some participants that they would lose this on retirement.

Employers believed that the social aspects of employment were an important consideration for aged employees when considering retirement. The social exchanges had between employer and employee and employee to employee, created a bond and trust between these two groups. As it is reciprocated, this bond grows stronger over time (Blau, 1964; Tzafrir, 2004; Hennekam & Herrbach,

2013). There was also another element to social aspects, which was the purpose the employee felt from being involved with work. The employee findings also suggest that the social aspects of work, such as friendships, are one of the main considerations for remaining in employment, therefore employer and employee views were aligned.

## 5.4 Summary of Employee Consideration Themes

Two main themes emerged from the employer group as being key considerations for aged employees and retirement. These were the health and wellbeing of aged employees and the social aspects of employment.

Employers were anxious about the health and safety of their employees but appeared not to have a strategy in relation to how they would incorporate an approach with a health and safety component. The employee findings suggest that health and safety is a strong consideration as well, but incorporated their fears around work design and being pushed out of the organisation, which was not talked about by the employer group.

The other element employers believed was important for aged employees was the social aspect of employment. Employee findings also suggested that the social aspects of work, such as friendships, are one of the main considerations for remaining in employment, therefore employer and employee views were well aligned. In regards to the social aspects of employment, SET helped to explain why employees might remain in employment and delay retirement.

The next section looks at organisational perspectives on aged employees and their value to the organisation.

## 5.5 Organisational Themes

The second group of themes that emerged are presented as organisational themes and these illustrated the extent to which an organisation was preparing and engaging with their aged workforce. These themes were as follows and are explored in depth below.

1. Resistance to change



2. Continual development
3. Skills and knowledge transfer
4. Flexible working arrangements

## 5.6 Resistance to Change

Resistance to change is defined in this piece of research as employees who are reluctant to change the way they operate. Aged employees are sometimes looked at as a group that are resistant to change, as they have operated in a certain way or context for a long period of time and thus have become comfortable in their way of operation (Posthuma & Campion, 2008). This can be seen as a positive in some respects, as it keeps aged employees engaged with the organisation as they like the fact their role does not have continual variability. It can also be a negative if an aged employee is unwilling or reluctant to make a change because of the challenge to their regular routine, or the fear of having something that will disrupt their 'comfort zone'. Some managers made comments about resistance to change in regards to retirement and engagement.

***Cecil, Dairy Limited:*** *One of the other key challenges potentially is around the amount of learning and change in these roles that is going to happen in the next three to five years. We're going to need people to become [more skilled]; the level of the role is going to look very different to what it does now. It is going to be more technical... I think this is more generic, but what we need to make sure, is that we've probably got people who've got the capacity and capability to be able to perform what could look like a different role with the way technology in the future's looking.*

Other managers discussed how their organisation had brought in a 'resilience' type programme, which helped employees deal with change, so that employees became accustomed to change as opposed to resisting it.

***Lucy, Fisheries Incorporated:*** *A lot of the work that we do hasn't changed a lot, but the last four or five years things have changed significantly, so people are starting to become more and more comfortable with training. We run a programme, a resilience programme...., understanding how they deal with change and, their responses and what they can do. That will help us I think in, in helping older people to take up some of those opportunities.*

The researcher found much literature that supported stereotypes and ageism in the workforce, with one of the common stereotypes for older workers being 'resistance to change' (Buyens et al., 2009; Maurer, 2007; Posthuma & Campion, 2008; Snape & Redman, 2003). A lot of these stereotypes are said to be self-fulfilling prophecies, whereby a mature employee acts on a stereotype, fearing failure if they attempt a new activity (Maurer, 2007; Snape & Redman, 2003). However, in the employee focus groups there did not appear to be a strong suggestion that mature employees were resistant to change. Significant changes appeared to be a matter that managers saw affecting their mature employee group within the next five years.

Another manager, in a different organisation, commented that the organisation had recently been through a large-scale change with a different product mix being introduced and employees were shocked and unhappy with the difference in approach.

**Suzie, Steel Technology:** *The [department of the organisation] is an example isn't it, when the consultation changed with the change in the mix of product that we were making. The absolute shock that there was no redundancies as a consequence of the changes that we need to make to the types of roles that people are performing and going through deployment rather than a redundancy route. That was the biggest barrier in the initial phases of that consultation.*

In Steel Technology, it appeared the view of their mature employee group was that a few were 'waiting out' to be made redundant, as the redundancy provisions in this organisation were particularly good. When, after a major change, the organisation announced that it would not be pursuing redundancies, there appeared to be some resistance to the organisation as this was a change from past practice. In relation to learning of new skills, the same manager said there had been resistance in the organisation because learning is 'perceived' as being much harder than it actually is, and mature employees may lack the confidence in thinking they have the ability to learn this new skill.

**Suzie, Steel Technology:** *The feedback you get is that the difficulty that people perceive they will have is higher than the reality of what the actual learning is going to be required. And that points for lack of confidence perhaps at stepping up and taking on something that's slightly different. The analogy is it's the difference between driving a Ford and a Holden, so you're still driving a car.*

**Anna, Wine Company:** *There is resistance from some long-term and long-serving staff members who, back in the '80s say we did [organisational initiative] and it didn't work then,*

*and back in the '90s we did [another organisational initiative]...But you know, there's a bit of a resistance around what's the point, there's going to be all this effort and it's going to fold away again, and I've seen this happen before, and I'll still be here when you know, that's no longer the flavour of the month. And I remember, similar comments at [different organisation] at various times as well, from people who'd been there a long time and thought you know, we can just sit out these things.*

Another comment from Lucy from Wine Company described resistance to organisational initiatives around learning a new culture programme. Comments from this manager suggested aged employees would generally look to past experience to try and confirm the future reality.

There is considerable age-related literature, which holds a strong position on ageing workers and stereotypes associated with this. It appears from the above comments that many employers have a strong belief that these stereotypes are founded, with the literature suggesting that a common stereotype for mature employees is less adaptability to change (Snape & Redman, 2003; Cuddy & Fiske 2002; Taylor & walker, 1994; Maurer, 2007).

In summary, resistance to change was something that some employers felt was evident in their aged employee group. However, this did not come out of the employee focus groups, with some participants suggesting the exact opposite and feeling excluded from development when, in fact, they wanted to continue to be developed. Aged employees are often stereotyped as resistant to change or as being less adaptable (Snape & Redman, 2003; Cuddy & Fiske, 2002; Taylor & Walker, 1994; Maurer, 2007), and there were a few comments from managers that supported this claim. Continual development was an important consideration for some focus group employees, but appeared not to be of such importance to the employers. This is explored in the next section on continual development.

## 5.7 Continual Development

Continual development was centred on the ability to continue to be trained and developed by the organisation, as an aged employee. It appeared that this was not an area of great importance for employers.

One of the questions posed to the managers was around the retraining and acquisition of new skills by mature employees, being a part of the organisation's learning and development strategy. This appeared to have not been considered by all the managers. There tended to be no strategy for those

in the organisation who were 55 years and older in relation to acquiring new skills, and for most organisations this was not a strategy they were considering for investment.

**Cecil, Dairy Limited:** *I mean, we do a lot of training and investment in training. A lot of it is compliance-based training which is stuff you have to know to do your job. We do a little bit more and that's not necessarily true of mature workers; it's true of all workers and the thinking at the moment around training is we're going to do some more focussed training around particular skills we need in our workforce. But again, that will be a general approach. Our mature workers, to be honest, probably have the skills that they require for their jobs. We don't see particularly a need to retrain them up to new technologies or anything like that.*

**Dominic, Steel Holdings:** *Let's say hypothetically I'm recruiting for a certain role which I see as a sort of a key feeder role into a position, one or even maybe two levels above it, and we might say somebody probably is going to need a couple of years in this level and maybe even another couple of years in an intermediary, you know, another one above them to work to that sort of long-term role. It would be hard not to [place a younger individual] then if you're looking at somebody who's potentially at the very tail end of their career...if I'm completely honest.*

The offer of continual development could be perceived as a positive HR practice from the organisation (Tzafrir, 2004). However, managers did not appear to offer development for aged employees, as they perceived a younger employee as being a better investment. Brooke and Taylor (2005) found that employers believed investment in younger employees was a better investment than aged employees. The employee findings also suggest that employers are investing in younger employees, rather than older employees. Some participants in the focus groups felt that this was because it was the easier option, and thus ignored the needs of aged workers. This also relates back to stereotypes, where older employees are seen as less adaptable to change and slower at learning new technologies (Taylor & Walker, 1994; Roscigno et al., 2007).

Training was generally ongoing throughout the companies, but was related to compliance requirements. Organisations tended to have their aged workers at a level where they could operate efficiently, but did not have anything additional to the basic training requirements for each role. Employers evaluated the situation on the balance of positives and negatives; some employers felt that the investment required did not deliver enough benefit to the company, as those in the ageing

worker bracket were seen to be likely to retire relatively soon. Therefore, investment in training was generally targeted towards younger employees.

One company had recently changed ownership and was in the stages of rolling out a new performance system for all employees, no matter what their age, role or service tenure.

**Anna, Wine Company:** *Part of [our new management system is] looking at all our people and everyone has a personal development plan. And as I said before, we're going through quite a journey over the next three to four years, especially with the...integration. So everyone's personal development is going to be critical for us to achieve what we need to, so it's just a standard thing. And one of the measures for the [new management system] is that 100 per cent of people must have a personal development plan, so I'll get audited on that, that everyone has it.*

Although the new programme to be implemented by this organisation, did not specifically concentrate on aged workers, it would have a positive flow-on effect, whereby aged employees would have a personal development plan. Although this programme was in its initial stages of implementation and was unknown in terms of how effective it would be, it was still an encouraging step towards placing greater value on aged employees as well as contributing towards creating a positive ageing culture.

In summary, continual development for older workers was not a strategy organisations were investing or looking to invest in. Participants in the focus group agreed that this was the case and this was also supported by the literature (Brooke & Taylor, 2005; Posthuma and Campion 2008). Concentration tended to be for younger employees in the earlier stages of their careers. Those at the 'tail end' of their career were not seen as a wise investment as they were seen to likely be leaving the organisation soon. This could be based on a manager's perception of an older employee and could be influenced by negative stereotypes (Brooke & Taylor, 2005; Posthuma & Campion 2008).

SET puts forward the idea that HR practices that are positive for an employee, such as continued learning and development, will mean the employee may have a positive perception of the organisation (Hennekam & Herrbach, 2013). However, as the managers believed that it was not a good investment to help aged employees with continued development and learning, this could be perceived negatively by aged employees as was the case with the participants in Steel Technology.

A strategy for ageing workers was a recurring theme, or rather the lack of strategy or strategies in relation to the ageing workforce. Some thought had been given to the topic, but there were no

specific strategies or policies in place to ensure that those who were classified as 'aged' were developed, their skills transferred or that they were even probed about their retirement decisions. Being that aged employees can be seen as holding much human capital, Lazazzaraa et al. (2013) suggest that a continued approach to development for aged employees could actually make them more valuable to an organisation. According to HCT, each individual employee holds a unique 'portfolio' of human capital, with the different skills and abilities they have (Wright et al., 2013). Being an aged employee can often mean there is a large accumulation of human capital. If an aged employee were to leave, then this human capital would be lost to the organisation, especially if the knowledge was firm specific. Therefore, skills and knowledge transfer are important. The next section looks at the importance to the organisation of skills and knowledge transfer.

## 5.8 Skills and Knowledge Transfer

Skills and knowledge transfer is broadly defined as the ability to transfer skills and knowledge from one individual to others (Calo, 2008). Aged employees, by virtue of their length of employment, hold core knowledge of the organisation and the industry. This can also be classed as human capital (Wright et al., 2013). Some of this high-level knowledge is not clearly defined or defined at all, and can be tacit knowledge built over a long period of time with an organisation (Calo, 2008).

One of the questions posed to the employers was looking to see if there was any kind of strategy in place to the help organisation continue operations in a particular area, should key aged members of the organisation retire. This included aspects such as formalising key knowledge through documentation or the training of other employees in the organisation.

Three of the six organisations described having heavy reliance on single individuals who held significant amounts of knowledge that were not known to others in the business.

***Cecil, Dairy Limited:*** *It's an area that is hard to do well. We try to identify people that we know hold knowledge that we need in the business, and there are some people who hold a lot of knowledge that no one else does. We're heavily reliant on them and the knowledge transfer or codification of knowledge is something that we've begun working on, but we haven't yet got anywhere near where it should be. At the moment, it relies heavily on buddying up those people with other people, so it's sort of direct transfer of information. But that's quite limiting in some ways because when you think again about a dispersed business,*

*what we actually want is to know – we want the information to be known in a way that we can share it very broadly.*

**Anna, Wine Company:** *We're dealing with it on a case-by-case basis. So for example, the guy down in [one of our sites] who we know has huge amounts of knowledge; we've recognised that as a risk, we've recognised the business impact if he wasn't there, and we're putting measures in place around that.*

**Lucy, Fisheries Incorporated:** *There aren't many people in New Zealand who can do some of these critical roles. In fact, in some cases there are none; we've got the only one. We're starting to talk about understudies and bringing people in and development opportunities.*

Some employers alluded to aged employees as having an abundance of human capital, with the different skills and abilities they have (Wright et al., 2013). Their knowledge was non-substitutable, scarce and valuable (Carmeli & Scaubroek, 2005; Boxall, 1996). It appeared, however, that there was no formal strategy to keep aged employees engaged in employment or for them to transfer skills and knowledge to the organisation. Comments made by some employers implied it was on a case-by-case basis and no formal system applied. This showed that even though employers described aged employees as a strategic human resource, they were not prepared or even aware that this was the case. There was no formal strategy to pass on knowledge from aged individuals who had an abundance of human capital, although the favoured method of knowledge and skills transfer was a 'buddying' type system, whereby the employee passed their knowledge on by teaching another employee. There were comments that indicated that the buddy system had evident flaws, as there was no documentation associated with the knowledge transfer so only one employee, or a small group of employees, would have the knowledge and skills transferred to them, leaving the organisation still vulnerable if these particular individuals exited the business.

**Anna, Wine Company:** *There's literally one guy who's our engineer down in [one of the sites]. He's got it all in his head and it's a risk for us. At the moment, we're trying to arrange an intern for him, a university student in engineering to write SOPs to get the information out of his head...and of course the limitation of physical documents is people actually need to go and read them. Some of the online tools are getting better at this and technologies around databases and warehousing of information, but you still need to actually get it out there and write it down in a way that makes sense to people. And there's lots of stuff that's around knack, like actually little knacks to how to do something, and it's quite hard to describe that*

*to do this job, if you hold this piece of kit on a slight angle it works better than if you hold it straight.*

Documentation and formality tended to be the weakest points for organisations, followed by the vulnerability of having all the information for a particular skill with only a small group or one single mature individual. Comments from some employers suggested a tendency to rely on aged employees to carry out knowledge transfer on their own, and a feeling that it was more 'common sense' as opposed to having a strategy.

**John, Steel Technology:** *[in regards to critical skills and knowledge transfer strategies] I don't know that there's any specific strategy in place. It's just more common sense.*

**Anna, Wine Company:** *As far as I'm aware, and I'm not going to be aware of the detail, but as far as I'm aware formally, no. Informally, I'd be highly surprised if there's not. So we don't have a template or some programme where you or a process we follow to identify all those people and think about what critical skills they've got and track it all formally, that we've got somebody sitting underneath them learning it. But I'd be highly, highly surprised if that doesn't happen informally.*

This showed a general lack of planning by these two organisations and a sense that no strategy was needed as skills and knowledge transfer would happen regardless. One organisation spoke of succession planning as their current strategy in holding onto key knowledge and skills, however, this was not specifically aimed at the ageing workforce.

**Rick, Beef Business:** *The company does have a succession plan in place for its senior staff and also for engineering staff with skills etc. that we keep trying to keep up to date with.*

Although critical knowledge and skills transfer were described by one organisation as common sense, for the majority of the organisations interviewed, there were no critical knowledge strategies in place or they had only recently started to understand the seriousness of the loss of key aged individuals. Organisations were aware of the situation, as their comments clearly showed and they understood who was privy to the key knowledge, but to create a formalised strategy was not a priority in the organisation.

**Anna, Wine Company:** *It's the tiny little job learnings that people have acquired over time. So we're conscious of that. We're trying to do something about it but I think we're at quite a low level at the moment in terms of how far we've got.*



Anna made a valid point that it was the small learning built up over time that was critical. This small learning amassed into a large knowledge base. These were the kinds of activities that there was no formal understanding about, but in order for mature employees to share that information, they also needed to have trust in the organisation.

***Lucy, Fisheries Incorporated:*** *We need to think differently about education and then we need to think differently about how we have our people sharing their knowledge and capability and, and making it a bit sexier or interesting for them to do. It is also about making people feel safe, because if you're a fountain of all knowledge it's quite nerve-wracking to share it with a bright young 25-year old thing who everybody's going to think is amazing.*

There appeared to be some concern around the reluctance of older workers to share knowledge and a possible fear that sharing this knowledge would mean that their worth to the organisation would decrease.

***Lucy, Fisheries Incorporated:*** *Your whole livelihood is predicated on your ability to hold down your job. So we have to find ways to be more creative about saying, actually keeping you is about your ability to share your knowledge and to have those people and, and let's have a plan for how we do that. And you can only do that by building trust.*

With literature suggesting there are current difficulties in managing the labour supply because of the ageing workforce, and with the labour market beginning to tighten and presenting a skills shortage (Jorgensen & Taylor, 2008; Silverstein, 2008; Hunt & Rasmussen, 2006), HR managers in particular, should be looking to ensure that their mature employees are engaged with the organisation. The retention of skills and knowledge has been identified as one of the main activities that allows an organisation to maintain a competitive advantage (Goh, 2002; Simonin, 1999, Calo, 2008), if an organisation loses these skills and knowledge, it could impact on their bottom line.

Comments from managers appeared to show how much knowledge aged employees had amassed and how critical they were to their organisations, making them a core component of an organisation's competitive advantage (Boxall, 1996). Yet, there was no strategy to engage and deploy this critical resource to ensure the longevity and sustainability of the organisation. Lack of preparation around skills and knowledge transfer was evident among many organisations (Calo, 2008; Leibold & Voelpol, 2007; Equal Employment Opportunities Trust, 2014; New Zealand Work and Research Institute, 2015). Although managers talked about aged workers as a key resource, they did not view them as a strategic resource.

To summarise, organisations were aware that there would be gaps in the knowledge and skills, should an aged employee leave, but relied on informal processes to transfer key knowledge and skills. One manager mentioned that there was a trust element to the skills and knowledge transfer, in that the employee needed to be comfortable that when sharing this knowledge, their employment and livelihood were not at risk. None of the six participating organisations currently had any formal strategies in place to ensure that key skills and knowledge were transferred, with some making naïve comments that informal knowledge transfer was ‘common sense’. This left the organisation vulnerable should a key aged employee choose to retire. Participants in the focus group wanted to pass their skills and knowledge over, but felt that there was no formal channel so they did so in an informal way as best they could. However, it appeared the employees were more focused on transferring their skills than employers, recognising that it was a large financial component that the company did not understand.

It appeared that managers had not considered their aged employees as a strategic resource, even though they held a huge amount of skills and knowledge, which helped to keep the organisation competitive. In human capital-intensive organisations with a number of aged employees, employers should be considering how they replace the human capital of an aged employee or maintain their engagement with the organisation. One of the options for a manager is to apply SET, by offering HRM practices such as flexible working arrangements or a different job design (Hennekam & Herrbach, 2013). This can create a constructive perception of the organisation (Hennekam & Herrbach, 2013) and thus aged employees may choose to reciprocate the kindness shown by the organisation, by continuing in employment.

It appeared that employers did not realise how much of a strategic resource aged employees were to the organisation. One of the ways this could be transferred to other employees, whilst continuing to engage older workers, is through flexible working arrangements and this is explored in the next section.

## 5.9 Flexible Working Arrangements

Flexible working arrangements refer to non-standard working hours and could be in the form of part-time work, job share or casual-based hours. Shacklock & Brunetto (2011), found that the offer of flexible working arrangements can be used by organisations as a retention tool for aged employees, however, none of the organisations interviewed had a formal strategy. Flexible work

arrangements tended to be applied on a case-by case-basis and for those on individual contracts. It was not available for collective unionised staff.

**Anna, Wine Company:** *I know of people working part-time hours as they transition towards retirement, and we do have a reasonably flexible approach. The difference I guess, and reason we don't have it as a policy, is we're a business that runs 24/7 for large parts of the year and there is, limitations then about how flexible we can be.... Often it's more about the financial impact, if they're unable to work full time, so it's relatively rare. We don't discourage it but nor do we encourage it — but we haven't seen the need either because our turnover levels are quite low, even amongst our ageing workforce.*

Some employers felt that one of the biggest barriers to incorporating part-time work arrangements for aged employees was the continuous nature of operations. The focus tended to be on keeping the organisation running efficiently, rather than on what was best for the employee or the health and safety risks and the future capabilities of the organisation's workforce.

RBT could be applied to this situation, however, it appeared that the managers did not appear to see aged employees as a valuable resource that could not be easily imitated, and thus they talked more about what barriers there were to creating options for the transfer of skills and knowledge, instead of relying on SET for the employee to remain in the organisation and reciprocating engagements.

Another barrier described by managers as limiting their ability to formalise flexible work arrangements, was the union. Employees who operated under the collective agreement did not have any kind of job share or part-time options available. One manager believed that this was perceived by the union as a risk to collective employees and that they may lose the capability to have control over full-time employment. John from Steel Technology gave the following response when asked by the facilitator, 'would you ever consider expanding part-time options if it was an option for collective individuals?'

**John, Steel Technology:** *Definitely, we actually spoke to the union in our most recent collective agreement negotiations, and they declined to participate in something like that... I think it's a good opportunity for people, however, as part of a collective agreement their representative said they won't participate in that, and we have to respect that under the legislation.*

As all the organisations that were interviewed were unionised, it was hard to gauge if the union was a barrier to flexible work arrangements, or if the organisation was using the union as a way to avoid

engaging with its older workforce. Again, there was almost a deflection of the question with the managers avoiding understanding the depths of mature employees as a key, rare and imitable resource.

**Suzie, Steel Technology:** *You know, now there's a lot of studies that say you're better not retiring full stop in many cases. You know, the fact you're keeping on with some form of paid work or interest, that sort of does aid your longevity I suppose or your enjoyment of life.*

This highlighted an understanding from a manager that part-time options were actually beneficial for an employee's health and wellbeing. There was, however, nothing specific that employers had done to help mature employees into this type of work.

Managers were aware that flexible working arrangements would be beneficial for the employee and the organisation, but either had barriers – real or perceived – that hindered them from introducing these particular measures. No organisation had a formal flexible working policy or strategy to either help phase mature employees into retirement or reduce their workload for health and safety reasons. One focus group commented that if they were to ask for a change in work arrangements, i.e. coming off shift work, this could be perceived negatively by the organisation and they may be pushed out. It appeared that communication between the two groups was poor. No formal practices around flexible working arrangements were in place for aged employees, thus referring back to the employee group, this was perceived negatively. Trust in the organisation by some employee groups was weak and this may have weakened their social exchanges. Hennekam and Herrbach (2013) provided evidence that supports the concept of offering an HRM practice such as flexible working arrangement can create a positive perception of the organisation.

## 5.10 Summary of Findings from Manager Interviews

Two different employee-related themes and four different organisation-related themes emerged from the data and these themes provided the structure for this chapter.

Health and wellbeing was the strongest theme, which every single employer talked about at some point within their interview. This involved the physical capability of the employee to do their job to the required standard, degenerative issues caused by ageing with some managers noticing issues with sick leave and small accidents within this group, and the inability for some aged workers to take a step back. Social aspects was the second theme that emerged from the manager interviews. This

theme centred on the managers' belief that the social aspects of work such as friendships, helped keep older workers engaged in their work and the organisation. Managers commented that there may be quite a serious impact on a mature employee when leaving an organisation and not having the social element in their lives anymore, especially if they are long-serving employees. Managers also believed that mature employees got a lot of satisfaction simply from continuing to work, and this created a purpose for the employee.

There were also four organisational themes that emerged and these illustrated to what extent an organisation was preparing and engaging with their mature workforce. Comments from managers showed that their organisations were currently unaware of their aged employee group and unprepared for what this could mean for their organisation. Managers did not currently have any formal strategies or plans for skills and knowledge transfer or flexible working arrangements. There appeared to be a general lack of communication from employer to employee and this meant that this group was perceived in a certain way. Some employers viewed aged employees through an ageist lens, describing aged employees as resistant to change, although the focus group participants did not convey this. Some employers carried this view through to continual learning, commenting that they were not developing their older workers and instead concentrated on the younger members of staff. Again, no suggestion was made by the focus groups that they did not want to be developed, and in fact, it was quite the opposite.

SET and RBT both appeared to play a strong role in how managers felt about aged employees. Managers appeared to rely on SET to engage their aged employees and although employers talked about aged employees being a key resource, they did not appear to link this to aged employees being a key strategic resource and did not connect this to RBT, being that aged employees are valuable, rare and inimitable (Boxall, 1996).

To further understand the ageing workforce, key stakeholder views were sought from individuals who had vested interests in the ageing workforce. These included an academic whose area of expertise was the ageing workforce; a union representative whose members represented a large number of aged workers; and an equal employment opportunities advocate, whose organisation had a vested interest in seeing aged individuals succeed, inside and outside of employment. Their views on the ageing workforce are explored in the next chapter of the findings.

## CHAPTER 6 KEY STAKEHOLDER FINDINGS

### 6.1 Introduction to Key Stakeholder Findings

This chapter of the findings outlines the key stakeholder views from the three interviews that were conducted. The key stakeholder group consisted of three diverse interviewees, all of whom had a vested interest in the ageing workforce, either through their union membership, through their involvement in ageing worker research or equal employment opportunities for mature employees.

Table 6.1 presents pseudonyms for each participant and their organisation and gives a brief context for the participant.

**Table 6.1: Table of Key Stakeholder Participants**

Participant	Key Stakeholder for	Gender
<b>Mark</b>	Union Representative	Male
<b>Selena</b>	Equal Employment Opportunities Advocate	Female
<b>Dave</b>	Academic Expert	Male

The reason for including the key stakeholder group in this research was to be able to have a form of triangulation. This means a third party that is not influenced by the organisation or organisation's culture giving comment on the ageing workforce in a more general sense, which in turn provides a robust third viewpoint.

The results from the key stakeholder group are presented under the themes that emerged from the transcripts using a thematic analysis.

#### **Key Stakeholder Themes:**

- Planning for retirement
- Communication
- Health and wellbeing.

## 6.2 Planning for Retirement

Planning for retirement was a strong theme from key stakeholders, and was twofold. Planning looked at how prepared an employee was for retirement, and how prepared the organisation was for a mature employee to enter into retirement.

In terms of the employee perspective, one key stakeholder commented that it was very difficult for an employee to leave employment, and it wasn't as simple as mature employees may have thought it was.

**Mark, Union Representative:** *Basically, the main issue is – if we start back in time – is preparation for them, how they transfer from the workforce to retirement. Very difficult for a lot of workers, who haven't had a planning scheme along those lines, that's what I do when I retire. Sounds great, it's like a holiday, but a lot of them tell us they'd rather be back in the workforce once they have retired, that it's not the place they want to be after a few months. Some of them aren't prepared.*

From the comments made by Mark, it appeared that what he had witnessed in many of the sites he worked on was a lack of understanding of what the future held and what they would do without work and without feeling a sense of value.

**Mark, Union Representative** *Some of them need to join hobbies, clubs, whether it be bowling or whether it be wine groups, just something that occupies them a few days a week, where they feel valued.*

Having some form of mental stimulation outside of work was suggested as a way of helping to phase in retirement, as work appeared to provide the social fabric for many aged employees. Fletcher and Hasson (1991) found that there was an anxiety to leaving work based on the loss of social interaction. Both the employer and employee groups said the social aspects of work were a major consideration when considering retirement.

**Selena, EEO Advocate:** *Look, it's not about the money at their age...It's that real emotional psychology that comes from being a part of something and being within a workplace, and that pays the dividends that nothing else will.*

As discussed in both the employer and employee findings, the social aspects at work were important. Social exchanges were built up from trust over a long period of time and reciprocal actions from the employer and employees built a meaningful bond to employment (Cook et al.,

2013). Without the social fabric and without any mental stimulation, key stakeholders felt there was a real sense of fear within the aged employee group of what they would do without work. Van Solinge and Henkens (2014) supported this idea that an aged employee's social networks inside and outside the workplace were important and if they didn't have strong relationships outside the workplace, they would remain in employment for longer.

**Mark, Union Representative:** *Some people – and I know today – won't retire because they have nothing to do. What am I going to do? I'm on my own, and now I'm going to sit on my own and do nothing. Now that has only come up this year with a couple of people. It comes up quite a bit in the last few years; I'm scared to retire because I don't know what I'm going to do. I don't have the friends that I used to have and they're a fair age some of these people. But that is the major problem.*

The fear that these aged employees felt generally came from a lack of being prepared to retire.

**Mark, Union Representative:** *I hear the good things about it, and if they're not – or if they're ill prepared, they're the ones that fall in a trap; I wish I had two days' work a week. I can fill in four days, but two days I can't. One day I've got to be away from my partner, otherwise I'm in trouble so I need to have something else to do.*

Having something to do outside of work was seen as helping to alleviate those fears to some extent, as there was a social fabric being built outside of the workplace. Mark suggested that work was so intrinsically tied with social connection, that if a close connection in the organisation left, other employees would leave also.

**Mark, Union Representative:** *Look, they have their own smoko table, a lot of people on sites still I go round; I've sat here for 34 years and Johnny sat there – then they lose their mate, the one they talk to every smoko. So it's a difference. The next one sits in that seat he's not as happy with, so you think oh, it's not like it used to be you know....whether they talked football, weather, it doesn't matter. They've been there 30-odd years together; probably met at the pub once a week on a Saturday afternoon and reminisce...When we first started here and you know, it starts to go and then you'll find two go, three go, yeah and it just drifts away.*

Employees were emotionally connected to work, both in a social exchange with their colleagues, as well as with their employer. The fear of not having the purpose that work provided and breaking the psychological contract, appeared to be a very emotional experience for older workers. Many social



exchanges had been created in a work environment and to suddenly no longer have those, was a fear-evoking experience.

Planning for retirement and leaving the organisation was not only an employee issue, but also an employer issue. In Mark's time as a union organiser, he spoke about when organisations used to look at ways to connect mature employees with the idea of retirement.

**Mark, Union Representative:** *So companies, some major companies years and years ago, used to get people around the – and it's retirement at 60, so we're going back a bit in time. They got their workforce at 50 years old, 10 years before, on how to retire when retirement comes to you because it was compulsory.*

Having a professional come and speak about retirement appeared to be a foreign concept after the end of compulsory retirement. There is an impending shift in the demographic of the workforce (New Zealand Work and Research Institute, 2015; Equal Employment Opportunities Trust, 2014) and many organisations are aware of this (Calo, 2008). However, there has been no real progress towards policies or strategies for the long-term sustainability of business, even though the New Zealand government has brought in the New Zealand Ageing strategy to help address this (Ministry of Social Development, 2013). In fact, it is as though organisations have gone backwards since the government took away compulsory retirement. Dave and Selena discussed organisations' planning, or the lack thereof in the comments below.

**Dave, Academic Expert:** *I don't think we're as prepared to address it [the ageing workforce] yet as they might have been. I think for a lot of organisations, they're still waiting for the impact to hit before they do anything, whereas we're saying you know, the demographic bubble is a certainty. It's not a possibility, and some industries will be hit quite hard.*

**Selena, EEO Advocate:** *I think that they [organisations] are pretty much ignoring it [the ageing workforce] and hoping that it will go away. I think that two things, I think that small businesses are probably working out of survival mode and necessity more than anything, and I think that large businesses are probably in the situation of – I'm going to say managing, as best they can. And the reality with that is that we have a lot of aged workers.*

A survey conducted in 2014 by the Equal Employment Opportunities Trust found that although a minority of employers were looking to do something about the ageing workforce, the majority did not currently have any robust aged worker strategy in place. This was supported by both the employee and employer findings, with employees stating there were no HR practices they could

point to that suggested the organisation was looking to develop or retain their aged employee group.

**Selena, EEO Advocate:** *Within our sample, 23 per cent had some sort of age strategy in place; 33 per cent plan to have one within the next two years; and 44 per cent said it was unlikely they'd have one within the next two years. So that's one way of determining whether they are being aware of the problem, becoming prepared to address it.*

The information that Selena found was that the majority of New Zealand organisations did not have any sort of plans within the next two years to look at ways in which to future proof their organisation, given the impending ageing workforce. This is an area of concern given the wealth of skills and knowledge that aged employees have, with organisations holding the view that aged workers are not a strategic resource.

**Selena, EEO Advocate:** *I don't think it's in any particular sector [the ageing workforce]. I think that's got more to do with the fact that gone are the days of the retirement age, I guess being that enforcer of pushing people out at that age. So now that's not such an enforcer, but what I do think is happening is that employers aren't preparing well enough for an ageing workforce.*

As previously mentioned by Mark, with there no longer being a compulsory retirement age, organisations were less concerned with making plans for older workers. Unfortunately, this impacted on the organisation when an employee did want to leave, as there was no ability to know when a mature employee was going to leave and this information could only be understood if a mature employee was willing to share their intentions to retire. With many resignation periods being a month, or in some cases less, this would not provide sufficient time for an organisation to document or share the tacit knowledge an aged employee had amassed over time.

The literature strongly supports the idea that organisations are not prepared for the shifting demographic (Calo, 2008; Van Dalen et al., 2010; Silverstein, 2008; Patrickson & Ranzijn, 2005).

In summary, the theme of planning had two different elements, these being the mature employee's planning for their retirement; and secondly the organisational planning in terms of when older employees did choose to retire. Comments made by all the key stakeholders were that neither of these groups are prepared for retirement. This was also well supported by the literature (Calo, 2008; Van Dalen et al., 2010; Silverstein, 2008; Patrickson & Ranzijn, 2005) and by the EEO Trust's 2014 survey of organisations and aged employees. Organisations were no longer forced to make plans due to a compulsory retirement age and thus it had become an area of less, or no importance to plan for.

Employers were said not to have thought that the impact would affect their organisation if they did not create contingencies, and their energies were concentrated on the short-term as opposed to the long-term sustainability of their organisation. The literature also strongly supported the notion that employers were not ready for the ageing worker.

For the employee group, it was suggested that some older workers had not established social networks or other activities outside the workforce and had a general fear of retirement. It was suggested that one of the reasons mature employees leave was when others in their work social group began to leave, thus breaking down the social fabric at work, which therefore meant they would need to search for this in another context. The idea of social connection related to SET, where the employee reciprocated actions to their fellow colleagues and to the organisation. In exchange, the employee found friends in colleagues and a purpose provided by work. Key stakeholders were of the opinion that without this, employees felt a real sense of loss.

A lack of preparation from the employee group came through strongly and was described by employees as a lack of financial security and the desire to keep the social aspects of employment. Participants in the focus groups generally were not prepared for retirement.

Employers also agreed that employees were generally not prepared for retirement and described this through the social aspects of employment, with many of their aged employees having strong social bonds with colleagues and with their employer. What employers did not recognise is that they too were underprepared for the impending retirements of these workers. Comments in the employer findings chapter suggested that, to some degree, they understood the criticality of aged employees and their human capital to the organisation, yet no organisation had yet made robust steps towards an actual strategy.

It was clear from the stakeholder group that they felt both the employee and employer group were underprepared for retirement. This could have negative implications for both groups and it suggests the findings from the employers and employees were correct. Communication was proposed as a means to better understand preparation for retirement and the employee and employer's motives, and thus make the transition into retirement easier. Communication is discussed in the next section.

## 6.3 Communication

Communication was another key theme that emerged from the stakeholder data. Communication was the openness and discussion between both the aged employee and the organisation around retirement decisions and retirement-related opportunities. For example, discussing part-time options or phased retirement and making this a two-way communication. Mark talked about communication being important in terms of knowledge transfer.

**Mark, Union Representative:** *Well I think, to manage their needs [aged employees] is obviously communication, consultation is what they need. You know, are there ways we can have those people with those skills and they could do an extra, say three or four years, for a company, rather than they go it's all too tough, I'm leaving now. Then the company's missed a great opportunity and whether it's in another position, whether it's into training and training of other fellow members, or having a buddy system alongside, yeah, something like that needs to be explored because we do have an ageing workforce situation in New Zealand that's here today.*

Mark made a very valid point, that if there was no open communication between both parties, they could both miss out on a valuable opportunity to transfer key knowledge and skills and keep a valuable employee engaged in the workforce. Communication seemed a relatively simple theme, that would be obvious for any organisation to consider, yet it was found to be relatively unconsidered in both the employer and employee findings. Mark also proposed the idea of a 'buddy system', which was proposed by both the organisations and employees in the findings, although neither group had made any true progress towards this idea.

**Mark, Union Representative:** *If we had consulted and kept them [aged employees] there longer, what could we have achieved? Could have reduced all that loss and had a highly skilled younger worker, middle-aged worker going straight through. And we've got a programme going where others can teach. People are willing to train and teach; always a bit of resistance to that sometimes, but that's communication.*

Selena developed the point made by Mark around the fact that employees need to feel involved and communicated with. She stated that people may be resistant at first but it was about building trust through communication. If an organisation felt this was not important, there may be a breakdown in communication between the organisation and the aged individual. Selena made a valid point that

being open and honest with clear lines of communication with an aged individual, created an interactive environment much like a community.

**Selena, EEO Advocate:** *So a lot of it's been around communication, so ensuring that those older workers have really clear lines of communication and a lot of the downfall –but I have found that it's come up in a lot of the conversations that have concerned them. But certainly communication's always been a breakdown, so clear lines of communication have to be key. One of the key things that has also come out has been one of the key reasons they either want to stay at work or want to return to the workforce, is very much around a sense of community, or around a sense of interaction with others.*

Actually making the effort to have conversations with aged employees shows the individual that their role in the organisation is important. Communication is also connected to another element – trust. Having clear and honest communication with an aged employee meant that they were more likely to have trust in the organisation, a simple talk or discussion, enabled the employee to feel empowered. If an aged employee felt isolated or had not had any prior conversations they may be suspicious of the organisation or perceive the organisation negatively, feeling a sense of disempowerment or mistrust (Gould-Williams & Davies, 2005). That is why the communication piece is so powerful.

**Dave, Academic Expert:** *If what you're saying is how do you avoid the suspicion that you're trying to move them [aged employees] along, I think you just talk it – you know, you've got to have trust in working arrangements, otherwise you actually have nothing anyway. So assuming you have reasonable employee relations and trust, and you're able to, and you've developed a good relationship with your workers, then that conversation should be a lot easier.*

If the organisation has established trust with their ageing employee group, key stakeholders felt that it would be much easier to have the conversation around retirement. SET supports the idea of the trust component of the psychological contract, but this is based on positive reciprocal actions (Blau, 1964; Tzafrir, 2004). If the organisation has provided positively perceived policies and practices that promote open communication, the employee is likely to reciprocate this (Hennekam & Herrbach, 2013). If the employer is not trusted, employees may in fact fear the organisation and it makes it hard for the employee to communicate and be open with their employer. Findings from the employee group suggest that some of the participants did not have much trust in their organisation. For example, shift work appeared to be a controversial topic, having a large impact on an aged

individual's health and wellbeing, however, the employee group felt no trust in the organisation to support them, therefore, they did not communicate with their employer.

There was a lot of emphasis placed on the physiological contract with an aged employee and ensuring that clear communication lines were maintained because otherwise, there may be mistrust and a fear of the organisation.

**Selena, EEO Advocate:** *It's that real emotional psychology that comes from being a part of something and being within a workplace, and that pays the dividends that nothing else will. So yeah, so that's far more important to them [aged employees], so communication I have to say, being part of a team and everything else, literally just falls into place. So, I would say those are probably the biggest things from an ageing worker's perspective.*

**Dave, Academic Expert:** *We do have an ageing workforce situation in New Zealand that's here today. And every year it's increasing, so yeah, training but communicate with them. It's the fear of I'm not wanted anymore.*

A key element that underpinned the theme of communication was trust. How much trust an aged employee invested in the organisation had a big impact on whether they would stay engaged in employment and wanted to share their knowledge with others, as this was seen to have a large impact if mature employees were to leave.

**Selena, EEO Advocate:** *So I think the inclusiveness is the driver to all those other things anyway, so I think organisations that have that inclusive approach, the communication and stuff comes you know, as part of it.*

Selena described an inclusive approach as a way to build an aged employee's trust and then the communication piece would flow on from there.

**Dave, Academic Expert:** *Having this conversation for everyone...having it because we all need to think about. The organisation is planning for its future and you need to plan for your future, and if we can do this in a mutually beneficial way, you know.*

Communication appeared to be a large driver for key stakeholder conversations; however, this was an area that employees and employers did not speak too clearly in the findings. SET supports the idea of open communication, as if one party does not communicate with the other, in this case employer and employee, it could be perceived negatively and suspicion and mistrust can form between the groups. This is one of the reasons why the key stakeholders believed that communication is very important.

Another element that underpinned the communication theme was having the conversation with an aged employees about transferring their key skills and knowledge. Without this, mature employees may choose to leave the organisation without passing on that tacit knowledge. There was a good suggestion by Mark about possibly building a mentoring programme and that the only way to really learn something in great detail, is to learn from someone else's experiences directly.

**Mark, Union Representative:** *It's harder for the company to manage and the training, you know...unfortunately, there's only one way you learn and that's to experience and work with someone else.*

Dave was a part of extensive research directed by the New Zealand Work and Research Institute around what are the most common and best practices to have in an organisation for mature workers in New Zealand. This showed again, that from an empirical research point, mentoring should be a key component of any mature worker strategy.

**Dave, Academic Expert:** *We asked about the HR practices they used [NZ organisations involved in survey]. We asked them to rank their importance as well. So these were things that they came up with and then ranked, so using older workers to mentor, train or coach inexperienced or young workers. These are HR practices to actually retain and engage productively and positively older workers: mentoring, flexible work arrangements for older workers unsurprisingly. They were easily the biggest two things that people are doing and we found that pretty common and also talking across other projects we're doing, we're finding they're two of the most common things.*

HR practices form an important part of SET as they help to create the relationship between employee and employer (Hennekam & Herrbach, 2013). Depending on the HR practice, they can be perceived positively by their employees and thus maintain greater engagement.

In his research, Dave found that mentoring, training and coaching were core components of engaging with older workers. Flexible working arrangements were also discussed as a way to engage aged employees. Again, the way any organisational practice was communicated to its aged employees, was a key to the success of the practice. SET identifies that perceptions are key to any successful HR practice (Hennekam & Herrbach, 2013), which again goes back to how well the HR practice was communicated and the amount of trust the employee had with the organisation.

In summary, communication was a theme that looked at how well the employer and employee communicated in regards to what influences retirement decisions. Key stakeholders talked about there often being little or no communication; this then created an environment of distrust, which

was not helpful to either employer or employee. Key stakeholders suggested ways in which the organisation could look at engaging employees through flexible working arrangements and mentoring or buddying type systems which would be beneficial for skills and knowledge transfer, as well as retaining aged employees, even if it wasn't in a full-time capacity. Hennekam and Herrbach (2013), also suggest that HR practices such as flexible working arrangements are key engagement tools.

Findings from the employee group suggest that the assumptions made by the stakeholders in regards to communication were founded. Much of what employees spoke of was based around their perceptions of the organisation. Although some of what they spoke to appeared to be true, for example the lack of continual development from the employer. No clear lines of communication had been established and some of the focus group participants feared or had anxiety about approaching their organisation to communicate.

That same fear was felt by employers to a degree and they spoke about not wanting to offend employees by discussing retirement decisions, fearing that their aged employee group may feel they were being pushed out of the organisation. However, there were elements where the ideas put forward by the employer and employee groups did not align – for example, financial security was not discussed in depth by the employer group, although it was a key consideration for employees. Thus, if communication lines were established, they could break down the perceptions, establish a reality and employees and employer could move forward positively together.

Another key consideration that key stakeholders felt was important, was health and wellbeing. This is explored below.

## 6.4 Health and Wellbeing

Health and wellbeing was a key theme that came out through the stakeholder analysis. Health and wellbeing related both to degenerative issues caused by the nature of ageing and also health and wellbeing on the job, and what factors an aged employee's role played in their health and wellbeing.

Degenerative issues were a common health and wellbeing issue from a key stakeholder perspective.



**Mark, Union Representative:** *And people have got to recognise when you do get older, if you're unlucky your health does start to go, and you should look after it as your number one priority, if you're in the right position to do so.*

**Dave, Academic Expert:** *I would look at physical/mental workload. I would – not because we're looking to stereotype and say that older workers can't, but the reality is, at some point it doesn't, you know, if you want to retain people you've got to think about wear and tear.*

Key stakeholders also recognised that it was sometimes the job itself that affected an employee's health especially if a shift work component and heavy work were involved in the role.

**Selena, EEO Advocate:** *Look, there is definitely going to be some issues around you know, heavy lifting, around 40-50 hour weeks, so there are some things that older workers are not going to be able to do.*

**Dave, Academic Expert:** *You've got to think about the long term and personally, as an ergonomist I know that obviously it doesn't make massive sense to be having ageing workers, on dodgy shift patterns, non-regular patterns, nightshifts, doing heavy lifting, those sorts of works. There's plenty of things that people can do. At what point you start talking about that is another issue and alongside that – and perhaps goes hand in hand in terms of reducing exposure to some of the risks that can take people out of the workforce – I'd be looking about the possibility of talking about graduated retirement at some point.*

Dave again touched on communication being a big component of managing aged employees and again this centres on trust in the employment relationship.

Key stakeholders also made suggestions around ways in which aged employees could remain healthy and engaged in employment.

**Selena, EEO Advocate:** *One, have a look at the roles that they've got in their organisation at the moment and identify which roles have the eligibility for an older worker. And by that I mean are able to be undertaken, so really clarify what the role is made up of and ensure that and understand what skills are required. Once that's clear also have a look at the level of flexibility as in the hours, but also the level of flexibility that's required to undertake that role.*

Selena discussed looking at the role and finding out what the actual requirements to complete the job were. Once an employer understood the level of skills and the time required for the role, they could then look at ways to make it more flexible and more older-worker friendly. Selena made a

valid point that often, we will look at work in terms of the way it has always been done, as opposed to the best way for an organisation as well as the health and wellbeing of its aged employees.

**Selena, EEO Advocate:** *I often give them the example of my organisation which only has nine staff. So we're a small charitable trust and so one of the things we did was I took our roles and responsibilities for all our roles...And so when I look at my finance manager's role, yes, I have some key tasks that he needs to undertake and yes, they are around accounting and they are around finance, they're around invoicing and things like that. But the reality is, they need to be done within certain times. Yes, my members need access to information, but does he need to be here five days a week to do it? No, probably not. So once I went through some of those things with him, we identified you're 57 years old. I identified with him what he's passionate about, what his lifestyle needs are – not what I want, but what he wants from his role, but also what he wants from his life*

This relates back to SOCT as the employee Selena is referring to, has selected to optimise his time outside of work, whilst sacrificing some of the financial compensation of working a full time role. Mark also touched on the changing nature of work and life.

**Mark, Union Representative:** *And we're starting to see a new change in people's lifestyles now and lifestyle options, which is another good thing for people and some of those villages so to speak. They're not all old, they're young.*

**Dave, Academic Expert:** *You know, for a lot of people who work and who stop, which isn't necessarily the most healthy way of going about it and also not the most beneficial to organisations. So more of a consideration of ramping up your outside life work as you continue and maintain, and allow the organisation to benefit for longer from your experience and so on.*

Dave discussed that sometimes, leaving the workforce completely and not considering what a mature employee will do outside of the workforce, can be unhealthy for a mature worker. When it came down to what was the best way to approach health and wellbeing issues, Dave suggested looking not only at fatigue reduction, but also the physical and mental capacity of a mature employee.

**Dave, Academic Expert:** *I think if there are specific initiatives, setting aside the need for some sort of strategy and policy, that they're sort of a given, I think one would definitely be practical help around flexible work practices. I think that would definitely be one of them. Of*

*the others, I think it depends on the job, so you come from a heavy industry.... I would say some of the fatigue reduction/workload issues, I would look at physical/mental workload.*

Specific initiatives could help retain and engage employees, but a key measure of any good organisation was whether the organisation created a strategy and culture where mature employees felt included and wanted by the organisation. For Mark, this was seen as an obligation from the organisation.

**Selena, EEO Advocate:** *I think that some of the things that I have learnt and seen from working with some other organisations that we've done some work with, have certainly been around having diversity and inclusion strategies that do take into account more than one platform. So yes, it might look at age, but it certainly is aware of culture within the organisation.*

**Mark, Union Representative:** *People should always feel wanted and companies have that obligation for their own wellbeing.*

The researcher felt that the health and wellbeing of an ageing employee was viewed by key stakeholders as an area that the organisation could look to provide assistance. Key stakeholders suggested that policies and practices that supported older workers would be of great value to ageing workers. When an organisation creates a healthy environment where aged employees felt valued, this in turn, it was suggested, would help the organisation to retain their aged employees.

Health and wellbeing was an important theme throughout the employee, employer and key stakeholder interviews and focus groups. Health and wellbeing was important to all groups as it was ultimately what would help or hinder their ability to stay in employment or would force them to have to leave the organisation. Health and wellbeing was especially important in heavy industry, where there was a shift work component to many of the roles. Health and wellbeing was not only about an employee's physical capabilities, but also their mental capability within employment. It was suggested that having activities outside of work was healthy and helped with the transition from employment to retirement, this could be related to SOCT, as optimising activities out of work compensated for the forfeiture of social bonds when retiring. Those who did not have such activities may feel at a loss without the social aspects they had previously enjoyed with their colleagues and from the value and purpose of work.

## 6.5 Summary of Key Stakeholder Findings

In summary, three main themes emerged from the key stakeholder group. These were planning, communication and health and wellbeing.

Planning involved preparing the employee to leave the organisation and from the employer's perspective, how well prepared the employer was for the departure of the aged employee. In both situations, key stakeholders did not believe that either group was prepared, which the findings from these two groups suggest is true. Planning also had links to the social aspects of work, with key stakeholders making comments about engaging in social activities outside of work to help in preparing for retirement.

Communication was the openness and discussion between both the aged employee and the organisation around retirement decisions and retirement-related opportunities. Key stakeholders believed that organisations were missing out on valuable opportunities, as they were not communicating with their aged employees. Open communication also helped in gaining mutual trust between employer and employee.

Health and wellbeing, like the other two groups of participants, was in association with an employee's ability to continue in employment associated with their physical and mental health and wellbeing and the organisation creating a healthy environment for its aged employees.

Many themes were tied closely together; for example, the theme of planning had elements of health and wellbeing, with the suggestion of mental stimulation outside of the organisation as a preparation for retirement. This related to SOCT & SET as key stakeholders suggested that older works priorities change and to build bonds outside of work helps to compensate for the loss of social interactions from work. Key stakeholders felt that organisations were underprepared for the ageing workforce and suggested that bringing in positive HR practices and policies would open up communication and create more trust. RBT also applied in some of the circumstances that key stakeholders talked about. This was because key stakeholders believed that managers had negative perceptions of mature employees based on negative stereotypes, although aged employees fit the criteria to be a strategic resource under RBT, meaning that many of these stereotypes are unfounded.

The next chapter compares the views of all three groups: employer, employee and key stakeholder in relation to the questions on the ageing workforce.

# CHAPTER 7 COMPARISON OF VIEWS

## 7.1 Introduction

This chapter sets out the themes from each of the groups: employee, employer and key stakeholder. The aim of this chapter is to understand whether the groups held similar or differing views, in order to recognise the potential areas where groups may need to be more informed on the ageing workforce.

Table 7.1 below presents all the themes that emerged from the thematic analysis conducted within the case analysis. Where the theme was present, it is noted as ‘theme present’ and where the theme was not present, it is marked as an ‘X’. All the themes presented below in the table were then grouped into overarching themes.

Table 7.1 presents the theme that was the most robust first, i.e. the one the groups talked about the most, through to the theme that was only present in one group. If a theme was present as much as another theme in a group, it is presented in no particular order, i.e. one overarching theme has two themes present and one is no more robust than the other.

Table 7.1: Comparison of Themes between Groups

Overarching Theme	Theme	55+ Age Group	Employer Group	Key Stakeholder
Individual Considerations	Health and Wellbeing	Theme Present	Theme Present	Theme Present
	Social Aspects	Theme Present	Theme Present	*Theme Present
	Financial Security	Theme Present	X	X
Stereotypes	Continual Development	Theme Present	Theme Present	X
	Resistance to Change	X	Theme Present	X
Trust & Communication	Flexible Working Arrangement	Theme Present	Theme Present	X
	Skills and Knowledge Transfer	Theme Present	Theme Present	X
	Communication	X	X	Theme Present
	Planning for Retirement	X	X	Theme Present

\*Theme was presented as planning for retirement

## 7.2 Individual Considerations

Individual considerations refer to those considerations an ageing worker takes into account when choosing whether to retire or remain in employment. Several different ideas were held by each group, but all the groups felt that the health and wellbeing of an ageing worker and the social aspects of the employer were important considerations. The theme of social aspects was present as planning for retirement as the key stakeholders talked about it from a different angle, however, the key stakeholder group felt it was very important. Only the employee group talked in-depth about financial security as a key consideration. Each theme is compared and discussed below.

Health and wellbeing was a consistently strong theme across all three groups. Health and wellbeing was centred on not only the physical ability to continue working, but also had elements of mental capacity to continue engagement in work. Health and wellbeing was the main reason why an employee would either continue employment or leave employment. Health was centred on the physical capability of an employee to continue employment. Given age and other health and physical issues, there was a higher probability that this group would have less physical capability. Given that all organisations operated in a manufacturing environment with shift work operations, this was suggested by all groups to have possible negative implications on the health of ageing workers.

From an employee's perspective, shift work appeared to be a strong basis for decline in physical and mental capability. Irregular shift patterns and night shift work were discussed as having a negative impact mentally and physically. As all organisations were involved in manufacturing, many employees operated in environments that exposed them to varied temperatures, sometimes very hot or very cold. Some of the work also involved heavy lifting or required physical vigour. This ultimately took a toll on some employees, with comments made around making efforts to get off shift as early as in their forties, because of the shift work and harsh environment

***Christina, Fishing Incorporated:*** *We're working in – [heavy environment] you've got to start looking at your health as you get older. Now I, speaking for all of us, we've got all aches and pains and things you know, over a period of time when you've been working in a factory situation, you're on concrete. You're working in a cold environment.*

***Jim, Steel Holdings:*** *...when I got to say, mid-40s, I realised I couldn't do shifts anymore. It was not suitable, so I made efforts to get off shift.*

Shift work also took a mental toll on mature employees and unfortunately, some employees feared the company would not do anything to assist in helping mature employees come off shift work. However, employees made it clear that work and the working conditions, including shift work, were an individual choice and there were those who would continue because they felt fit enough to do so.

Employers also felt that age was an area of concern for the health and safety of their employees, given that a majority of their employee groups operated in a factory-type environment. One manager commented that they were noticing more accidents in the older work group, with more mistakes and simple tasks becoming harder and harder for older workers. Some managers commented that work was a healthy activity to do, given its mental stimulation and social interactions. However, if an employee could no longer continue to operate at the same level and

they became a safety concern, the organisation would then need to look at moving them into another role, or out of the organisation.

Key stakeholders also touched on the point that work was a healthy activity for an aged employees, and that employers needed to look into flexible work arrangements to cater to older individuals and their health and wellbeing.

A big concern for the key stakeholder group were the shifts and heavy work associated with some of the roles in manufacturing. There was 'wear and tear' associated with working in these kinds of environments, especially over a long period of time. Key stakeholders said that employees needed to look out for their own health and unfortunately sometimes an employee might have to leave the organisation based on their health situation.

All three groups talked about health and wellbeing, with the main issue being around a mature employee's ability to continue in their employment to the same degree. Key stakeholders suggested that flexible working arrangements could assist with this issue, whereby a mature employee could start to phase into retirement, have less stress at work and still be mentally stimulated. Although many managers could see the benefits in phased and part-time options in terms of health and other benefits such as the transfer of learning and continued engagement, they felt there were many real or perceived barriers to making flexible work an option. The real barriers for organisations were in some cases entrenched in their collective agreements. In other cases, it was seen as a long-term strategy and not on the organisation's current agenda because of other more 'pressing' issues.

Social aspects of work were talked about in both the employee focus group and the manager interviews. The key stakeholder group touched on social aspects of work; however, this came through as the theme 'planning for retirement'. Social aspects is referring to friendship with colleagues at work and enjoyment and engagement with the work being undertaken by the aged employee.

Many of the employees that were involved in the focus groups were long-serving employees and had built up friendships within work that were possibly, the basis of their social lives. One employee commented that to leave work would be 'traumatic' because it was his whole life and it was not based on his financial situation, but more on his social interactions. One employee commented 'what would I do?' if they were to leave work, as the social fabric of that employee's life had been built inside employment. There was also solace from the routine that work provided, connecting with friends and feeling valued and having purpose. There were comments that employees had built their entire lives around work and thus their social connections were heavily intertwined. Without



work and the social environment that came from work, an employee would feel 'adrift'. It made it hard for employees to 'cut ties' with the organisation, especially if they had built no social interactions outside of the workplace.

Managers also felt strongly about social aspects being a key engagement factor for remaining in employment. Comments from managers spoke of the social environment created being similar to a family or whanau. Managers talked again about the long-serving nature of their workforce and the social fabric that had been built from many years of working together as a team. One manager talked about males being more at a loss when retiring than females. This was mentioned by the employees who participated in the focus group, who said that often all their social connections were built inside a work environment and they would be on their own if they were to leave. Managers commented that there was always the option to leave, but many chose to stay because of the social connections.

Both employee and employer groups believed that the social aspects of work were a large part of why employees stayed engaged in an organisation. Although key stakeholders did not talk to this extensively, there were comments made that when mature employees decide they will retire, due to health or other reasons, this may cause a 'domino' effect, where employees who have worked together for many years start to lose the social connections within work. If the social fabric begins to fray, so will their reasoning for remaining in employment.

Only the employee group talked about financial security, even though this was a major consideration as to whether they would stay or leave the organisation. It appeared this theme tied in with planning for retirement to a certain degree as the comments made by focus group participants suggested that they were not financially prepared to enter into retirement. Managers and key stakeholders did not believe this was to be a major consideration for employees over 55, but with the average life expectancy extending and people experiencing better health, the need for aged workers to support themselves financially grows. Therefore it is reasonable to think this would be a consideration. Potentially managers and key stakeholders do not have a complete understanding of the aged worker and thus stereotype older workers. This was another overarching theme discussed below.

### 7.3 Stereotypes

The themes continual development and resistance to change are coupled as stereotypes of older workers. Continual development was a theme that only came through in the employee focus groups; however, the researcher has grouped it in the age-related stereotypes, as there is a common stereotype that aged employees do not want continual development. Information gathered from the focus groups, would suggest this stereotype is, in fact, untrue and aged employees would like feedback and opportunities to continue to challenge themselves. This came through stronger in Steel Technology, which consisted of more senior and highly qualified individuals.

In relation to continual development but on the opposing side, a theme that emerged from the manager interviews was 'resistance to change', which was centred on aged employees' reluctance to change the way they operate. Reluctance to change was also related to mature employees acquiring new skills or undertaking their roles in a different way. Comments from this manager suggested mature employees would generally resist straight away, or look to negative past experiences to try and confirm the future reality. For example, we tried that before and it didn't work so why would it work this time? Aged employees are often stereotyped as resistant to change or less adaptable and managers supported this claim, however, it can sometimes be a gross generalisation of aged employees as referred to in the literature (Taylor & Walker, 1994; Roscigno, et al., 2007). This is also contradicted by what was found in the employee focus groups. Aged employees said it was an individual choice as to whether employees wanted to be developed, however, some focus group participants said that they were ignored and all the development went into younger employees. One employee commented that he wanted to feel that his contribution was helping towards the success of the company; he wanted to be involved, but felt that the organisation would view him as resistant to change and 'dinosaurish', and thus move him aside for 'a younger, faster model'. Employees in Fisheries Incorporated and Steel Technology commented as to how they enjoyed learning something new every day, which tied back into mental stimulation and engagement in the role. Steel Holdings commented that it was an individual choice and that it depended on the employee, but they should not be excluded by 'management' just because the organisation thought they either did not want development or were unable to develop.

Key stakeholders talked about how organisations can discriminate against older employees, with stereotypes such as the inability to adapt to new technologies and change as being 'one of the biggest nonsense statements' that came from managers.

**Selena, EEO Advocate:** *[in regards to whether aged employees are unadaptable to change]*  
*That's probably one of the biggest nonsense statements, one of the many. And I think a lot of that comes from the bias, conscious or unconscious, that sits within an organisation...And then the other side of the coin, which we obviously try to debunk a lot of those myths by talking about the fact that you know, there are 50 million Facebook users that are over the age 55. There are 10 million Smartphone users, just crazy stuff like that that you know, how can they have technological issues if you know, there are so many people in that space? So there are lots of things that we can debunk all those myths with.*

One key stakeholder commented about the fact that there was now millions of Facebook users over the age of 55, which in some respects quashes the myths about older workers and technology. Managers sometimes consciously or unconsciously stereotyped mature employees and this had a flow-on effect in the organisation and sometimes exacerbated age related differences, where younger employees would also feel that ageing workers were not of value to the organisation, thus making it harder for the two groups to work together. Key stakeholders also pointed out that managers stereotyped work. For example, work should be done in a particular way, as it has always traditionally been done, thus managers sometimes could not see that it could be shaped in a different way; for example, different working hours or working from home. This then created another barrier for older employees.

Continual development and resistance to change were two key themes that were different between the employee/key stakeholder and employer group, with many employees in the focus groups relishing the opportunity for feedback and continued learning. The manager group, however, felt that most aged members of staff were resistant to change and stuck in their ways, and were not willing to develop and grow with the organisation. In some cases this may be true, however, managers commented on how employees looked to past actions to confirm the future, and it appeared managers also did this with their mature employees. If they had come across a stubborn aged employee who was resistant to change, they used this to then confirm the stereotypes of aged employees to learning and change. Key stakeholders also commented that managers would look for evidence to support their claim that older workers were resistant to change. Many of the employees who participated in the focus groups commented that it was an individual choice on many of the elements of work, thus managers needed to look at mature employees as individuals as opposed to a stereotypical group, as this group was very diverse. Some aged employees may have conformed to the stereotypes, but many did not. To create a sense of trust, managers should understand that their aged employee group were individuals and everyone has different needs and

that the organisation needs to look at what they could do to facilitate trust and communication. This was another overarching theme, discussed below.

## 7.4 Trust & Communication

The themes of flexible working arrangements, skills and knowledge transfer, communication and planning for retirement can all, in some way, be related to mutual trust and communication between employer and employee. None of these themes could progress into actual outcomes unless both employee and employer had trust and could communicate with each other.

Flexible work arrangements in this research refer to the ability to have a non-standard working week. This research defines a standard working week as one that consists of 40 hours, spanning five days of which each day consists of eight hours worked.

Focus group participants were enticed by the option of flexible work arrangements, such as part time or 'phased retirement' in order to stay engaged with the organisation. One of the reasons they would not be keen on this particular type of working arrangement was because of their financial situation. Others, the researcher felt, feared the organisation would view this as a mature employee unable to complete their full duties and would thus be the start of being pushed out of the organisation. Therefore, aged employees continued in full-time employment until such a time as they could not see working as a viable option any more.

Manufacturing was a sector that was shown to not have a high degree of flexibility amongst its employees (Loretto, Vickerstaff, & White, 2005). This could possibly be one of the reasons why employees did not ask if this was an option, because they felt that the organisation was inflexible. There were also comments from employees that they may get moved out of the organisation if they were seen not to be able to do their full role any longer and so employees didn't bring up flexible working, reduced hours, or normal working patterns for aged workers in the organisation. This boiled down to the trust the employee had in the organisation and whether they felt that they could talk to their managers about flexible working arrangements.

Another component of trust was skills and knowledge transfer. Aged employees, by virtue of the length of employment in their chosen field, held core knowledge of the organisation and the industry. Some of this high-level knowledge was not clearly defined or defined at all, and can be tacit knowledge built from a long period of time with an organisation. Thus, if a mature employee decides to leave, there is a need to transfer these skills and knowledge to others in the organisation to

ensure that they are not lost. However, managers need to be aware that there is a huge element of trust that is associated with the transfer of knowledge. Employees in the focus groups were well aware that the skills and knowledge held by mature employees would cause an issue for the organisation, should it not be spread throughout the company. However, no employee spoke about their organisation having taken any great steps in creating programmes to facilitate the skills and knowledge transfer, with comments such as the one from Lester in Steel Technology, *'So while it sounds great you know, us job sharing our skills in here, I don't think there's an opportunity to do it, so you just up and leave'*. Managers were well aware of the problem and talked about how some of their aged employees were so knowledgeable that they were the only employee in the company that knew a particular skill. Managers confirmed what employees had said, that there was no current transfer programme in place, however, some mentioned they were looking at what they could do around this.

The key stakeholder group commented on the skills and knowledge transfer, although this was not a major theme. Their comments were that the best way to approach this situation was with a mentor or buddying type system, whereby a mature employee teaches another employee the skills and knowledge.

Communication and planning for retirement were also closely intertwined with mutual respect between employee and employer. Although this was a theme that was only discussed by the key stakeholders, the researcher felt it was very important to the overall success of an organisation's culture in terms of its older workers. Communication involved the two-way messages sent between employee and employer about decisions around employment and engagement. Closely related to this was planning for retirement. This was both the employee's readiness to leave the organisation and enter into retirement and the employer's readiness for a mature employee to leave, given the possible skills and knowledge gaps. Without trust between employee and employer, there would be no communication about retirement decisions or readiness for retirement. In some cases, there was a general sense of fear towards the organisation and asking about alternate arrangements, and although in most cases, managers had not set these up before, there was no outright stance against alternate arrangements from the organisation, unless it was a part of the organisation's collective agreement. Key stakeholders made a clear point around communication being one of the key contributors to an organisation's success with its aged employee group. Mark from the key stakeholder group commented that *'People are willing to train and teach; always a bit of resistance to that sometimes but that's communication'*. If an organisation were willing to communicate with

its employees, it's employees would be more willing to share and give trust to the organisation as they would not feel that their role was under threat.

## 7.5 Summary of Comparison of Views

To summarise there were similar and opposing views amongst the groups. These were summarised in overarching themes outlined in Table 7.1

Individual considerations included financial security, health and wellbeing and social aspects, these were grouped together as they were considerations that related to why an aged employee would consider retiring or remaining in employment. All groups believed health and wellbeing was an important consideration and the manager and key stakeholder group believed the social aspects of work were important. However the manager and key stakeholder group did not consider financial security to be a key consideration, although this was the first consideration mentioned by all focus groups.

The second overarching theme related to stereotypes around age and included continual development and resistance to change, as there is a common belief that aged individuals are resistant to change and do not want to be developed. Which was disproved in the focus groups. Key stakeholders also agreed that aged workers were commonly attributed stereotypes that had no real basis.

The last overarching theme was trust and communication and comprised of four lower level themes including flexible working arrangements, skills and knowledge transfer, communication and planning for retirement as they all related to a mutual trust between employee and employer in some way. All groups were in agreement that there was a general lack of flexible working arrangements and skills and knowledge transfer.

Key stakeholders pointed out that there was an absence of communication between employee and employer, although both groups did not point to this as an issue, it was apparent that it was. Closely related to this was planning for retirement, again only the key stakeholder group talked to this, however it was a consideration that was important to both the employer and employee. The next chapter looks in-depth at the findings from each overarching theme.

## CHAPTER 8 DISCUSSION AND CONCLUSION

### 8.1 Introduction

Chapter five will discuss the research questions in relation to the data from these themes. The chapter is divided into three main parts. The first part of this chapter provides a summary of the key findings; this is then followed by Government, theoretical practical and future research implications. The chapter concludes with an assessment of the limitations of the research.

### 8.2 Summary of Key Findings

The purpose of this research was to understand ageing workers and the key considerations for retirement. Additional to this, the research also sought to identify an organisation's planning in relation to its capability in terms of the growing number of aged employees and whether they have understood their aged workers as a strategic human resource. A triangulated reference point was then introduced to get an objective group to articulate their thoughts on the ageing workforce. All three views were then compared and grouped into three overarching themes. These are presented below (refer to table 7.1):

- Individual considerations
- Stereotypes
- Trust and communication.

#### 8.2.1 Individual Considerations

The findings from this research suggest that there were three major considerations for ageing workers: their health and wellbeing, their financial security and the social aspects of employment. One of the most important findings from this research was that a key consideration for aged employees when considering retirement was their financial security and whether they believed they had the financial ability to support themselves outside of the workplace. This was, however, not seen as a key consideration by many of the interview participants in both employer and key stakeholder groups, although it was the first consideration that all three focus groups talked about. Health and wellbeing was recognised as a key consideration by all three groups. All groups understood that this was a major factor in an aged employee's ability to continue in employment.

Palmer et al., (2015); Hayflick (1994); Silverstein (2008); Ilmarinen (2006) and Costa and Milia (2008) discussed that there are degenerative issues associated with ageing. The employee focus group was in agreement with this finding that their physical abilities were not as they had been in years gone by. Some focus group participants talked about their experiences with shift work and how this had had a major impact on their health, thus they had made steps to get off shift work as otherwise, it would have been hard to stay healthily engaged in work. Research has shown that a night shift work design has a strong correlation with an increase in chronic diseases and illnesses (Ramin et al., 2014; Costa & Milia, 2008). The findings from all three groups were aligned to Kim and Feldman's (1997) findings, which found that ill health is one of the biggest influences on an aged employee's choice to retire.

The social aspects of employment were considered to be important by employer and employee. The key stakeholder group also considered the social aspects to be important in terms of being prepared for retirement. This included friendships at work and the value and purpose that employment provided with feedback coming from other individuals. It appeared there was a fear or anxiety about leaving employment because of the loss of these social aspects, which is aligned to the work of Fletcher and Hansson (1991). These three individual considerations lend to SOCT, as the aged employee would need to look at ways to compensate for any losses (Baltes & Dickson, 2001). For example, for social aspects, they would need to look at optimising friendships outside of employment, thus compensating for the loss of social aspects within work when retiring. In terms of health and wellbeing, in some circumstances, the aged employee had to change their work design to compensate for their health, and this meant sacrificing some of their earnings ability to ensure they optimised their current health and wellbeing situation. Lastly, for financial security, it appeared that some were willing to sacrifice some financial component of their employment for reduced hours and optimising time spent doing other activities. However, many employee participants were potentially not ready to make such a financial sacrifice.

The findings contribute to SOCT as it is suggested that employees will sacrifice employment and extra benefits for their physical and mental wellbeing, however, they will continue in employment if health does not ail them, as financial security is a main reason why aged employees continue to work. Both the employer group and key stakeholder group did not believe that financial security was a huge factor as to why aged employees continue to work. These findings support the work of Hirsch (2003); Lusardi and Mitchell (2005) and Clark, Morril, and Allen, (2012) that suggest that financial circumstances are an important factor for aged employees when considering retirement. However,



this finding extends their work by suggesting that employers and key stakeholders do not hold the same views on financial security's relative importance as an influence.

The findings also contribute to SET as employees yearned for the social aspects of work as they had built strong bonds and relationships with their employer as well as their fellow colleagues, whom they spent much of their time with. It appeared some aged employees did not have these social bonds outside of work and coming to work gave them value and purpose and involved exchanging their knowledge and skills for recognition and reward, as well as a social connection shared with colleagues. There is no extensive literature to suggest that friendship and social bonds to other employees and the employer is an important factor when considering retirement, therefore, this is important learning to note in the ageing workforce and social exchange literature.

### 8.2.2 Summary of Individual Considerations

Individual considerations contributed to the micro theoretical frameworks of SOCT and SET and the understanding of how aged employees make choices. In terms of individual considerations for retirement, some of the views between groups aligned, however, there appeared to be some views held by different groups that were inconsistent, this is potentially when stereotypes are applied. Stereotypes were another key finding and is summarised below.

### 8.2.3 Stereotypes

Stereotypes encompassed two themes that emerged from the employee and employer group, these being continual development and resistance to change. These two themes are at odds with each other, as the two groups of employees and employers do not hold the same views on continual learning and change and some of the views held by employers were influenced by stereotypes.

There can be a tendency to prescribe certain characteristics to a particular age (Posthuma & Campion, 2008). This appeared to be correct in the findings, with employers relating certain characteristics to the aged employer group. The employee group also believed this to be true, commenting that there potentially was not any access to opportunities for training and development, because employers did not see it as a good investment. The key stakeholder group also made comments that employers often stereotyped older workers and did not give them access to opportunities to upskill themselves.

A conceptual review conducted by Posthuma and Campion (2008), found that numerous academic authors have a tendency to over-generalise known stereotypes around older workers such as 'performance decreases with age' and 'older workers have lower returns on investment [training]', but there is very little good empirical evidence to support this (Posthuma & Campion, 2008). This could possibly be due to the common belief that older workers have less desirable traits than those of younger workers (Posthuma & Campion, 2008). The findings supported the conceptual review from Posthuma and Campion (2008), as employers had no desire to upskill their aged employee group, with comments suggesting that this was not a strategy they were looking to now, or in the future.

The type of stereotype that occurs with aged employees is also known as 'ageism', which involves a belief that a certain age group are aligned and operate to particular ideals (Snape & Redman, 2003), in this case older workers. For example, employers' view older workers as being unadaptable to change, which can sometimes translate into a perception and action that will mean that an older worker is disadvantaged in a situation involving change (Snape & Redman, 2003). The findings are aligned with Taylor and Walker (1994) and Roscigno et al. (2007), where employers commented that their efforts for development would be channelled to younger individuals.

A study conducted by Maurer (2007) found that one of the most common age stereotypes for older workers was around the ability and desire to learn and develop. A large proportion of senior employers felt that their aged employee group did not want or need to have continual development and the organisation also viewed the upskilling negatively because of the perceived resourcing needed for training these individuals and they could not see it as having a positive return on investment. Findings from the employee group also align to Maurer (2007), with some employees believing that there was no investment into their development, which was found to be true in the employer findings. Training and development opportunities for older employees should be looked upon as a positive. Armstrong-Stassen and Schlosser (2007) uphold that there is very little research on the issues around developing workers over 50 and the findings suggest that employees over 55 are willing and want opportunities for continual development.

Employers appeared not to evaluate their aged workers in a more strategic sense, looking at their age as opposed to their wealth of human capital. This wealth of human capital that aged employees hold should be seen as a key organisational resource and developing it would result in a deeper level of resource for an organisation. This resource could be used to outperform competitors without such resources, and aligns with the RBT (Carmeli & Schaubroek, 2005; Shaw et al., 2013). If employers were willing to look upon their aged individuals as a strategic resource rather than

thinking of them as an aged employee, they could see many benefits in drawing from their wealth of human capital. This research contributes to RBT & HCT by exploring how aged workers can be viewed by an organisation as a strategic human resource. Their unique bundle of human capital made up of their inimitable knowledge and skills cannot be duplicated easily. Unfortunately, it appears to unfounded stereotypes, employers do not want to train and develop older workers.

#### 8.2.4 Summary of Stereotypes

Findings from the theme of stereotypes suggest that employees want to be positively involved in the organisation, but there are not many channels to do so. The findings also suggest that employers can be misguided by stereotypes and that the way in which aged employees think is actually different to how employers' view them.

These findings also contribute to RBT and HCT by exploring how organisations currently do not view their aged employees as a strategic resource, even with the understanding that their aged employer group holds a wealth of human capital.

One way to be able to strengthen the relationships and understanding between aged employees and their employers is through trust and communication and this was another key finding.

#### 8.2.5 Trust and Communication

The overarching theme of trust and communication encompassed the four different lower level themes of: communication, planning for retirement, flexible working arrangements and skills and knowledge transfer (see table 7.1) These have been incorporated by this overarching theme, as from the findings it appeared that none of the lower level themes could occur without trust and communication between employee and employer.

Communication was a theme discussed by all participants in the key stakeholder group; however, it appeared that both the employee and employer groups did not communicate effectively if at all. This created a barrier to understanding, where employers did not fully understand the needs of the aged workers and vice versa. Some of the findings showed that views from the two groups were misaligned, for example, continual development for aged workers.

Planning for retirement looked at how prepared an employee was for retirement, and how prepared the organisation was for an aged employee to enter into retirement. This connected in many ways to social aspects, with key stakeholders describing the lack of preparation by employees to entering retirement without the social bonds they had built solely around work. Employers were also not prepared for their aged workers to retire. With no formal practices or policies to retain key skills or knowledge, a critical strategic resource would be lost to the organisation.

Trust and communication may depend on organisational culture and employee/union involvement creating distinctive practices to meet VIRO characteristics in the RBT.

Retention of key skills and knowledge is incredibly important for organisations. Knowledge is one way in which an organisation remains competitive and having the knowledge dispersed helps the company's flexibility (Slagter, 2007). As mentioned previously, the wealth of human capital that an aged employee has makes them a critical resource. This ties in with RBT and looking at how knowledge can be used to a company's competitive advantage. It appeared that no organisation had any type of strategy to retain their key skills and knowledge, which left them in danger of losing critical understanding of their organisation. Increased training and development, meets the human capital theory perspective of retaining knowledge in the organisation. Thus organisational strategy and human resource planning, for example talent management, are important for any company in order to future proof their organisation. Another way in which companies can do this is by skills and knowledge transfer.

The concept of skills and knowledge transfer looks at how knowledge and skills can be maintained in an organisation by the sharing of knowledge from one employee to another (Calo, 2008). Skills and knowledge are often built up over a long period of time (Nyberg & Wright, 2015; Calo, 2008), and thus cannot be downloaded easily. The ability to transfer these skills is made easier if the employee trusts their employer and also if the employer and employee have clear lines of communication. Findings suggest that employees wanted to transfer their knowledge to the organisation but found no formal way to do so and did not know the feelings of the organisation towards a possible skills and knowledge transfer. Employers also did not understand how their aged employees felt about a skills and knowledge transfer. Both groups wanted the organisation to succeed, however, they did not show trust or communicate with each other.

Flexible working arrangements also came under the umbrella theme of trust and communication. The two groups of employers and employees were unsure of their feelings towards flexible working arrangements, with employees not understanding whether an employer should offer this and not

trusting the intention if they did, although from the focus group findings there was a lot of positive feedback towards flexible working arrangements. Employers also did not have an understanding of flexible working arrangements and chose not to offer them to aged employees. Shacklock and Brunetto (2011), found that the offer of flexible working arrangements can be used by organisations as a retention tool for aged employees, however, no organisation interviewed chose to capitalise on this. Therefore, employers needed to open lines of communication with their employee group in order to gain trust and to be able to offer flexible working arrangements, which would benefit both the employer and the employee. SET suggests that employees would also see this as a benefit to them that would in turn reciprocate kindness towards the organisation. Therefore, if an employer offers working practices that an employee gets value from, they may be willing to stay with the organisation for longer.

As previously mentioned, employers need to understand aged employees as a strategic resource. They can capitalise on their skills and knowledge or human capital, and engage them to stay in the organisation for longer. Employers can do this through specific HR policies and practices, such as flexible working arrangements and formalised programmes to help transfer skills and knowledge. SET would then argue that the employee will reciprocate these actions to the employer, thus both the employee and employer gain. Mutual trust is then established and communication between the two groups will make this stronger.

#### 8.2.6 Summary of Trust and Communication

Employers and employees did not have a great understanding of each other's needs and this was based around what appeared to be a lack of trust and communication with each other. The key stakeholder group identified this; however, it appeared that both the employer and employee groups did not understand this as being a key issue. However, without trust and communication, employees were not able to establish a connection about their planning to leave the organisation, and employers did not understand when aged employees would retire. Employers also did not appear to have any formal plans to transfer skills and knowledge, even though employees wanted to do so. A form of communication between the two groups would make it much easier to move forward positively.

These findings contribute to SET and can be used to explore how employers can engage their employees and how communication and trust can be established. As mentioned previously, RBT and

HC can explain how aged workers can be used strategically, given their knowledge and skills sets; however, none of this can occur without trust and communication.

There is learning from these findings that can be used in a theoretical, practical and governmental sense and this is explored in the next three sections.

### 8.3 The New Zealand Strategy – Implications for Government

The New Zealand Positive Ageing Strategy, in association with the Ministry of Social Development, identified ten goals to help older people in everyday life, including in employment. The aim of these goals was to prevent discrimination against older people; however, it appears from the findings that discrimination is still occurring in organisations today, with fewer opportunities for aged employees and employers stereotyping them as a homogenous group. Ko and Seung (2014), identified that each aged employee is different and so are their needs, therefore, we cannot group them as one. A stronger stance should be taken by the New Zealand Government in order to push the New Zealand positive ageing strategy, as it appears from the findings that managers do not currently view their aged employees as a strategic resource and value their abundance of human capital. Three key priority areas were identified by the Minister of Senior Citizens, these being; employment of mature workers, changing attitudes about ageing and protecting the rights and interests of older people. It appears that there has been no real progress in organisations to support these three priority areas, and in fact, not one manager talked to the positive ageing strategy, meaning this is likely to be an unknown strategy to this group. Therefore the New Zealand government should be looking at ways to promote and specifically target organisations, to ensure they are aware and understand the importance of the positive ageing strategy.

Further to this the labour market supply of older workers will increase as the population demographic shifts towards an older composition, although the labour market will struggle for newer skilled members, there will be an abundance of older individuals who are capable of filling roles at a full- or part-time capacity (Hansson et al., 1997; Department of Labour, 2009). Their abundance of human capital makes this group perfect candidates for jobs within a tight labour market (Hansson et al., 1997). The New Zealand Government should look at ways in which to promote organisations retaining and recruiting aged workers. Currently the New Zealand Government has the positive ageing strategy in place, however further measures need to be taken in order to see a growth of ageing workers in the workforce. This could possibly come in the form of a support subsidy to organisations who choose to recruit older workers and have shown good practice

in order to retain and engage older workers. This then helps the New Zealand Government by keeping older workers in employment longer, the employer will benefit from the wealth of skills and knowledge, and lastly the employee will benefit from being able to remain in employment without feeling pressured to retire.

It appears from the findings that even though there is a high level New Zealand Government strategy to help aged workers; it appears that many organisations have not yet taken notice of it and what it means to their organisation or their aged employee group. There are also theoretical implications that arise from the findings that are explored in the next section.

## 8.4 Theoretical Implications

The findings of this study contributed to an understanding of the ageing workforce in New Zealand through an exploration of four key theories, being RBT, HCT, SET and SOCT.

These theories are a mix of macro and micro level, and help to inform us on how organisations, as well as aged individuals, behave. Each finding in relation to theoretical implications is discussed below.

### 8.4.1 Individual Considerations

Theoretical implications from individual considerations can be drawn from the findings. SET and SOCT in particular help to inform this research on how individuals behave. SOCT relates to an individual and how they go about the completion of activities, based on optimising each social encounter to compensate for weaknesses. When applied to aged individuals, key findings suggest that financial situation, health and wellbeing and social aspect of work, are very important to an aged individual, SOCT informs us as to which an individual will choose to optimise.

SET also provides us with an understanding of why an employee will perceive an organisation in a particular way. The findings suggest that some of the focus group participants felt negatively towards their organisations because of the perception to exit them, for health or other reasons. Organisations could consider that the more positive practices they put in place the better they will be perceived by aged employees. Therefore the more positive the interactions and exchanges are the more likely that the employee and employer will have trust in each other, reinforcing SET.

#### 8.4.2 Stereotypes

The RBT, HCT and SET provide insight into how each group perceives the aging worker. There are opportunities to remove stereotypes through the application and understanding of the RBT and HCT. This is based on an employer understanding the HC that an aged employees bring to their organisation. Useful deployment of this HC will in turn help sustain competitive advantage, which reinforces the RBT. Future workplaces need to be more strategic in managing ageing workers more sustainably, learning to utilise their skills to be more agile and high performing, thus, applying and understanding HC and RBT is vital to an organisation.

Social exchanges between employer and employee also help create stereotypes through perceptions of each group. Both groups need to be more strategic about their interactions to ensure that exchanges are not interpreted incorrectly and that both groups have an understanding of each other. This can also help build trust.

#### 8.4.3 Trust and Communication

Trust and communication may depend on organizational culture and employee/union involvement creating idiosyncratic practices to meet VIO characteristics in the RBT. Therefore it could be assumed that if an organisation creates a positive practice to deploy to its ageing workers, this could receive positively, helping an aged employee to have trust in the organisation and strengthen the psychological contract, thus reinforcing SET. Aged employees may potentially commit to the organisation for a longer period of time if positive practices are offered, this then meets the human capital theory perspective of retaining knowledge in the organization. Therefore the more positive the interactions and exchanges are the more likely that the employee and employer will have trust in each other, reinforcing SET.

#### 8.4.4 Summary of Theoretical Implications

The four theories of RBT, HCT, SET and SOCT help us to understand the overarching themes that arise from the findings. Each theory looks at the ageing worker and the organisation from a different perspective, yet all are important in terms of understanding ageing employees. Further to theoretical implications, there are also practical implications arising from this research. This is discussed in the next section.



## 8.5 Practical Implications

The findings of this study contribute to the understanding of the ageing workforce in export manufacturing, through an exploration of three different views, these being employee, employer and key stakeholder views. A key finding from this research was that the employee and employer group at times misunderstood or misinterpreted each other's needs, causing friction, fear and anxiety in these two groups. This was based on poor communication between the two groups, which can, at times, create mistrust between employee and employer. Therefore, the practical implications for employers to understand would be to establish communication methods in which to engage with and understand the individual needs of their aged workers. Trust and communication can help organisations become more progressive and build better relationships with their ageing workers, as it helps in understanding an older worker at an individual level. Focus group participants talked about personal preference, and although many themes were similar across the three groups, there were still elements of difference. For example, Steel Technology in particular, was passionate about continual development opportunities, and Steel Holdings was particularly concerned with shift work. Although these two companies had very similar steel manufacturing operations and both focus group consisted of all male participants, they still had some differing thoughts, which is an important consideration to note and is why trust and communication at a broad and individual level is crucial to any organisation.

Another key finding was that both groups were ill prepared for retirement. Employees had not thought enough about the financial and social preparation required to support themselves outside of the workplace. Employers had also not given great thought to how aged employees could be seen as a strategic resource and how to transfer their skills and knowledge for retention within the organisation. Therefore, establishing a clear method for communication would help in bridging the misunderstandings between the groups.

Also with the impending demographic shift, organisations need to look at ways of continually developing their older workers (Buyen et al., 2007), as well as disregarding ageist stereotypes and looking at aged employees as unique individuals. Organisations should be looking to use tools that help engage and develop their aged employees to ensure they are able to retain their knowledge within the organisation for an extended period of time. As discussed in chapter two, retention of key skills and knowledge is incredibly important for organisations, as this group is the closest to potential retirement (McGregor & Gray, 2002). Their retirement also brings with it an impending skills shortage (Davey, 2007; Department of Labour, 2007). The key stakeholder group believed that one

of the best ways in which to transfer skills and knowledge was to set up a mentoring or buddying type system. This system would need to be formalised, as it appeared from comments from both employee and employer that there was no such formal system to transfer skills and knowledge. Employees were not opposed to sharing knowledge and, in fact, felt positively towards knowledge management, but were in need of a formal practice in which to pass over the knowledge. However managers believed that knowledge and skills transfer would happen without a formal system. Managers need to be aware that a formal skills and knowledge strategy and practice enables much more effective skills and knowledge transfer.

Further to the practical implications, there are certain areas that would benefit from future research to help expand on the findings of this study.

## 8.6 Future Research

From the findings, there are additional areas that could be researched to further understand the criticality of aged employees.

One of the findings from this research is that organisations have not yet created any type of strategy to transfer knowledge from an aged employee to the organisation. The findings in this research, suggest that aged employees are willing to pass on their knowledge, but currently do not have any formal means to do so. There are suggestions on how potentially this could be accomplished, such as mentoring or buddying type systems, however, research into the most engaging and efficient way to transfer knowledge would be beneficial to both the organisation and employee. The organisation would be able to capitalise on the transfer of knowledge from the aged employee, and the employee would be able to have a formal means to pass on the knowledge, whilst potentially phasing out of employment.

There was also a suggestion made by the key stakeholder group that generational differences impacted the way in which aged workers interacted with others and that organisations should be looking at ways to integrate the two. Generational literature is an area of contention, and thus the researcher has excluded this aspect from the research, however, being that this was an argument made by an objective third party, it might be a potential point to explore.

There also appeared to be differences in organisational culture that affected how participants viewed their organisations and responded to some of the questions. What emerged from the focus

groups was similar in some aspects – the overarching themes were the same – but the differences that emerged looked as though they may be attributed to an organisation’s culture. The more positive and diverse the organisation’s culture, the more engaged and happy were the group of aged employees involved in the focus group. Organisational culture appeared in some circumstances, to shape the direction of conversation and the strength of the themes that emerged from each group. Depending on the organisation, it appeared concepts held different importance; for example, diversity appeared to be an important element in Fisheries Incorporated. This focus group was the only group that had females in the group, and was more positive towards the organisation. Steel Holdings and Steel Technology, both had all male participants and were more negative towards the organisation and what was being offered to them. The finding here could potentially be that organisational culture can influence an aged employee’s view of retirement, or that aged female employees are generally more positive towards their organisation. More in-depth research would be needed to confirm this as a finding.

## 8.7 Limitations and Concluding Thoughts

There were limitations to this research based on a number of factors, as mentioned in the methodology chapter. One of these was the inability to gain access to employees for focus groups. This was a major limitation, as only three of the six organisations interviewed allowed the researcher to involve those 55 years and older in the research. This was due to the age sensitivities of the employees, as well as the incompatibility of shift patterns aligning to allow for employees to have the time to be involved with this research.

In future, a larger sample size could be assessed using the findings of this research as questions in a survey testing the variables unearthed in this study to help confirm the findings on a larger scale. This would also enable the potential for a larger sample size and also across multiple industries.

Another limitation is that there was only one focus group at each organisation, given the complexities of being able to access the employees; this was the greatest number the researcher could obtain. This was also in part due to the time constraints of the research, being that there was a set completion date.

Further to this, there were different occupational groups who participated in the focus groups, with both professional and non-professional roles. This could potentially have an effect on the outcome of the findings, as these two different role types could have different views, which have been grouped together. In addition, there was also a relatively small sample size for all three groups, with 12 focus group participants, with four participants per focus group, seven interviews over six organisations and

three key stakeholder interviews. However, this meant that the information was more in-depth and richer as more time could be given to each individual who participated in the study.

The key stakeholder group was also very diverse and only had one representative from each group. This potentially means that their views were not entirely representative of the groups that the key stakeholders represented. The key stakeholder group also spoke about aged employees in more of a general sense than a manufacturing industry sense, as their exposure was not only in manufacturing. However, this group had much exposure to the aged employee group and employers generally. Two of the key stakeholders had conducted in-depth research and had reported results on aged employees and their employer group. The last of the key stakeholders had worked with aged workers over multiple manufacturing sites for many years and so had great knowledge of aged employees. The research was also conducted in the very specific context of the export manufacturing industry; therefore, the findings may not be completely applicable to other groups in a different industry.

To mitigate these limitations, a thorough thematic analysis was undertaken to ensure an in-depth understanding of the qualitative information. The qualitative data also gave a greater wealth of information than a quantitative survey or the like could have given from the sample size. There was also another group that was not an employer or aged employee that gave a third point of reference and helped to give greater understanding to the findings.

The research explored the ageing workforce in export manufacturing and contributes to the understanding of what influences retirement decisions in aged workers and how organisations are preparing to engage or exit aged employees. The findings of this study help expand on the existing understanding of aged workers and their feelings towards retirement and the decisions associated with this. Furthermore, the study gives a sense of the lack of preparation by employers and how organisations do not currently view the aged employee as a strategic resource. Additionally, it looked at aged workers in export manufacturing from a third point of reference – a key stakeholder point of view. It is hoped that these findings could be of use and assistance to aged workers and their organisations by developing understanding that communication and trust is a key factor for both aged employees and their employers, in order to progress practices and policies that will benefit both groups. This could also be adapted to progressing government policies which strive to aid aged employees in their decision to stay in engaged employment or retire.

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## Appendices

### Appendix 1-Table of Acronyms

Acronym	Acronym Meaning
EEO	Equal Employment Opportunities
HC	Human Capital
HCT	Human Capital Theory
HR	Human Resource/s
HRM	Human Resource Management
RBT	Resource Based Theory
SET	Social Exchange Theory
SHRM	Strategic Human Resource Management
SOC	Social Optimisation and Compensation
SOCT	Social Optimisation and Compensation Theory
VIRO	Valuable, Inimitable, Rare, Organisation

## Appendix 2-Manager Interview Schedule

- What do you see as your company's key human resource requirements in the next 5, 10 and 15 years in terms of the ageing workforce?
- Is there a policy or strategy for attracting and retaining mature workers? For example using part-time or alternative work arrangements?
- Is the retraining and acquisition of new skills by mature workers part of your company's overall learning and development strategy?
- Is there a strategy in place to preserve critical knowledge?
- Do you have information on what percentage of your employees plan to retire at 65?
- What are some of the reasons you believe employees past the New Zealand retirement age continue to work?
- Are you aware of the age distribution of employees and could you get that information if you needed to?

### Appendix 3-Focus Group Interview Schedule

- What are your considerations around retirement? (Considerations are the things that will impact your decisions to retire or not)
- What do you think your organisation is doing well or should do to better manage its older employees?
- Do you think older workers are valued in your organisation?
- Historically people have retired at 65. Do you think people still should?



## Appendix 4-Key Stakeholder Interview Schedule

- Do you think the ageing workforce is an issue?
- How do you think organisations are reacting to the ageing workforce issue?
- What would be your suggestion to an organisation in preparing for the aged worker?
- What do you believe are some of the considerations aged employees remain in the workforce?
- Do you think there are stereotypes in the workforce of aged workers?

## Appendix 5-Ethics Approval



A U T E C  
S E C R E T A R I A T

26 July 2013

Keith Macky  
Faculty of Business and Law

Dear Keith

Re Ethics Application: **13/168 The New Zealand ageing workforce: An analysis of the export manufacturing industry.**

Thank you for providing evidence as requested, which satisfies the points raised by the AUT University Ethics Committee (AUTEC).

Your ethics application has been approved for three years until 26 July 2016.

As part of the ethics approval process, you are required to submit the following to AUTEC:

- A brief annual progress report using form EA2, which is available online through <http://www.aut.ac.nz/researchethics>. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 26 July 2016;
- A brief report on the status of the project using form EA3, which is available online through <http://www.aut.ac.nz/researchethics>. This report is to be submitted either when the approval expires on 26 July 2016 or on completion of the project.

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to obtain this. If your research is undertaken within a jurisdiction outside New Zealand, you will need to make the arrangements necessary to meet the legal and ethical requirements that apply there.

To enable us to provide you with efficient service, please use the application number and study title in all correspondence with us. If you have any enquiries about this application, or anything else, please do contact us at [ethics@aut.ac.nz](mailto:ethics@aut.ac.nz).

All the very best with your research,

A handwritten signature in black ink, appearing to read 'H. A. Pinner'.

Kate O'Connor  
Executive Secretary  
**Auckland University of Technology Ethics Committee**

Cc: Estelle Curd [estelle.curd@bluescopesteel.com](mailto:estelle.curd@bluescopesteel.com)

## Appendix 6-Participation Consent Form Manager



### Consent Form

Manager Consent Form

*The AUTECH Secretariat*

Room WA505D, WA Building, 55 Wellesley Street East, City Campus

**Project title:** *The New Zealand Ageing Workforce: An Analysis of the Export Manufacturing Industry*

**Project Supervisor:** *Keith Macky*

**Researcher:** *Estelle Curd*

- ☐ I have read and understood the information provided about this research project in the Information Sheet dated 26/07/2013.
- ☐ I have had an opportunity to ask questions and to have them answered.
- ☐ I understand that notes will be taken during the interviews and that they will also be audio-taped and transcribed.
- ☐ I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- ☐ If I withdraw, I understand that all relevant information including tapes and transcripts, or parts thereof, will be destroyed.
- ☐ I agree to take part in this research.
- ☐ I wish to receive a copy of the transcripts for review (please tick one): Yes ☐ No ☐
- ☐ I consent to the participation of those aged 55 years+ in my organisation in this study: Yes ☐ No ☐
- ☐ I wish to receive a copy of the report from the research (please tick one): Yes ☐ No ☐

Participant's signature: .....

Participant's name: .....

Participant's Contact Details (if appropriate):

.....  
.....  
.....  
.....

Date:

***Approved by the Auckland University of Technology Ethics Committee on 26/07/2013 AUTEC  
Reference number 13/168.***

## Appendix 7-Participation Consent Form Focus Groups



### Consent Form

Focus Group Consent Form

**The AUTECH Secretariat**

Room WA505D, WA Building, 55 Wellesley Street East, City  
Campus

**Project title:** *The New Zealand Ageing Workforce: An Analysis of the Export Manufacturing Industry*

**Project Supervisor:** *Keith Macky*

**Researcher:** *Estelle Curd*

- ☐ I have read and understood the information provided about this research project in the Information Sheet dated 26/07/2013.
- ☐ I have had an opportunity to ask questions and to have them answered.
- ☐ I understand that identity of my fellow participants and our discussions in the focus group is confidential to the group and I agree to keep this information confidential.
- ☐ I understand that notes will be taken during the focus group and that it will also be audio-taped and transcribed.
- ☐ I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- ☐ If I withdraw, I understand that while it may not be possible to destroy all records of the focus group discussion of which I was part, the relevant information about myself including tapes and transcripts, or parts thereof, will not be used.
- ☐ I agree to take part in this research.
- ☐ I wish to receive a copy of the report from the research (please tick one): Yes ☐ No ☐

Participant's signature: .....

Participant's name: .....

Participant's Contact Details (if appropriate):

.....  
.....  
.....  
.....

Date:

***Approved by the Auckland University of Technology Ethics Committee on 26/07/2013 AUTEC  
Reference number 13/168.***

## Appendix 8-Participation Consent Form Key Stakeholders



### Consent Form

Key Stakeholder Consent Form

*The AUTECH Secretariat*

Room WA505D, WA Building, 55 Wellesley Street East, City Campus

**Project title:** *The New Zealand Ageing Workforce: An Analysis of the Export Manufacturing Industry*

**Project Supervisor:** *Keith Macky*

**Researcher:** *Estelle Curd*

- ☐ I have read and understood the information provided about this research project in the Information Sheet dated 26/07/2013.
- ☐ I have had an opportunity to ask questions and to have them answered.
- ☐ I understand that notes will be taken during the interviews and that they will also be audio-taped and transcribed.
- ☐ I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- ☐ If I withdraw, I understand that all relevant information including tapes and transcripts, or parts thereof, will be destroyed.
- ☐ I agree to take part in this research.
- ☐ I wish to receive a copy of the transcripts for review (please tick one): Yes ☐ No ☐
- ☐ I wish to receive a copy of the report from the research (please tick one): Yes ☐ No ☐

Participant's signature: .....

Participant's name: .....

Participant's Contact Details (if appropriate):

.....



.....  
.....  
.....

Date:

***Approved by the Auckland University of Technology Ethics Committee on 26/07/2013 AUTC  
Reference number 13/168.***

## Appendix 9-Transcribe Confidentiality Agreement

### Confidentiality Agreement



**Project title:** *The New Zealand Ageing Workforce: An Analysis of the Export Manufacturing Industry*

**Project Supervisor:** *Keith Macky*

**Researcher:** *Estelle Curd*

- ☐ I understand that all the material I will be asked to transcribe is confidential.
- ☐ I understand that the contents of the tapes or recordings can only be discussed with the researchers.
- ☐ I will not keep any copies of the transcripts nor allow third parties access to them.

Transcriber's signature: .....

Transcriber's name: .....

Transcriber's Contact Details (if appropriate):

.....  
.....  
.....  
.....

Date:

Project Supervisor's Contact Details (if appropriate):

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.....  
.....

Approved by the Auckland University of Technology Ethics Committee on **26/07/2013**, AUTEK Reference number **13/168**

# Participant Information Sheet



Date Information Sheet Produced:

## Project Title

***The New Zealand Ageing Workforce: An Analysis of the Export Manufacturing Industry***

## An Invitation

My name is Estelle Curd and I am a 5<sup>th</sup> year student studying my Masters of Business at Auckland University of Technology. This project is part of my Master's Thesis which I will be completing over the next two years (2013-2014). Additional to this, I also work as a Human Resources Advisor at New Zealand Steel.

In order to complete my thesis, I need to identify some of the causes and implications of an ageing workforce and what influences retirement decisions. The end result of this thesis being to identify HR strategies and plans to help better integrate and utilise New Zealand's mature workers in the export manufacturing industry. To better help me assess the causes and implications of an ageing workforce and what influence retirement decisions, I also ask to run focus groups with your permission for those who are 55 years or older in your organisation.

I invite you to participate in my study, participation in this study is on a voluntary basis and you may withdraw at any time prior to the data collection completion. If there is a potential conflict of interest, and if you so choose to participate in this research, this will neither advantage nor disadvantage you.

## What is the purpose of this research?

The purpose of this research is to complete my Masters of Business majoring in People and Employment which comprises of a thesis. The findings and outcomes of this research will then be submitted to academic journals for publication.

## How was I identified and why am I being invited to participate in this research?

You are being invited participate in this research as you are currently employed in the export manufacturing industry and hold a senior position in your organisation that influences human resourcing decision. Your input is important in the creation of my thesis as it will provide key insights into mature employee participation and HR strategies for mature workers.

**What will happen in this research?**

You will be asked a series of seven questions around the ageing workforce in your organisation. The interview will involve me (Estelle) as the interviewer and yourself as the interviewee. The interview will take a maximum of an hour.

With your permission, I will also run focus groups (two focus groups if possible, with seven participants, lunch will be provided) with those in your organisation that are aged 55 years or older to gather information on retirement decisions. These focus groups will take around 45 minutes each. Participation in these focus groups is on voluntary basis and those who participate will not be identified in the research or to the organisation for confidentiality reasons.

**What are the discomforts and risks?**

The potential risk and discomforts of this project are that there may be commercially sensitive information disclosed. Please note that you are able to disclose as little or as much information as you so please and all information is confidential.

**How will these discomforts and risks be alleviated?**

You may withdraw your consent at any time. All information is confidential and you will not be identified unless you so choose to be. Interviews will be conducted in private and you have the option to review transcripts from the interview. The data gathered will be stored on a memory stick and/or external hard drive and will be securely stored in a locked cupboard in the applicant's office, presently located WF Building level 8, Wellesley Campus. No data will be stored on publically accessible 'drives'.

**What are the benefits?**

The benefits of this study are to inform managers on how to manage their ageing workers, create opportunities for ageing workers, completion of my Masters of Business and contribution to academic society. Your participation will help in understanding New Zealand Export Manufacturer's in regards to their ageing workforce. This may also have practical benefits, which could be applied to your organisation to mitigate the risk of an ageing workforce.

**How will my privacy be protected?**

All information provided will be kept confidential, respondents will not be identified, and pseudonyms will be used in the event that any information is important to be disclosed in this thesis. The information will be stored on a locked file, so there is no risk to your privacy.

**What are the costs of participating in this research?**

There is no financial cost associated with participating in this research, although you will need to set aside a maximum of an hour to participate in an interview.

**What opportunity do I have to consider this invitation?**

You will have 3 weeks to consider your voluntary participation.

### **How do I agree to participate in this research?**

You will need to advise me (Estelle), that you would like to participate in this research. You can do this by emailing me at [Estelle.curd@bluescopesteel.com](mailto:Estelle.curd@bluescopesteel.com). I will then send through a consent form for you to view which you can fill in and send back or alternatively you can fill out the consent form on the day of the interview.

### **Will I receive feedback on the results of this research?**

If you would like a copy of the results there will be an opportunity on the consent form to advise that you would like a copy of the results.

### **What do I do if I have concerns about this research?**

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, *Keith Macky*, [Keith.Macky@aut.ac.nz](mailto:Keith.Macky@aut.ac.nz) 09 921-9999 ext 5035

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEK, *Kate O'Connor*, [ethics@aut.ac.nz](mailto:ethics@aut.ac.nz) , 921 9999 ext 6038.

Whom do I contact for further information about this research?

### **Researcher contact details:**

*Estelle Curd*, [Estelle.curd@bluescopesteel.com](mailto:Estelle.curd@bluescopesteel.com) or [Estelle.curd@hotmail.com](mailto:Estelle.curd@hotmail.com)

### **Project Supervisor contact details:**

*Keith Macky*, [Keith.Macky@aut.ac.nz](mailto:Keith.Macky@aut.ac.nz)

Approved by the Auckland University of Technology Ethics Committee on **26/07/2013**, AUTEK Reference number **13/168**

# Participant Information Sheet



Date Information Sheet Produced:

## Project Title

***The New Zealand Ageing Workforce: An Analysis of the Export Manufacturing Industry***

## An Invitation

My name is Estelle Curd and I am a 5<sup>th</sup> year student studying my Masters of Business at Auckland University of Auckland. This project is part of my Master's Thesis which I will be completing over the next two years (2013-2014). Additional to this I also work as a Human Resources Advisor at New Zealand Steel.

In order to complete my thesis I need to identify some of the causes and implications of an ageing workforce and what influence s retirement decisions with the end result being to identify HR strategies and plans to help better integrate and utilise New Zealand's mature workers in the export manufacturing industry.

I invite you to participate in my study, participation in this study is on a voluntary basis and you may withdraw at any time prior to the data collection completion. If there is a potential conflict of interest, and if you so choose to participate in this research, this will neither advantage nor disadvantage you.

## What is the purpose of this research?

The purpose of this research is to complete my Masters of Business majoring in People and Employment which comprises of a thesis. The findings and outcomes of this research will then be submitted to academic journals for publication.

How was I identified and why am I being invited to participate in this research?

You are being invited participate in this research as you are currently employed in the export manufacturing industry and are aged 55 years or older and work in a full time capacity. Your input is important in the creation of my thesis as it will provide key insights into mature employee participation and retirement decisions.

**What will happen in this research?**

You and others in the focus group will be asked a series of 4 questions over a period of 45 to 60 minutes, in this time you will discuss these questions. Each question should take between 10-15 minutes to discuss. These questions are around retirement and mature employees value in your organisation. There will be a minimum of 4 others, and a maximum of 6 others included in the focus group. This is to ensure that your thoughts on the matter are heard and noted.

**What are the discomforts and risks?**

The potential risk and discomforts of this project are that personal information may be shared. Please note that you are able to disclose as little or as much information as you so please.

**How will these discomforts and risks be alleviated?**

You may withdraw your consent at any time. All information is confidential and you will not be identified unless you so choose to be. You will not be identified unless you so choose to be.

**What are the benefits?**

The benefits of this study are to inform managers on how to manage their ageing workers, create opportunities for ageing workers, completion of my Masters of Business and contribution to academic society. Your participation will also help in creating better outcomes for those who mature workers who are considering retirement in the export manufacturing industry.

**How will my privacy be protected?**

All information provided will be kept confidential, respondents will not be identified in the thesis or to the organisation, and pseudonyms will be used in the event that any information is important to be disclosed in the thesis. The data gathered will be stored on a memory stick and/or external hard drive and will be securely stored in a locked cupboard in the applicant's office, presently located WF Building level 8, Wellesley Campus. No data will be stored on publically accessible 'drives'.

**What are the costs of participating in this research?**

There is no financial cost associated with participating in this research, although you will need to set aside a maximum of an hour to participate in the focus group.

**What opportunity do I have to consider this invitation?**

You will have 3 weeks to consider your volunteer participation.

**How do I agree to participate in this research?**

You will need to advise myself (Estelle) that you would like to participate in this research. You can do this by emailing me on [Estelle.curd@bluescopesteel](mailto:Estelle.curd@bluescopesteel). I will then send through a consent form for you to view which you can fill in and send back or alternatively you can fill out the consent form on the day of the focus group. In the event that more than the required number of focus group participants volunteer, the first seven who volunteer and fit the criteria will be chosen. You will be advised by email if you are in the group of seven or not.

**Will I receive feedback on the results of this research?**

If you would like a copy of the results there will be an opportunity on the consent form to advise that you would like a copy of the results.

**What do I do if I have concerns about this research?**

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, *Keith Macky*, [Keith.Macky@aut.ac.nz](mailto:Keith.Macky@aut.ac.nz) 09 921-9999 ext 5035

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTC, Kate O'Connor, [ethics@aut.ac.nz](mailto:ethics@aut.ac.nz) , 921 9999 ext 6038.

Whom do I contact for further information about this research?

**Researcher contact details:**

*Estelle Curd*, [Estelle.curd@bluescopesteel.com](mailto:Estelle.curd@bluescopesteel.com) or [Estelle.curd@hotmail.com](mailto:Estelle.curd@hotmail.com)

**Project Supervisor contact details:**

*Keith Macky*, [Keith.Macky@aut.ac.nz](mailto:Keith.Macky@aut.ac.nz)

Approved by the Auckland University of Technology Ethics Committee on **26/07/2013**, AUTC Reference number **13/168**



# Participant Information Sheet



Date Information Sheet Produced:

## Project Title

***The New Zealand Ageing Workforce: An Analysis of the Export Manufacturing Industry***

## An Invitation

My name is Estelle Curd and I am a 5<sup>th</sup> year student studying my Masters of Business at Auckland University of Technology. This project is part of my Master's Thesis which I will be completing over the next two years (2013-2014). Additional to this, I also work as a Human Resources Advisor at New Zealand Steel.

In order to complete my thesis, I need to identify some of the causes and implications of an ageing workforce and what influences retirement decisions. The end result of this thesis being to identify HR strategies and plans to help better integrate and utilise New Zealand's mature workers in the export manufacturing industry. To better help me assess the causes and implications of an ageing workforce and what influence retirement decisions, I also ask to run focus groups with your permission for those who are 55 years or older in your organisation.

I invite you to participate in my study, participation in this study is on a voluntary basis and you may withdraw at any time prior to the data collection completion. If there is a potential conflict of interest, and if you so choose to participate in this research, this will neither advantage nor disadvantage you.

## What is the purpose of this research?

The purpose of this research is to complete my Masters of Business majoring in People and Employment which comprises of a thesis. The findings and outcomes of this research will then be submitted to academic journals for publication.

## How was I identified and why am I being invited to participate in this research?

You are being invited participate in this research as you are a key stakeholder in understanding ageing workers, be it through exposure to aged workers or the study of aged workers. Your input is important in the creation of my thesis as it will provide key insights into mature employee participation and HR strategies for mature workers.

**What will happen in this research?**

You will be asked a series of seven questions around the ageing workforce in your organisation. The interview will involve me (Estelle) as the interviewer and yourself as the interviewee. The interview will take a maximum of an hour.

**What are the discomforts and risks?**

The potential risk and discomforts of this project are that there may be commercially sensitive information disclosed. Please note that you are able to disclose as little or as much information as you so please and all information is confidential.

**How will these discomforts and risks be alleviated?**

You may withdraw your consent at any time. All information is confidential and you will not be identified unless you so choose to be. Interviews will be conducted in private and you have the option to review transcripts from the interview. The data gathered will be stored on a memory stick and/or external hard drive and will be securely stored in a locked cupboard in the applicant's office, presently located WF Building level 8, Wellesley Campus. No data will be stored on publically accessible 'drives'.

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**How will my privacy be protected?**

All information provided will be kept confidential, respondents will not be identified, and pseudonyms will be used in the event that any information is important to be disclosed in this thesis. The information will be stored on a locked file, so there is no risk to your privacy.

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There is no financial cost associated with participating in this research, although you will need to set aside a maximum of an hour to participate in an interview.

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**Project Supervisor contact details:**

*Keith Macky*, [Keith.Macky@aut.ac.nz](mailto:Keith.Macky@aut.ac.nz)

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