

Understanding the Aging Workforce: Defining a Research Agenda

Workplace and Job Factors Affecting Older Workers

This issue brief is based on the consensus report *Understanding the Aging Workforce: Defining a Research Agenda*, which offers a multidisciplinary framework for understanding the complex pathways between work and nonwork that adults traverse at older ages. The report reviews the current literature and proposes a comprehensive research agenda that highlights the need for more work exploring the ways in which these pathways are shaped not only by workers' individual and family characteristics but also by the current and historical social, economic, and policy contexts in which they live and work. To this end, it examines the role of workplaces, age discrimination and other forms of social inequality, labor markets, and social policy in shaping and constraining older adults' preferences and expectations for extending their working lives. This issue brief focuses on the role of workplace policies and practices.

THE ROLE OF WORKPLACES

Workplace norms, policies, and practices, which are negotiated and established within the context of the employer–employee relationship, shape work and retirement pathways by increasing or constraining older workers' agency in work–related decisions. These work practices define the employment relationship by establishing a set of conditions, such as pay, work schedule, benefits, the degree of job flexibility, training opportunities, and health and safety conditions. These

practices influence whether older workers continue to develop their skills as they age, stay engaged at the workplace, remain healthy, and are able to balance work and nonwork roles over the life course. Workplace practices thus establish constraints on work behaviors, shape worker expectations, and guide worker preferences.

Currently workplaces are undergoing tremendous change. New technologies are impacting work processes, in some cases intensifying work while in other cases simplifying it, as well as demanding that employees continually update their skills. At the time of this writing, the nation is beginning to emerge from the COVID–19 pandemic. Remote working has increased dramatically and concerns about workforce safety have become a higher priority for organizations. In addition, today's workplace is also characterized by great inequality in working conditions and access to employee benefits. It is in this context that the report considers the workplace and job–related factors that influence the employment decisions of older workers. These changes have highlighted the need to more consistently and comprehensively address research questions that focus on the effects of workplace policies and practices on retirement and work at older ages.

THE EMPLOYER–OLDER EMPLOYEE RELATIONSHIP

Within workplaces, both employer and employee interests shape the employer–employee relationship,

and their interests may differ or align, which can create tension at the workplace and result in practices that satisfy the interests of one party over the other. However, this tension is not insurmountable because both parties' interests can also align around particular issues. For example, practices attentive to safety and ergonomics generally meet the interests of both employers and employees regardless of age. Moreover, alignment of employer and employee interests may vary by the skills of older workers. High-skilled workers typically have more power to obtain practices from employers that match their preferences than lower-skilled workers because they face a more favorable labor market that offers them wider employment opportunities. This power difference can lead to disparities in workplace practices across skilled work groups.

Job control involves both decision authority—latitude over key decisions regarding how work is done—and the sense that one's skills are utilized. **Schedule control** is distinct from job control, but those who have more control over how they work (job control) also tend to have more control over when and where they work (schedule control). New communication technologies facilitate possibilities for working anywhere, anytime. But this also means that coworkers and managers often feel free to reach out for work matters at any time and everywhere. Employees' sense of control over both their jobs and their schedules can determine whether these changes result in positive or negative outcomes. Both job control and schedule control can reduce burnout and turnover and promote job satisfaction, health, and well-being.

Employee voice typically refers to how workers communicate with management, the say workers have about their work tasks, and the participation workers have in organizational decision making. When employees have a say in their work, they can influence the types of practices employers implement. Employee voice can be part of independent collective representation that negotiates with employers or when individual employees express their concerns and opinions directly to employers. Greater employee voice at the workplace can be instrumental in expanding work options for

older employees, such as through part-time work, remote work, or partial retirement. Moreover, greater employee voice can help reduce inequalities by fostering greater access to practices across ages and historically disadvantaged subgroups.

WORKPLACE PRACTICES

Types of Practices

Workplace practices can be bundled into four non-exclusive groups defined based on the purpose or goal of implementation:

- **Accommodation practices** are workplace practices that recognize the possible aging-based declines in older workers' physical and cognitive capacities and are designed to compensate for such declines. Accommodation practices can affect older workers directly by improving or sustaining their physical and cognitive health or indirectly by facilitating an organizational climate that cares for older workers. These can include ergonomic changes to reduce physical strain, such as adopting better technologies or equipment or altering job design, job crafting (modifying worker tasks to improve person-job fit), or adopting telecommuting.
- **Developmental practices** are workplace practices that help older workers acquire new knowledge, skills, and abilities. These practices can be maintenance focused (improving workers' ability to conduct their current job duties) or focused on job mobility (updating older workers' skills, replacing those that are no longer pertinent to their jobs with new skills). Engaging in development and training at work provides general benefits, such as ensuring that employees have basic skills to work and helping them understand how to work effectively in teams. In addition to those benefits, older workers' participation in skill development may help combat age-related declines in cognitive and physical abilities, providing not only a private benefit but also a social one. Moreover, development practices are important because skill obsolescence and lack of updated training are prevalent threats to older workers' careers.

- **Retention and exit practices** are workplace practices that encourage and enable either the retention of older workers in the workplace or older workers' transitions out of the workplace, respectively. For organizations that experience labor force shortages or potential talent loss, retention practices, such as offering phased retirement, contingent work arrangements, and comprehensive benefit packages can help retain the human capital provided by older workers. Organizations that aim to restructure their skill and knowledge combinations may adopt practices that facilitate older worker retirement and exit, such as offering early retirement incentives.
- **Age-inclusive practices** are workplace practices that focus on making all employees in an organization, regardless of their age, feel welcomed, accepted, and fairly treated, thus protecting workers from age-related stereotypes, prejudice, or discrimination. Compliance with anti-discrimination laws, training programs for employees and supervisors that counter age-related stereotypes and discrimination, and other practices that promote inclusion provide employees from all age groups with equal opportunities to contribute and succeed in the workplace. Age-inclusive practices have been shown to facilitate strong and mutually caring, supportive, and loyal relationships between workers of all ages and their employers, which subsequently led to higher company performance and lower employee turnover intention.

Age-specific versus age neutral practices. When employers introduce new workplace practices that benefit older workers, they can do so in either age-specific or age-neutral ways. Age-specific practices are tailored to older workers and can be useful in meeting their specific needs, but they run the risk of stigmatizing older workers as a “special group” and encouraging discrimination against them. Age-neutral practices are designed for all workers and therefore avoid age-based stigmatization; however, when the needs of older workers differ from those of younger workers, such practices risk losing the effectiveness found in practices specifically designed for older workers.

Key Practices

Job quality is associated with employee retention and is a multidimensional concept that includes not only pay and compensation but also satisfaction with the number of hours, the promise of promotion opportunities and job security, the type of work (whether hard physical labor, exhausting, or dangerous), the content of the work (whether it is interesting, involves contributing to society, is meaningful), and satisfaction with interpersonal relationships (with both peers and managers). The report reviews several key practices associated with job quality:

- **Flexible work arrangements** can involve flexible work hours, time off, or remote work; they can be voluntarily chosen by workers or involuntarily imposed by employers for business reasons. Flexibility policies can be “on the books”—stated in organizational handbooks—but typically granted only as a special accommodation to highly valued employees. Evidence suggests that the effectiveness of flexible work arrangements, such as remote work or alternative schedules, is essentially determined by whether they are voluntary, chosen and desired by workers, or involuntary, implemented by managers or employers for business reasons.
- **Employer-provided trainings programs** can bring important benefits to older workers, increasing their work engagement and job quality. Yet research on training and retaining older workers has yielded conflicting results. The way training is conducted can influence the effectiveness of the training itself and its relationship with retention. Training that is targeted toward older workers appears to be more effective at providing extensive human capital development and has a stronger positive relationship with wages. However, older workers may be less motivated to pursue training opportunities, and organizations may be less likely to offer training to them because they have fewer remaining years of work in which they can reap the returns on their training investment.

- **A supportive climate for diversity and inclusion** is strongly related to the implementation of age-inclusive practices discussed above. Although most employers report that older workers plan to extend their working lives, fewer offer the kinds of flexible work options and transition strategies that older workers indicate are needed to make working longer possible and only a small fraction include age in their diversity and inclusion strategies. These practices are particularly important in the present day where chronological age is less meaningful than other characteristics, such as job tenure or work experience, for which age has often served as a proxy.
- **Compensation and benefits** are key elements that define job quality and their structure can affect retirement decisions. For example, in jobs that offer defined benefit, or pension, plans, the benefit structure can create strong inducements to retire at specific ages, while defined contribution plans do not have similar age-specific inducements to retire.

While many job characteristics, such as workplace flexibility, autonomy, and control and a workplace culture promoting respect, inclusion, and empathy are valued by workers of all ages, older workers place greater value on characteristics such as pension and retirement benefits, constructive relationships with coworkers, opportunities for meaningful work, and having fewer physical demands than younger workers. In addition, job characteristics such as opportunities for training and development to acquire new skills, employment security and predictability, and opportunities for meaningful work are associated with higher work engagement and decisions to work longer among older workers.

FUTURE RESEARCH ON WORKPLACES FOR AN AGING WORKFORCE

The report outlines the need for further research that addresses the role of workforces in shaping the work and retirement experiences of older workers and highlights an overarching need for research that specifically addresses the experiences of vulnerable older populations, particularly the experiences of

women, racial and ethnic minorities, immigrants, those with less education, those who have low income or limited savings and wealth, those living in rural or economically disadvantaged areas, and those with multiple intersecting vulnerabilities. The relative lack of attention to these populations in the existing literature limits understanding of the ways in which social and economic inequality both within workplaces and more broadly contributes to inequality in access to the types of workplace policies and practices that improve job quality and promote the well-being of older adults.

Further research could provide a better understanding of how the employer–employee relationship determines how, when, and in whose interest specific policies and practices are enacted within workplaces. Specifically, additional research is needed on:

- The role of employee voice in shaping the organization practices and context that affects older workers;
- The relative effectiveness of age-specific versus age-neutral practices in improving outcomes for older workers, including the trade-offs between their costs and benefits;
- What age-related and age-neutral practices are offered by organizations, what types of older workers have access to these practices, and who actually uses them;
- The role of flexible work arrangements in shaping work and retirement behaviors, specifically whether and what kinds of flexible arrangements affect the timing of retirement and older workers' decisions to exit or remain employed;
- The implementation and effects of introducing new technologies to the workplace, including work-enabling technologies that reduce cognitive and physical effort, in order to better assess both the positive and negative impacts of technological change and innovation on the employment of older workers;

- The underlying reasons for lower rates of employer-provided job training for older workers, as well as whether older worker-focused training is effective in retaining older workers;
- Conceptualizing and measuring age-inclusive organizational policies, identifying inclusive organizational policies that can mitigate against age-related biases, and determining whether these policies actually create a more inclusive culture.

THE PATH FORWARD

Work and retirement decisions are the result of individual preferences for work, expectations about the future,

and constraints on work behaviors within larger social and organizational contexts. The enactment of the research agenda outlined above would provide a more comprehensive understanding of the role of workplaces in shaping older workers' work and retirement experiences. This may require the development of new data sources and innovative research methodologies that allow researchers to make connections between organizational policies and practices, employer interests, and individual employee experiences, but would provide invaluable insights into an often neglected sphere of influence over work and retirement experiences.

FOR MORE INFORMATION

This issue brief was prepared by the Committee on Population based on the report *Understanding the Aging Workforce: Defining a Research Agenda* (2022). The study was sponsored by the Alfred P. Sloan Foundation and the National Academy of Sciences' W.K. Kellogg Foundation Fund. Any opinions, findings, conclusions, or recommendations expressed in this publication do not necessarily reflect the views of any organization or agency that provided support for the project. Copies of the Consensus Study Report are available from the National Academies Press, (800) 624-6242, or <https://www.nap.edu/catalog/26173>.

Division of Behavioral and Social Sciences and Education

**NATIONAL
ACADEMIES** Sciences
Engineering
Medicine

Copyright 2022 by the National Academy of Sciences. All rights reserved.