

# Organisation-level policy towards older workers in Poland

Perek-Białas J, Turek K. Organisation-level policy towards older workers in Poland

This article presents the results of studies on organisation-level strategies towards older workers in Poland. The analyses were based on a national and representative sample survey of 1,037 companies (public and private sectors) – the first of its kind in Poland. The question of the survey was: How do Polish employers deal with an ageing workforce and how can management tap into their potential through various measures? The analyses revealed three different strategies: (i) improvement of productivity – trying to improve the skills and competencies of older workers, increase their effective use of and adjustment to the workplace, plan individual career moves and avoid work burn-out; (ii) the pushing out of older workers – attempting to rid the workplace of older workers as quickly as possible; (iii) accommodation and reduction of labour costs – slowly preparing senior workers for retirement and creating conditions that would meet their actual needs.

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In the foreseeable future, many Central and Eastern European countries, including Poland, will have to tackle the challenge of an ageing society and a growing number of older workers. In the last two decades, this issue has gained a certain amount of interest among policy makers in all post-transitional and relatively 'young' countries, including Poland (Perek-Białas & Ruzik, 2004; Polska 2000 Plus, 2008). After 1989, during the transition from a central-planning economy to a free economy, the Polish government found itself with much more immediate problems to be solved, for example, the development of a free market economy, implementation of major systems' reforms, privatisation, prevention of inflation and the reduction of the high unemployment rate (Jackson & Mach, 2009). Although very important, the only response to the expected demographic

change was a reform of the pension system that commenced in 1999. Besides, the labour market situation in the 1990s and early 2000s had not prompted Polish employers to express profound concern about older workers or develop any form of age management (Urbaniak, 2007; Zięba & Szuwarzyński, 2008). A broad supply of young employees from the baby-boom generation, much better educated than their parents, was much more attractive to them.

Today, however, demographic changes have become a more important issue in the public debate (Szukalski, 2008). Considered to be one of the lowest in the European Union (EU) in terms of the employment rate of older workers as well as having a rather low effective exit age from the labour market, Poland's ageing workforce has become an urgent topic for policy makers.

The government has already limited the early retirement options and it plans to raise the eligible retirement age. Nevertheless, in order to prolong the professional life and increase employment of the older generation, employers would also have to be willing to engage older workers and utilise their potential in a productive way. The current ageing policy in Poland has already gained the interest of researches and experts, particularly in recent years [e.g., Błędowski, 2002; Cerami, 2011; Ministry of Labour and Social Policy (MPiPS), 2008; Perek-Białas & Ruzik, 2004]. However, the role and influence of employers on workers' retirement decisions, as well as their actions and organisation-level policies towards older workers, have yet to be adequately analysed. The present study attempted to fill this gap by looking at the problem from the standpoint of organisations. Depending on the perceived value of older workers, the employer can choose different strategies towards them. We analysed the data for Poland and investigated the organisation-level strategies towards older workers and the relationship between employers and ageing workers. The data are taken from the first nationwide and representative survey of Polish employers that focused on the topic of older workers, which was conducted in 2009.

The first part of the article provides a theoretical background and literature review, thereby setting the framework for the analysis. The second part presents a statistical overview of Poland's ageing population and the situation of older workers, considering as well the existing public policy strategies and programmes. The third part outlines the perspective of Polish organisations, presenting an analysis of employers' opinions and policies towards older workers. The article ends with a discussion of the results.

### **Theoretical background**

The literature on the relationship between employers and older, mature or ageing

workers has a long tradition. In the early period, it was focused primarily on the gap between wages and productivity. Empirical research showed that although wages tend to increase with age, the rate of productivity does not necessarily increase. The explanation was proposed by three approaches: the classical human capital theory whose development has chiefly been initiated by these investigations (Becker, 1993/1964; Ben-Porath, 1967; Mincer, 1958); the so-called 'Lazear contracts' (Lazear, 1976; Medoff & Abraham, 1980, 1981); and the 'seniority rules' theory (Barth, 1997; Carmichael, 1983; Hutchens, 1987).

The classical human capital theory assumes that the worker's wage is generally equated with his or her marginal productivity. The wage-productivity gap, if it occurs, is a result of the costs of investments in specific training at a younger age. This approach was questioned by Lazear (1976) and later by Medoff and Abraham (1980, 1981) who assumed and later proved that other mechanisms also affect the relationship, so that earnings grow even when productivity does not. The 'Lazear contracts' were implicit and long-term agreements between employer and employee which stated that young workers would earn less than their marginal product would imply, while older workers (reversely) would earn more. The delayed payment discourages workers from shirking and malfeasance, as hardworking and honest workers would certainly remain with the firm and eventually receive higher wages.

The third approach, seniority rules, refers to implicit or explicit arrangements in a company where tenured wages will increase and workers will be promoted regardless of productivity and specific human capital. Seniority arrangements may be the effect of trade union bargaining, legal regulations (often met in public sector) or tradition and culture (Booth & Frank, 1996).

Regardless of the explanation, the wage-productivity gap in such form represents a

potential loss for firms. Research, mainly in psychological and medical fields, showed, however, that the process of ageing is not necessarily associated with a loss of functional capacity and productivity (Arking, 2006; Skirbekk, 2004; Van der Berg, Deeg, Lindeboom & Portrait, 2009). Productivity depends on the specific constellation of abilities needed for work tasks and roles and may vary across work types. One of the most important and comprehensive contributions in this respect was the work of Warr (1994). Warr distinguished different types of jobs depending on whether their physical and cognitive requirements exceeded the capacities of older workers and whether their experience increased productivity. There are jobs which require capabilities that can decline with age and where experience is not profitable. Here, ageing tends to work negatively. However, in some jobs, a decrease in some abilities (e.g., physical or the ability to learn) does not affect the job performance of older workers. Moreover, experience, expertise or communication skills may provide additional advantages.

Later research has found that the level of productivity in older workers may also be improved by proper management and organisation of work. The first half of the 1990s was a developmental period for the concept of age management (Casey, Metcalf & Lakey, 1993; Walker, 1998). This is an approach in human resources management that takes into account the age, ageing process and life cycles of individuals. It consists of practices developed specifically for older workers, allowing them to make better use of their capabilities and skills and facilitating the adaptation of work conditions to the workers' needs. It also involves a comprehensive, long-term approach towards career planning for individual employees, as well as considering the reasonable development and shaping of personnel teams. For an employer, age management is also an investment in the company's human capital, which improves

stability and productivity of a team by increasing the motivation and loyalty of employees (OECD, 2006; Piekkola, 2006; Silverstein, 2008).

In order for it to occur and be successful, age management requires from employers an appropriate attitude towards and knowledge about its possible advantages. This has inspired research on the opinions and attitudes of employers and organisation-level policies towards older workers. One of the first research studies in this field was conducted by Taylor and Walker (1994). They found that in employers' perceptions, older workers lack the appropriate skills, and that any government actions are not likely to have a significant impact on the employment prospects of older workers. Therefore, this group is likely to be increasingly confined to a choice between low-skill/low-wage jobs in the service sector or non-employment. Another research by Taylor and Walker (1998) confirmed that older workers are valued for their loyalty, productivity and reliability. The most negative opinions concerned the use of new technology among older workers and their resistance to change, flexibility and interaction with younger superiors. The lack of professional knowledge and skills was considered to be the most important disadvantage for older workers. Furthermore, investigated employers did not invest in training for 50+ workers.

A comparative analysis in Greece, Spain, The Netherlands and the UK (Van Dalen, Henkens & Schippers, 2009) showed that despite perceived challenges ahead (including an ageing workforce), employers took no substantial measures to retain and recruit older workers or improve their productivity. Only employers in the UK seemed to have acknowledged older workers as a valuable source of labour supply and have thus acted accordingly.

Perek-Białas and Turek (2011), when analysing the data for Poland, found that older workers are valued more for their 'soft skills' (i.e., social skills, management skills,

reliability and loyalty), while younger workers are preferred for their 'hard skills' (creativity, physical health, new technology skills, willingness to learn and flexibility). These results confirmed the earlier findings by Van Dalen, Schippers and Henkens (2010a) for Dutch employers.

In Western European countries, interest in employers' attitudes and approaches towards older workers has intensified in recent years (e.g., Armstrong-Stassen, 2008; Brooke & Taylor, 2005; Chiu, Chan, Snape & Redman, 2001; Loretto & White, 2006; Munnell, Sass & Soto, 2006; Tuominen & Takala, 2006). However, only a few researchers have raised the issue of specific measures and policies implemented at the organisational level. An exception here is the recent work by Van Dalen, Schippers and Henkens (2010b), based on research from 2005. They concluded that organisations in The Netherlands are doing their best to accommodate the needs of their older workers, but are not very active in raising older workers' productivity. The authors distinguished (on a theoretical basis) three different policies: (i) policy of accommodation (e.g., reduction of workload); (ii) policy of reduction in labour costs (e.g., by demotion); and (iii) policy of increased productivity for older workers (e.g., by special training programmes). These studies showed that the first policy was the most common among Dutch companies ( $n = 597$ ). It included: *additional leave/increased holiday entitlement*, implemented by 56 per cent of the companies; *ergonomic measures*, 49 per cent; *part-time early retirement or part-time pre-pension*, 46 per cent; *flexible working hours*, 27 per cent; as well as *age limits for irregular work, exemption from working overtime for older workers and reducing the workload for older staff* (in all, about a third of the employers). The 'policy of reduction in labour costs' in the form of *demotion* was implemented by only 6 per cent of the companies. The 'proactive policy for older workers' in the form of *training programmes for older staff* was implemented by

13 per cent of Dutch firms. Van Dalen et al. (2010b) also found that bigger companies implemented more measures. Following these results, we formulated two hypotheses to be later verified in the analysis:

H1: We expect to find primarily three different organisation-level policies towards older workers: the increase of productivity of older workers, reduction of costs and accommodation of older staff.

H2: Bigger companies implement more measures in favour of older workers rather than smaller companies.

### **Poland: Labour market and public policy in terms of an ageing society**

#### Labour market in Poland

There are hardly (if any) broad studies on age management among Polish companies. The existing data, current analysis and expert opinions briefly conclude that measures addressing older workers are still an uncommon practice (MPiPS, 2008; Urbaniak, 2007; Zięba & Szuwarzyński, 2008). Before proceeding to organisation-level analysis, we present the economic, political and welfare framework in which companies operate.

The activity level of the older generation in Poland is one of the lowest among European countries. The average age of persons who received for the first time pensions benefits in 2010 was 59 years for women and 60.2 years for men (ZUS, 2011). The current eligible retirement age is 60 years for women and 65 years for men. The Polish old-age dependency ratio<sup>1</sup> in 2010 was about 19 per cent. However, in 2020, it will already have risen to 27 per cent and in 2050 to 56 per cent (Eurostat, 2009, 2010, 2011). In 2010, the employment rate for men and women aged 50–64 years was 55.7 per cent

<sup>1</sup> The projected ratio of persons aged 65 and over and persons aged between 15 and 64.

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Table 1. Employment rate, inactive population and unemployment rate in age categories (2010).

Age	Employment rate (%)		Inactive population (%)		Unemployment rate – LFS (%)	
	Men	Women	Men	Women	Men	Women
15–24	30.3	22.1	60.9	70.3	22.4	25.4
25–29	80.9	66.4	8.6	24.1	11.6	12.6
30–34	87.9	71.6	5.4	21.3	7.1	9.0
35–39	87.7	76.4	6.3	17.5	6.3	7.4
40–44	86.2	77.5	7.6	16.4	6.7	7.3
45–49	80.5	75.7	13.5	17.9	6.9	7.9
50–54	73.0	65.7	20.5	28.8	8.2	7.8
55–59	59.4	33.6	35.4	63.7	8.0	7.5
60–64	26.7	12.7	71.6	86.9	6.2	–
65–69	13.4	6.4	86.3	93.3	–	–

Source: Based on Eurostat – LFS

and 39.1 per cent, respectively (but 49.7% for women in the pre-retirement group aged 50–59).

When looking at Table 1, we observe that the employment rate gradually decreases, beginning with the age group in their 40s. It is also clearly noticeable that the eligible retirement age (together with options of early retirement) is the crucial factor influencing retirement decisions. While in the male group aged 45–49 the employment rate is 81 per cent, in the pre-retirement group of 60–64 it is only 27 per cent. Respectively for women, the indicator decreases from 76 to 34 per cent in the pre-retirement group 55–59. The drop is especially noticeable during the 5-year period just before the eligible retirement age. For women between the ages of 55 and 59, the indicator decreases by 49 per cent compared with the women in the age group 50–54. For men, a similar tendency occurs and accounts for 55 per cent of the total when comparing the age cohorts of 55–59 and 60–64. This change might be described as a ‘pre-retirement decline’. It is mainly related to the legal possibilities of early retirement options which were made available for this group. The ‘retirement decline’ in the following age categories for both sexes is about 50 per cent.

A crucial factor shaping the employment structure in Poland is the education level.

Its impact is particularly visible among the older generation, which in general has a lower education level compared with younger generations. The employment rate for women was generally lower for all levels of education (Figure 1). The highest employment rate was observed among individuals with a higher education for both men and women. In the age group 65–69, which is after the eligible retirement age, one-third of men with a higher education were still employed. The explanation for this is found in the level of wages and replacement rate (MPiPS, 2008). The decision to leave work and go into retirement is much less profitable for people with high wages (i.e., usually better educated). It is rational for them to continue working if an appropriate level of wages makes up for the alternative costs (in the form of retirement benefit and leisure time gained after retirement). For people with low wages and an uncertain employment situation, retirement (as quickly as possible) is often considered as a rational and safe solution that might even provide some stable income (Kotowska & Wóycicka, 2008).

### Public policy and pension system in Poland

During the last two decades, there were hardly any strategic actions directed towards increasing the number of employed people

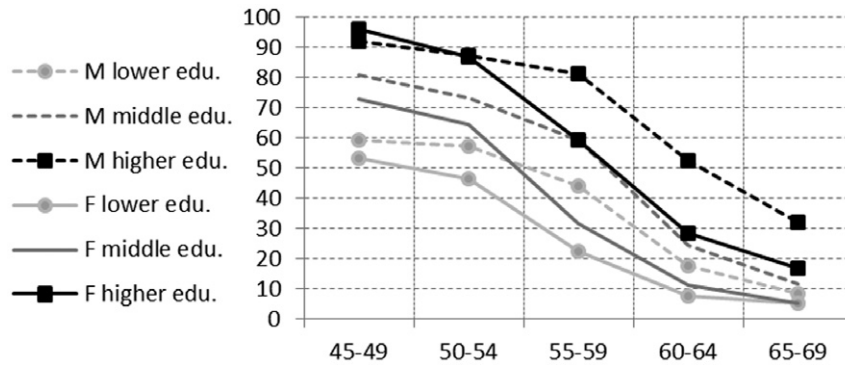


Figure 1. Employment rate by age groups and highest level of education attained (2010) (%).

Source: Based on Eurostat – LFS.

aged 50 and over (Szukalski, 2008). On the contrary, the dominant policy until 2004 was often to indirectly support early retirement as a remedy for high unemployment (Góra, 2008; Socha & Sztanderska, 2004), especially among younger people. In the 1990s, there was no real policy towards old age in Poland. The policy towards older people was limited almost exclusively to social insurance, health care and social assistance (Błędowski, 2002; Szatur-Jaworska, 2000). This was a policy of direct aid to older people, rather than a policy of assistance in organising their lives and keeping them productive in the labour market.

One of the most important achievements of the social security policy in Poland in the last two decades was the reform of the pension system introduced in 1999 (Chłoń-Domińczak, 2009; Chłoń, Góra & Rutkowski, 1999). The old defined benefit pay-as-you-go system (PAYG) provided strong incentives to retire as early as possible, especially for persons with short working histories and low earnings (Góra & Rutkowski, 1998). It was replaced by a multi-pillar pension system consisting of the mandatory first pillar based on defined contribution PAYG with mandatory funded second pillar also based on the defined contribution formula but with individual, privately managed accounts. One of the aims of the

reform was to encourage the extension of working life by a change in the calculation of future pension entitlement which should favour a person who decides to work longer than the eligible retirement age. The eligible retirement age was maintained at 60/65 years. In the pre-reform pension system, almost one-quarter of the working population had the opportunity to retire earlier than at the legal retirement age with no actuarial reduction in old-age benefit. The reform was to eliminate the privileges in the mandatory pension system; however, until the end of 2008, there were relatively ample options for early retirement.

The first strategic documents raising the problem of low employment among older generations were prepared just before Poland joined the EU in 2004. Solutions suggested by the government were very general and not concerned with the characteristics and specific problems of older workers, although there was one exception: ‘Programme 50+’ (2004–2005) which was, however, directed only at a limited group of beneficiaries. The major achievement of public policy in the 2000s on the issues of ageing was the programme entitled ‘Solidarity across Generations’ which began in 2008. It was the first comprehensive and extensive approach to the challenge of activating seniors’ potential in Poland. The

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programme was aimed at improving working conditions, promoting employment of workers 50+, promoting age management, upgrading the skills and qualifications of older employees, reducing labour costs related to their employment and activating older people who were unemployed. The general aims and propositions were promising (Szukalski, 2008), but for the first few years, actions within the project focused primarily on legislative regulations, including liquidation of some labour costs for employers employing workers in pre-retirement age. The most significant move was to limit the majority of the early retirement options.<sup>2</sup>

Summing up, Poland may be described as a typical early-exit age culture where ageing wage earners are pushed out of the labour force. There are only a few policy instruments available for keeping them in the labour market, while the level of welfare coverage for economic inactivity (the amount and duration of benefits as well as the scale of early exit from the labour market) is high. Numerous opportunities for receiving a long-term benefit (early retirement pensions before, now bridging pensions, disability pension or pre-retirement benefits) have an impact on the reduction of economic activity. This sets up a difficult challenge for public policy in Poland. Until 2008, the general policy towards raising the employment rate for 50+ workers and active ageing was almost non-existent. The only policy aimed at older people had a protective character. Currently, there are no effective incentives for employers to employ older workers or to keep them working. The programme 'Solidarity between Generations' is the first nationwide and comprehensive project, but it is still in its initial stage. Until now, topics related to pension reform and early retirement have

been considered as very risky ground for politicians. It seems, however, that the pressure today for decision making is stronger and expectations are higher.

H3: The general frequency of pro-productive measures and measures aimed at accommodating older staff will be lower in Poland than in The Netherlands, where age management has a much longer tradition and where the employment rate for older people is much higher.

H4: The policy of a just reduction of costs by pushing workers towards retirement (or early retirement) will still be relatively common in Poland, as in the 1990s.

## Organisation-level policy aimed at older workers

### Data

We used data from a nationwide and representative survey of Polish companies conducted in 2009 within the project *Activating Senior Potential in Ageing Europe (ASPA)* financed by the EU under the 7th Framework Programme.<sup>3</sup> This was the first such broad research among Polish employers on population ageing and the situation of older workers in the labour market. The computer-assisted telephone interviews survey was conducted on a national representative sample of 1,037 companies and institutions in both the private and public sectors (production, trade and services, as well as public services<sup>4</sup>) employing a minimum of 10 people. Forty-one per cent of the surveyed companies belonged to the public sector and 59 per cent to the private sector. Eighty-three per cent of the respondents were

<sup>2</sup> More than three-fourths of previously privileged workers lost their right to early retirement. Between 2008 and 2010, the employment rate for people aged 55–64 increased for women by 3.5 percentage points and for men by 1.3 percentage points (Eurostat, 2009, 2010, 2011).

<sup>3</sup> In Poland, the project was carried out by Perek-Białas and Turek. The project involved eight countries: the UK, Germany, France, Poland, Sweden, Denmark, Italy and The Netherlands (coordinator). More information is available at [www.aspa-eu.com](http://www.aspa-eu.com) and on request from the authors.

<sup>4</sup> That is, segments C–O of NACE Rev. 1.1 classification.

Table 2. Sample characteristics (ASPA Research, Poland, 2009).

Category		%	N
Sector (ownership)	Public	41	430
	Private	59	608
Size	10–49	68	709
	50–249	28	286
	250+	4	41
Sector of primary activity	Production (C–F <sup>a</sup> )	39	405
	Services and trade (G–K <sup>a</sup> )	38	395
	Public services (L–O <sup>a</sup> )	23	237
% of workers 50+	≤0	9	92
	1–5	13	133
	6–25	43	444
	26–50	26	272
	51+	8	81
Age of respondent	≤35	27	283
	36–49	37	385
	50+	34	351
Position of respondent	Human resources manager/HRO	46	480
	Head of a department/deputy director/chief accountant	19	195
	Director/CEO/CFO	18	188
	Administration employee/accountant/HR employee	16	162
	Other	1	10
Total		100%	1,036

Source: own analysis based on ASPA project 2009.

<sup>a</sup> Sectors according to NACE Rev. 1.1.

directors, deputy directors, owners, human resources managers, chief accountants or other highly positioned people in the company. The response rate (for valid sample units) was 38 per cent. Detailed sample characteristics are presented in Table 2.

Among companies examined in the ASPA research (with a minimum of 10 workers), the average share of employees aged 50+ was 22 per cent. A higher percentage was noticed in the public sector (28%) than in the private sector (18%). Additionally, one-third of employers expected an increase in the number of older workers within the next 5 years.

Measurement: variables used in the analysis

The analyses are based mainly on questions about measures implemented in companies. Each respondent was asked: ‘Which of the following measures regarding older workers are currently applied in your establishment?’ The measures (with definitions) were the following:

- (1) Part-time retirement (part-time work combined with partial retirement benefit)
- (2) Reduction of working time for older workers
- (3) Training plans for older workers
- (4) Early retirement schemes
- (5) Extra leave for older workers
- (6) Decrease in workload for older workers
- (7) Demotion (reduction of salary and lowering of positions)
- (8) Ergonomic measures (adjustment of the workplace to the needs of workers)
- (9) Age limit for irregular work (age limit for shift work or irregular work time)
- (10) Internal job mobility (changes of positions with similar earning and place in hierarchy but with different tasks and responsibilities)
- (11) Continuous career development (long-term planning for employee’s career, position and training)



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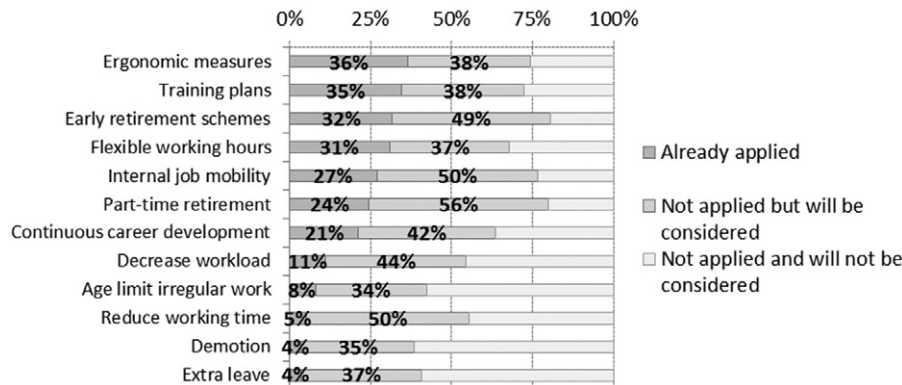


Figure 2. Practices towards older employees (in %, from companies employing persons 50+).  
Source: Own analysis based on ASPA project 2009.

- (12) Flexible working hours for older workers (adjustment of work time for their needs and possibilities)

A relatively small number of companies have developed practices supporting older workers (Figure 2). Only one-third of companies have ergonomic practices and a similar share use flexible working time programmes. While those simple solutions might significantly improve working conditions, very few firms have reduced the workload of older workers (11%) or enabled additional leave (4%). The situation looks similar with respect to age management from a broader and larger perspective. Only 35 per cent of respondents provide training for 50+ workers, while 27 per cent support internal mobility and 21 per cent plan career development for their employees.

Only 25 per cent of the surveyed companies admitted that the ageing of their workers is an important issue in human resources management. Twenty-three per cent stated that they possessed clear guidelines regarding all activities which could be labelled as 'age management'. Among the surveyed companies, one-third did not have any strategy for supporting older workers.

### Methods and models

The first stage of analysis was an exploratory factor analysis for all 12 binary variables,

performed on 1,002 observations after imputation of missing items<sup>5</sup> using Mplus version 6.0 (Muthen & Muthen, 2003). We tested solutions from one to four factors based on WLSMV<sup>6</sup> estimator analysis. The most satisfying results were obtained by a model with three correlated factors. The factors were interpreted similarly to the results of Van Dalen et al. (2010a), that is, as strategies for the improvement of productivity, the 'pushing out' of older workers, accommodation and the reduction of labour costs. The stable results supporting the theoretical assumptions presented in previous sections have allowed for the construction of a model with three different organisation-level strategies towards older workers in Poland. The final model was tested in a confirmatory factor analysis. It fits well with the data, with a root mean squared error of approximation (RMSEA) less than 0.05 (values less than 0.10 usually indicate an acceptable fit; see Steiger & Lind, 1980), and the model also fits

<sup>5</sup> Model factor analysis with missing data type MAR (missing at random) was estimated based on Little and Rubin's approach towards metric indicators based on the method FIML (full information maximum likelihood), and towards non-metric indicators (order) including Likert's scale – based on WLS (weighted least squares).

<sup>6</sup> Weighted least squares estimation procedure with missing data in statistical modelling program named MPlus.

well with the following measures: CFI (Comparative Fit Index) = 0.947, TLI (Tucker Lewis Index) = 0.931, RMSEA = 0.039.

**Results**

Figure 3 presents three general organisation-level strategies towards older workers as observed in Polish companies.

The first approach was *the strategy for improvement of productivity*. It included continuous career development, internal job mobility, training plans and ergonomic measures. This approach is meant to improve the skills and competencies of older workers, increase the effective use of their skills, help them adjust to the workplace (ergonomic measures), plan individual career strategies and avoid worker burn-out. It might be called a long-term strategy of reasonable active age management (sets older workers in active positions), involving not only support for older workers, but also management of the

whole company with respect to ageing processes. It attempted to activate and improve the potential of older workers, and the company’s human capital resources for that matter. From the perspective of wage–productivity gap, it aimed to improve productivity.

The second approach was *the strategy of ‘pushing out’ older workers*. It included early-retirement schemes and part-time retirement. This was the simplest cost-based strategy of quickly getting rid of older workers. It aimed at reducing labour costs by eliminating those employees whose ratio of productivity to wages is the lowest.

The last strategy may be interpreted as aiming *for accommodation and reduction of labour costs*. It included reductions in working time, demotion, decrease of workload, additional leave, flexible working hours and limiting the age for irregular work. It was addressed directly at older workers and involved the simplest of measures which were supposed to adjust the workload and

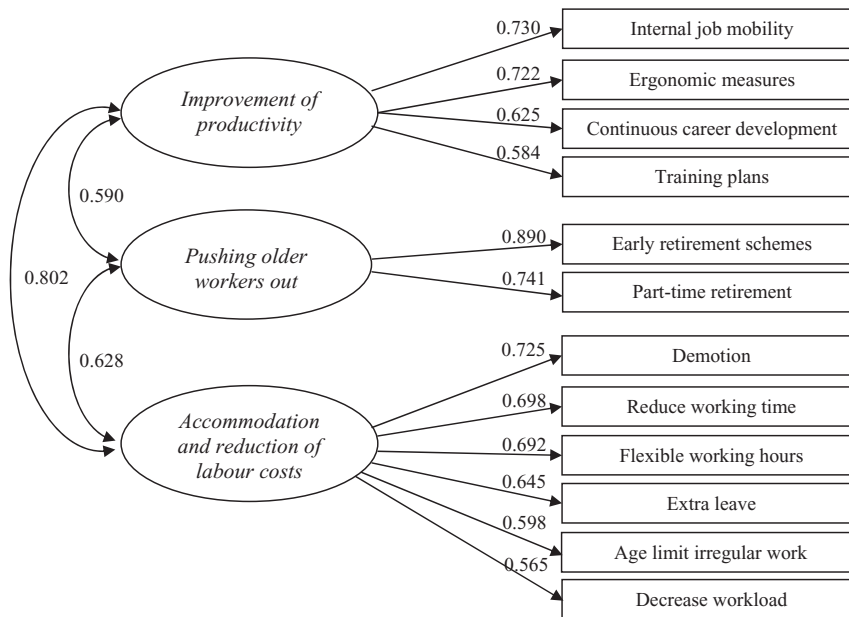


Figure 3. Confirmatory factor analysis – standardised model results\*.

Source: Own analysis based on ASPA project 2009.

\*Model fit: CFI = 0.947, TLI = 0.931, RMSEA = 0.039.

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Table 3. The frequency of particular measures towards older workers applied in companies from different categories (in %).

	Sector of primary activity			Size of the company			% of workers 50+ in the company			Total
	C-F	G-K	L-O	10-49	50-249	250 +	1-25	26-50	51+	
Continuous career development	*19	*18	*27	*18	*25	*34	*18	*26	*30	21
Internal job mobility	*27	*31	*17	26	26	35	*26	*30	*23	27
Training plans	*30	*29	*50	*30	*40	*59	*30	*44	*40	35
Ergonomic measures	36	34	36	*33	*41	*32	*34	*41	*43	36
Extra leave	*2	*6	*2	4	4	0	4	3	0	4
Demotion	4	5	1	4	3	2	4	4	4	4
Reduce working time	*4	*8	*2	5	5	2	5	5	6	5
Age limit irregular work	*10	*9	*3	8	8	3	8	6	12	8
Decrease workload	*12	*13	*4	12	9	10	11	12	11	11
Flexible working hours	*27	*36	*27	32	27	27	*28	*33	*41	31
Part-time retirement	20	26	26	*20	*32	*37	*22	*27	*32	24
Early retirement schemes	*32	*25	*40	*24	*44	*61	*26	*37	*52	32
<i>N</i>	379	322	219	619	276	35	576	272	81	929

Source: own analysis based on ASPA project 2009, weighted data.

NACE sectors: C-F – production; G-K – trade and services; L-O – public services.

\* Chi square test,  $p < 0.05$ .

work time to the possibilities of older workers. Those solutions slowly prepared senior workers for retirement and created conditions that would meet their actual needs. This was a much more passive strategy, attempting before all else to reduce labour costs. It was not intended to improve competencies and skills. However, it may also improve loyalty, reliability and subjective attitude to work, as well as preventing work burn-out and exhaustion. As a result, it could contribute to improving productivity by making better use of the current potential in human capital.

Table 3 presents a more detailed analysis of the measures applied in particular types of companies. According to the data, there is no clear pattern in the application of the three strategies within the different types of companies, yet some tendencies could be discerned. Generally, measures included in the ‘strategy for improvement of productivity’ and the ‘strategy of pushing older workers out’ were more common in medium-sized (50–249 workers) and large (250+) companies, companies employing a higher than average share of older workers (26 per cent

and more) and companies from the public services sector (L–O). Fewer measures of all types were implemented in small companies, companies from sectors C–F (production), and those employing 1 to 5 per cent of 50+ workers. Training plans for older workers occurred especially often in the public services sector (50%) and in large companies (59%). Early retirement as a solution applied to older workers was most common in the public services sector (40% of companies, especially in education with 54%), big companies employing 250 workers or more (61%) and companies in which 50+ workers constituted more than half of the personnel (52%). The ‘strategy for accommodation and reduction of labour costs’ was more popular in companies from the services and trade sectors (even if it was still rather uncommon). This strategy occurred more often in companies with flexible working hours (36%) or with a reduction in working time (8%).

## Discussion

This article has discussed the nature of policies towards the ageing Polish workforce at

the public policy level and particularly at the organisational level. For Poland, public policy focusing on ageing and older workers will remain an issue for the foreseeable future. Limited early retirement options and governmental plans for raising the retirement age have to be followed by a policy aimed at an effective use of seniors' potential. The pension system is undoubtedly the basic regulative mechanism under government administration. Nevertheless, an open question remains: What actions should accompany its reform? Postponing retirement age cannot be just an attempt to dispense with the costs of allowances to be paid by the state. The additional working years have to be a period of productive work and older persons need to be attractive to employers. Otherwise, the only effect will be seen in an increase in the number of older people who are unemployed. Thus, our interest focused on employers and their ability to manage older staff. We have presented the results of our study on the issue of organisational policy towards older workers among Polish organisations.

The analysis revealed three different strategies towards older workers at the company level. The first was aimed at increasing productivity by improving the skills and competencies of older workers, increasing the effective use of their skills, adjusting the workplace, planning individual careers and avoiding work burn-out. The second was the strategy of pushing older workers out by attempting to rid the workplace of them as quickly as possible (reduction of costs). The last and least common strategy was accommodation and reduction in labour costs.

These findings are in line with research carried out in The Netherlands (Van Dalen et al., 2010b). First of all, we empirically proved the existence of similar types of organisation-level policies in confirmatory factor analysis (verifying H1), while the Dutch researchers based their results only on the theoretical typology of measures. Secondly, the bigger companies in Poland as well

as in The Netherlands implemented more measures than the smaller ones (H2).

The comparison shows that the general frequency of pro-productive measures and measures aimed at accommodating older staff were much higher in The Netherlands than in Poland (H3). In The Netherlands, age management has a much longer tradition, while in Poland, this is a relatively new approach in human resources management. Additionally, labour market activity for older people is much higher in The Netherlands (where the employment rate for the age group 50–64 in 2010 was 63% and the average exit age in 2007 was 63.6 for women and 64.2 for men; in Poland, comparable statistics were, respectively, 47, 57.5 and 61.4%). The Dutch pension system sets the statutory retirement age both for women and men at 65, whereas in Poland, it is still 60 for women and 65 for men.

Dutch companies commonly implemented measures aimed at 'accommodating older staff', which in Poland was the least common. In the Dutch case, *training programmes for older staff* were implemented in only 13 per cent of companies, whereas in Poland, this particular measure referred to about a third of the companies surveyed. This could be a result of the various life-long learning programmes offered to Polish organisations in recent years (financed primarily by the EU). *Demotion* was ascribed to the policy of accommodation in Poland, but to the policy of reduction in costs in The Netherlands. However, in both countries, it was rarely met. Two of the measures, prescribed by Van Dalen et al. (2010b) to the policy of accommodation, found their place among other strategies implemented in Poland. The first, *ergonomic measure*, was included in Poland as part of a pro-productivity strategy. The second, *part-time retirement*, was combined in Poland with *early retirement* to construct a policy of pushing older workers out. The reason for this is to be discerned in the different ways part-time retirement is understood. In The

Netherlands, it functions as a legal possibility to combine partial pensions with partial salaries, whereas in Poland, it is understood rather as a bridging pension or pre-retirement allowance (thus, as an early-exit option). These differences in the sets of measures ascribed to policies may also be partly explained by different, and not fully comparable, translations and sets of measures used in the surveys. Additionally, the Dutch survey was conducted in 2005, while the Polish survey was conducted in 2009. These factors limit the possibility for a full and precise comparison between the two countries. Thus, the nature of this article is not comparative, rather it has focused on specifications related to organisational policies in Poland. We therefore leave aside the explanations for the differences between Polish and Dutch results as that would require a more in-depth focus on The Netherlands, which exceeds the scope of this article.

The last finding worth discussing is the policy of simple cost reduction through sending workers into retirement, which seems relatively popular among Polish companies, according to ASPA data (H4). This is not, however, a new phenomenon in Poland. Some studies emphasise that the early-exit phenomenon is focused mainly on factors that 'push' older workers out of the labour market and firms (Bond, Peace, Dittmann-Kohli & Westerhof, 2007). Employers regard reducing the older workforce and adjusting the age structure as an effective way of dealing with the current problems of the company and as a tool for cutting labour costs. In this perspective, early exits are treated as a mechanism to sustain the market situation and budget. It is not independent from state-level policy and the welfare regime. The system of early retirement was a way for the Polish government to tackle the difficult situation in the labour market, especially in the late 1990s and early 2000s when the baby-boomer generation was entering the labour market and the unemployment rate reached 20 per cent. Instead of

being fired or becoming unemployed, older workers were often sent into early retirement (or might receive *pre-retirement allowances*) which appeared to be a kind of remedy for the difficult situation of the younger generation. The situation did not encourage companies to be concerned about their ageing staff nor develop age management policies. A broad supply of young candidates, far better educated than their parents, were able to satisfy much of the employers' needs. Another barrier for improving the profitability of employing older workers is also the legal regulations, according to which an employer cannot dismiss a worker aged 56–60 (women) or 61–65 (men). Such a law discourages employers from engaging older workers, as the regulations hinder their flexibility in employment policy.

The ASPA data show that most Polish employers are not followers of a policy of extending the working-life period. Only 20 per cent would support an increase in the eligible retirement age, while almost half are against the limitation of the early retirement privileges. Employers often expect a worker to retire as soon as he or she is able to do so. Unfortunately, the employer's perception of older workers is still based on simple labour cost analyses. If a company is not able to use the potential and capabilities of older workers, and if it is not prepared to invest in them, they can be considered useless. Early retirement privileges become then a convenient tool for employees who can improve their flexibility and range of potential solutions. Employers' attitudes and stereotypes about older workers may still be a barrier in the implementation of age management measures among companies. In the face of an ageing labour market and thus an ever increasing number of older workers, a change in approach by employers appears inevitable. After all, organisations will have to learn how to manage human resources in pre-retirement and retirement age. Unfortunately, even today, age management is still a novelty for most Polish employers.

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