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# Impact of Older-Worker-Friendly Organizational Policies on Retirement Attitudes and Planning

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**This study develops and analyzes a model of the impact of older-worker-friendly (OWF) organizations' policies on retirement, specifically attitudes toward retirement, preparation for retirement, and years to planned retirement age. This is particularly a timely topic as the Baby Boomer generation heads into retirement and organizations need to better understand the retirement intentions of this group. A model was developed and tested using linear regression, and results indicate that the hypothesized relationships are supported. Instituting certain OWF policies leads to older workers who are more prepared for retirement, and thus have more positive attitudes about retiring, which ultimately leads to an earlier planned retirement age. While this study is limited, these findings provide some interesting insights for researchers and practitioners. *Organization Management Journal*, 9: 170–178, 2012. doi: 10.1080/15416518.2012.708851**

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**Keywords** older-worker-friendly organizations; retirement age; retirement attitudes; retirement preparation

The aging of the U.S. population is changing the face of the American workforce; a “gray revolution” is coming, and organizations should be concerned. The percentage of the U.S. workforce aged 50 years and older has increased dramatically in the past two decades, rising from 19% in 1989 to 22% in 1999 and to 30% in 2009 (Bureau of Labor Statistics, 2009). Furthermore, participation rates of workers over 60 years of age have also substantially increased since the late 1980s (Hurd & Rohwedder, 2011). The primary reason for the increase in elder workers is the aging of the “Baby Boom” generation, which developed as a result of “a period of high birthrates starting in 1946 and lasting until 1964” (Bureau of Labor Statistics,

2007, p. 2). This generation, totaling approximately 78 million people in the United States, has been studied extensively by gerontologists, demographers, market researchers, and human resource professionals because of its size and its effect on American culture (Winston & Barnes, 2007). The aging of the Baby Boom generation will also lead to a massive increase of retirees in the United States within the next few decades, which will impact organizations in many ways. Business analysts are anticipating a large proportion of these older workers retiring in a relatively short time, which could be a significant problem for organizations. In some larger companies, 40–50% of the company's workforce will be eligible for retirement by 2011 (Ashworth, 2006). Worse yet, many companies are unaware of how many of their employees will be retirement-eligible in the next 5 years (Ernst & Young LLP Tax Practice, 2007). The large-scale exodus of older workers through retirement presents difficult situations for businesses. In a survey of 28,000 organizations around the world, only 21% stated they had strategies in place to retain older workers (Armstrong-Stassen & Ursel, 2009). Therefore, this mass exodus of workers will be impacting many organizations.

The aging workforce also creates some potentially challenging human resource problems. One key problem is the potential loss of industry knowledge. Older workers, especially those with long tenures at a single organization, are important resources of knowledge and expertise. When these employees retire, this knowledge often leaves with them unless businesses construct a mentoring or retiree-engagement program to transfer the knowledge to younger generations (Hewitt, 2008). If the knowledge and expertise are lost, a company can suffer lost productivity, increased errors, and overall diminished creativity (Calo, 2008). Along with having increased knowledge and expertise of the industry, many older workers are in senior positions within companies and are considered important leaders and political champions. Moreover, some studies show that older workers are often seen as examples to younger workers (Sass, 1995). All companies struggle with losing talented workers to retirement and other factors; the loss of an integral executive or employee can be detrimental for a company, especially if there is a lack of talented employees

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to replace that worker. Furthermore, if organizations do not successfully convince older workers to remain with them, then they may face labor shortages (Armstrong-Stassen & Ursel, 2009).

In response to the dramatic increase of older workers, some U.S. companies have begun instituting organizational policies that could be considered older worker friendly (OWF). Here we define older-worker-friendly organizations (OWFs) as organizations with policies or benefits that are specifically targeted to, or directly benefit, older workers. These benefits include retirement health insurance, phased retirement, training to upgrade skills, and workplace accommodations (American Association for Retired Persons, 2009). While these benefits are useful for all employees, this study aims to illuminate their effect on older workers in particular. There may be other policies that would be considered OWF that are not addressed here, but we choose to focus on the American Association for Retired Persons (AARP) classification as it is already established. Organizations introduce these policies to attract and retain older workers; thus, this study develops and tests a model (see Figure 1) that analyzes the relationship between OWF policies and planned retirement age.

Other factors are also closely associated with a worker’s decision to retire. An older worker’s level of preparation for retirement has been shown to be an important factor when determining whether a worker will have a successful retirement (Skinner, 2007), especially given the overall lack of knowledge most older workers have about retirement-related economic concepts (Lusardi & Mitchell, 2007). Additionally, workers can have various attitudes about retirement based on past experiences or knowledge regarding retirement. Some workers may view retirement as a welcome respite from the daily grind of their work, while others may see retirement as a wasted time that prevents them from continuing their true passions (Buyens, Van Dijk, Dewilde, & De Vos, 2009). These attitudes can be affected by how much a worker is aware of and prepared for their retirement.

**THE RELATIONSHIP BETWEEN OWFS AND RETIREMENT PREPARATION**

The policies created by OWFs most likely encourage workers, either directly or indirectly, to give serious thought to planning their retirement. For example, many of the American Association for Retired Persons (AARP) Best Employers for Workers Over 50 provide retirement planning services to their employees and retirees (AARP, 2009), and these firms would be considered OWF. Additionally, organizations whose average worker age is relatively high are more likely to have employees who begin planning for retirement at an early age (Moen, Sweet, & Swisher, 2005). As many of the AARP Best Employers have a high number of workers over 50, it is likely that these employers have a high average age for their workers. One study found that individuals who participate in organizationally sponsored retirement seminars more often participate in voluntary savings programs and have higher contributions to those savings programs (Bayer, Bernheim, & Scholz, 2009), indicating that when organizations educate their workers on the benefits of saving for retirement, workers often listen.

In addition, other OWF policies, such as retirement health insurance and defined-benefit pension plans, allow workers to feel more confident about the success of their retirement plans (Helman & Paladino, 2004). Retirement planning, including conversations with a professional financial planner, discussing retirement with family and friends, or developing specific retirement goals, is considered an important component of successful retirement (Skinner, 2007) and is done by those wishing to have a successful retirement (Topa, Mariano, Depolo, Alcover, & Morales, 2009). We posit that workers at OWFs will be more likely to plan for their retirement because of the emphasis these organizations place on supporting older workers. Since these organizations have various policies that help in retirement planning, their employees will be more prepared for retirement. This is logical since some believe organizational actions are interpreted by workers as the organization’s commitment to them (Armstrong-Stassen & Ursel, 2009). Furthermore, older

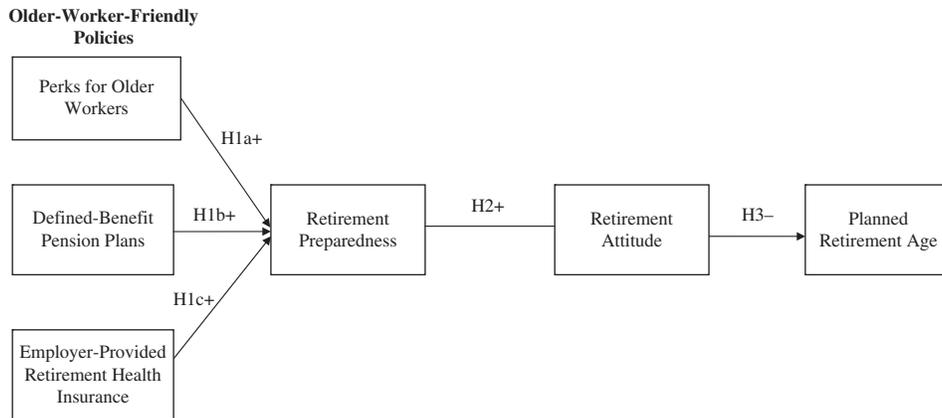


FIG. 1. The relationship of OWFs and desire to retire.

workers will likely choose to work at firms they believe are committed to them and workers who began their tenure at organizations early in their careers will see the value of these OWF policies as they near retirement. Specifically, we focus on three areas of benefits for older workers: perks for older workers, defined-benefit pension plans, and employer-provided health insurance.

OWF organizations with perks for older workers, such as phased retirement, training to upgrade skills of older employees, ability to transfer to jobs with reduced pay and responsibilities, part-time work, telecommuting, and flexible work scheduling, are likely to have older workers who are more prepared for retirement because these are often ways older workers take steps toward retirement. Partial retirement, job sharing, and telecommuting have been acknowledged as ways organizations try to keep older workers from retirement (Hennessy, 2006). This shows that these organizations are considering the needs of their older workers.

Some believe that one of the primary concerns for workers who are considering retirement is whether they will be able to maintain their standard of living with their future income (Purcell, 2010), so concern about income from pensions and the cost of health care will likely be important. OWF organizations that have defined-benefit pension plans will more likely have workers who are more prepared for retirement because a defined-benefit plan details a specific amount that one will receive upon retirement. Having an accurate assessment of that amount will allow individuals to more accurately prepare for retirement since it is stable. Thus, this piece of one's retirement plan is already in place, which should aid in one's preparation. Evidence in prior years indicates that 99% of workers covered by retirement plans leave their organizations before turning 68 (LaRock, 1997; Valentine, 2003), suggesting that at least a strong majority of these workers felt comfortable with retiring before age 68 years. Another study found higher rates of retirement for those eligible for defined-benefit pension plans than those who were eligible for defined-contribution plans (Hurd and Rohwedder, 2011), thus, indicating they felt more prepared to retire. Finally, an analysis on pensions and retirement attitudes found that eligibility for a pension was a key factor in positive attitudes about retirement among current workers (Reitzes & Mutran, 2004). We posit this is related to feeling more financially prepared for retirement.

Finally, OWF organizations also provide health insurance to their workers after retirement because this is an additional piece of the retirement puzzle that is planned for the worker. One study found that those with employer sponsored post-retirement health insurance retired earlier (Karoly & Rogowski, 1994; Johnson, Davidoff, & Perese, 2003), which would indicate that the individuals felt prepared to retire early. Furthermore, retirement health coverage has been shown as an influential factor in recruiting middle-aged to older workers (McCormack et al., 2002).

Thus it is hypothesized that:

Hypothesis 1a: Older workers who are employed at OWF organizations that have perks for older workers will have a higher level of retirement preparedness than older workers at non-OWF organizations.

Hypothesis 1b: Older workers who are employed at OWF organizations that have defined-benefit pension plans will have a higher level of retirement preparedness than older workers at non-OWF organizations.

Hypothesis 1c: Older workers who are employed at OWF organizations that have employer-provided retirement insurance will have a higher level of retirement preparedness than older workers at non-OWF organizations.

### THE RELATIONSHIP BETWEEN RETIREMENT PREPAREDNESS AND POSITIVE ATTITUDES ABOUT RETIREMENT AND YEARS TO RETIREMENT

What is unknown is generally more frightening than what is known. In terms of retirement, taking steps to plan for retirement may decrease the fear or ill feelings older workers have about their life after working. Moreover, planning may also show these workers the benefits and positive aspects of retirement, as well as increasing their confidence in a financially successful retirement. Indeed, research on retirement preparation and attitudes indicates that workers who have taken steps to prepare for retirement are more confident about their retirement plans and thus feel more positive about retirement overall (Helman & Paladino, 2004; Mutran, Reitzes, & Fernandez, 1997). A recent study analyzing factors affecting retirement confidence and attitudes found that retirement planning behaviors, including an expected retirement fund calculation and participation in workplace financial education programs, are significant predictors of positive attitudes toward retirement (Kim, Kwon, & Anderson, 2005). Another study found that retirement preparation maintains positive retirement attitudes (Abel & Hayslip, 1987). In a study of older workers, support was found for retirement planning increasing positive attitudes toward retirement *after* retirement. Even though evidence did not support retirement planning improving attitudes about retirement *before* retirement (Reitzes & Mutran, 2004), it does indicate that those who planned for retirement had a better attitude *during* their retirement. While focused on a different aspect of retirement than our focus here, one study found that preretirement planning programs promote preretirement socialization, which entails the preparation for retirement through role preparation and development through activities such as learning about retirement, planning for it, and forming accurate expectations for it (Kamouri & Cavanaugh, 1986). This may also aid in creating a more positive attitude about retirement.

Others have found positive attitudes toward retirement being positively related to retirement preparation and the retirement decision (Topa et al., 2009). We posit that preparation impacts retirement attitudes because we believe the planning allows one

to feel more comfortable with retirement and thus to have a more positive attitude.

Hypothesis 2: Older workers who are more prepared for retirement will have more positive attitudes toward retirement than older workers who are less prepared for retirement.

Furthermore, when older workers have a more positive attitude toward retirement, they may anticipate retirement more and thus plan an earlier retirement age. A recent study showed that older workers with more positive attitudes about retiring, especially retiring early, were more likely to have early retirement intentions (Dam, Vorst, & Heijden, 2009). Moreover, the opposite also appears to be true; workers with negative attitudes toward retirement, defined as those who felt retirement is difficult to adapt to and thus makes people older and, are more likely to anticipate working longer (Zappala, Depolo, Fraccaroli, Guglielmi, & Sarchielli, 2008). Thus it is hypothesized that:

Hypothesis 3: Older workers who have more positive attitudes toward retirement will have fewer years to their planned retirement age than those older workers with fewer positive attitudes.

Figure 1 graphically displays the relationships we anticipate and test.

## METHODOLOGY

The participants for this study were 340 full-time workers aged 50 years and older in the state of Pennsylvania in the United States. The participants were taken from respondents to the Widener Elder Pennsylvania Survey, Third Edition (WEPS-III), of four telephone surveys, which were designed to study the health, wealth, and work issues related to retirement for older residents of Pennsylvania. The original WEPS-III was conducted in September 2008 and included 750 workers aged 43 years and older. The current study limits the ages of participants to 50 and above because the OWF criteria were based on the AARP's Best Employers for Workers Over 50 (AARP, 2009). In addition, the current study excluded WEPS-III respondents who indicated working part-time, defined as less than 35 hours per week. This was done to exclude respondents who may consider themselves retired even though they are currently working. While many retirees work during their retirement years, relatively few work full-time (Brucker, Leppel, & Bender, 2007). One study found that approximately one-third of men and women aged 55 to 64 years who received pension income in 2008 were employed in March 2009 (Purcell, 2010). Moreover, other studies on retirement viewed working less than 35 hours per week as an appropriate way to operationalize retirement (Reitzes & Mutran, 2004). In addition, respondents who did not give a planned retirement age, who indicated that they never plan to retire, or who gave their current age as their planned retirement age were excluded. This was done because

the dependent variable was planned retirement age, and thus it was not possible to use those who did not give a planned retirement age, did not plan to retire, or gave their current age in the calculation.

The project was funded by the Pennsylvania Department of Education with the goal of developing four large-scale surveys over 2 years. The WEPS-III looked to develop a profile of current older workers in Pennsylvania, as well as to determine what factors may influence attitudes toward retirement. The WEPS team researched articles on gerontology, organizational psychology, behavioral finance, and other areas related to retirement to develop the survey. WEPS-III consisted of 35 questions and took approximately 14 minutes to complete.

Pennsylvania provides a good representation of the issues surrounding older workers, as well as aging in general, because of the state's demographics. Pennsylvania is one of the oldest states in the nation: The state's median age (39.5 years) is one of the highest median ages in the country and is well above the national median age of 36.4 years (U.S. Census Bureau, 2009). Pennsylvania ranks third highest in the nation in percentage of population 65 and older (15.2%); only Florida (16.8%) and West Virginia (15.3%) rank higher (Federal Interagency Forum on Aging Related Statistics, 2008).

## Measures

### *Older-Worker-Friendly Policies*

The classification of an older-worker-friendly organization (OWF) was developed by the authors based on the criteria for the AARP Best Employers for Workers Over 50 (AARP, 2009). According to the AARP website, the Best Employers are chosen based on specific areas of concentration, including "recruiting practices; opportunities for training, education, and career development; workplace accommodations; alternative work options, such as flexible scheduling, job-sharing, and phased retirement; employee health and pension benefits; and benefits for retirees" (AARP, 2009). For the current study, OWF policies included perks for older workers, defined-benefit retirement policy, and employer-provided retirement health insurance. The OWF classification is based on respondent data rather than on information from the organizations themselves. This was done to see whether organizations' policies were recognized by their employees; organizational policies that are not known by employees are ineffective. Table 1 details the OWF criteria.

For the Perks criterion, the median number of perks indicated by respondents was two. Thus, the criterion for an OWF company was three perks.

### *Retirement Preparation*

The retirement preparation index is devised from three actions preretirees can take to prepare for retirement (Lusardi & Mitchell, 2007):

- Discussing retirement planning with a financial professional.

- Discussing retirement planning with family and friends.
- Developing a financial plan that includes specific goals for retirement.

The index was made by adding up the number of actions each respondent indicated.

*Attitudes Toward Retirement*

To measure the respondents’ attitudes toward retirement, each respondent was asked to rate his or her agreement with statements about retirement. Respondents could choose between strongly disagree, somewhat disagree, somewhat agree, and strongly agree. The statements were:

- You look forward to retiring.
- You would like to retire as soon as you have sufficient financial resources.
- You would like to continue to work as long as you are physically and mentally able to.
- You never want to retire.

A retirement attitude scale was made from the responses to these questions, with the responses to the last two questions reversed. The higher a respondent scored on the scale, the more positive he or she felt about retiring. Cronbach’s  $\alpha$  for this scale was .72.

The attitude statements differ from the respondents’ planned retirement age. While the latter refers to the specific age at

which the respondent plans to retire, the attitude statements refer to how the respondent feels about retirement in general. Moreover, a respondent can indicate both never wanting to retire and planning to retire soon, as these refer to different concepts. An older worker may never want to retire but also recognize that he or she will most likely retire sometime in the future.

*Expected Retirement Age*

The dependent variable, the expected age of retirement, was measured with the question: “Realistically, at what age do you expect to retire?” The respondents were asked to give a free response to this question.

*Control Variables*

Age, education, and household income have also been shown to influence retirement, and are thus controlled for in this study. One study showed that age accounted for 12% of the variance in the decision to retire (Taylor & Shore, 1995). Additionally, education is positively related to retirement age; that is, the higher one’s level of education, the later his or her retirement age will be (Hardy & Hazelrigg, 1999). Along with the direct relationship between education and retirement age, there are also indirect effects of higher education levels, including retirement preparedness that may influence when an older worker retires (Joo & Grable, 2005; Yuh & DeVaney, 1996). Finally, financial factors such as household income have been cited as some of the strongest predictors of the retirement decision (Beehr, Glazer, Nielson, & Farmer, 2000). In this study, age was determined by asking the respondents their birth year. Education was categorized as bachelor’s degree or less, and above bachelor’s degree. Income was determined by asking respondents to give their household income, ranging from under \$20,000 to over \$100,000.

Table 2 shows the correlations between the studied variables, along with means and standard deviations.

**ANALYSIS**

The hypotheses were tested using linear regressions. Table 3 shows the results.

Table 3 indicates that H1a, H1b, H1c, H2, and H3 were all supported. Workers who were employed at organizations that offered perks for older workers, defined-benefit pension plans, and retirement health insurance were significantly more prepared for retirement, while more prepared workers were significantly more likely to have positive attitudes about retirement. Also, workers with more positive retirement attitudes anticipated significantly fewer years to their planned retirement age.

**DISCUSSION**

Understanding the older worker is critically important to both researchers and practitioners, particularly as this population is growing in number. Furthermore, organizations

TABLE 1  
Criteria for older-worker-friendly (OWF) organizations

Criterion	Qualification
1. Perks for older workers	<p>Respondents must indicate that their organization offers at least three of the following “perks” for older workers:</p> <ul style="list-style-type: none"> <li>– Phased retirement</li> <li>– Training to upgrade skills of older employees</li> <li>– Ability to transfer to jobs with reduced pay and responsibilities</li> <li>– Part-time work</li> <li>– Telecommuting</li> <li>– Flexible work scheduling</li> </ul>
2. Defined-benefit pension plan	<p>Respondents must indicate participating in a defined-benefit pension plan through their employer</p>
3. Employer-provided retirement health insurance	<p>Respondents must indicate that their employer will provide them with health insurance during retirement</p>

TABLE 2  
Correlation of studied variables

	Means	SD	1	2	3	4	5	6	7	8	9
1 Age	56.7	5.1	1								
2 Education <sup>a</sup>			0.048	1							
3 Income <sup>b</sup>			-0.117*	0.285**	1						
4 Perks <sup>a</sup>			0.029	0.008	-0.076	1					
5 Defined-benefit pension plan <sup>a</sup>			-0.077	0.163**	0.176**	-0.053	1				
6 Employer-provided retirement health insurance <sup>a</sup>			-0.079	0.021	0.104	-0.044	0.249**	1			
7 Retirement preparation	1.43	1.08	-0.004	0.183**	0.175**	0.071	0.213**	0.195**	1		
8 Retirement attitude ( $\alpha = .72$ )	2.98	0.69	-0.301**	-0.122*	-0.067	-0.126*	0.050	0.120	0.141**	1	
9 Planned age of retirement	65.7	5.14	0.482**	0.032	-0.086	0.089	-0.181**	-0.286**	-0.207**	-0.506**	1

<sup>a</sup>Binary variable.

<sup>b</sup>Ordinal variable.

\*Correlation is significant at the .05 level (two-tailed).

\*\*Correlation is significant at the .01 level (two-tailed).

TABLE 3  
Results of linear regressions

Dependent variable	Independent variables	$\beta$	<i>t</i>	Significance
Retirement Preparation	(Constant)		-0.238	.812
	Age	0.059	1.016	.310
	Education	0.074	1.219	.224
	Income	0.122	1.975	.049
	Perks for older workers	0.146	2.534	.012*
	Defined-benefit pension plan	0.153	2.484	.014*
	Employer-provided retirement health insurance	0.170	2.845	.005*
Retirement attitudes	(Constant)		11.301	.000
	Age	-0.278	-5.072	.000
	Education	-0.112	-1.965	.050
	Income	-0.098	-1.692	.092
	Retirement preparedness	0.170	3.063	.002*
Planned retirement age	(Constant)		18.280	.000
	Age	0.299	6.067	.000
	Education	0.032	0.659	.511
	Income	-0.088	-1.778	.076
	Retirement attitude	-0.416	-8.462	.000*

\*Significant at  $p < .05$ .

will benefit from understanding how older-worker-friendly policies impact retirement plans for their older employees, especially given that the policies are put in place to attract and retain these older workers. This section will highlight some important research and managerial implications, as well as addressing some limitations to this study and future research opportunities.

**Research Implications and Future Research**

While the retirement decision has been studied extensively, fewer articles have been published about specific predictors of planned retirement age. This article adds to this body of literature by focusing on the effects of employer policies, specific to older workers, on planned retirement age. This is an important

topic for researchers to examine since in some companies almost half of the workforce will be eligible for retirement soon (Ashworth, 2006). The results show that OWF policies are related to workers planning to retire sooner than employees of non-OWFs. Thus, policies that are designed to attract and retain older workers may influence them to plan on earlier retirement ages. Further research should be conducted to more fully explain this relationship and other employer policies that lead to earlier planned retirement age.

Further, scholars may want to specifically look at the relationship between planned retirement age and knowledge transfer, since this exodus of workers may cause a loss of knowledge unless there are programs in place to capture it (Hewitt, 2008). This loss of knowledge may lead to other organizational issues, such as errors, lost productivity, and lower levels of creativity (Calo, 2008). Examining the impact of planned retirement age on knowledge transfer in organizations will be a useful stream of research that may build on our findings. Thus, this study is a small step in building a larger literature around planned retirement age.

### Management Implications

Given the results just stated, managers interested in tapping into the increasing market of workers 50 and older are placed in a somewhat interesting situation: Certain policies that attract older workers (OWF policies) can lead to earlier planned retirement ages. Although many employers are interested in retaining their workers rather than losing them to retirement, understanding these research findings may lead to some positive results for employers. This is particularly relevant because, as previously noted, a high percentage of workers will be eligible for retirement in the near future (Ashworth, 2006).

Instituting certain OWF policies, such as postretirement health insurance, may allow organizations to better understand when their older workers are likely to retire, and thus improve their human resource practices. Many organizations are unaware of how many of their workers will be retirement eligible (Ernst & Young LLP Tax Practice, 2007), and few have strategies in place to retain older workers (Armstrong-Stassen and Ursel, 2009). Given that the aging workforce may cause a significant dearth of talent for senior management positions (Rothwell, 2002), companies that are prepared for their aging workforce may have an advantage over companies that are not prepared.

Research indicates that workers continue being productive throughout their older years (Hedge, Borman, & Lammlein, 2006) but are interested in working in different fields during this time, rather than the same field they were in (Ameriks, Fergusson, Madamba, & Utkus, 2007). Many choose to work in other fields after they have left their "career" jobs, and this usually happens gradually over many years (Purcell, 2010). Others have noted evidence that "retired" workers find satisfaction in working in other roles during retirement (Reitzes & Mutran, 2004). One study found that retired university professors who

maintained employment were more satisfied with retirement and that those still employed in the university setting, albeit in a different role, were more satisfied than those employed elsewhere (Kim & Feldman, 2000). This provides evidence that role or career change may be a positive experience for retirees if organizations are able to use these valuable employees in ways that will benefit the worker and the organization. Given the aging of the Baby Boom generation, there will soon be a large number of older, experienced, and capable workers wanting to utilize their skills in different fields. Thus organizations with OWF policies will likely be able to recruit more successfully from this population, increasing the companies' quality of human capital by incorporating these experienced workers into their organizations.

Moreover, organizations seeking to reduce their workforce over time may consider offering OWF policies because it may lead to a voluntary reduction of their workforce as older workers choose to retire early. While this may lead to loss of knowledge (Hewitt, 2008) and lower productivity (Calo, 2008), organizations that are more prepared for older worker retirement should have effective succession plans and thus better transfer the knowledge to other workers. However, the opposite of this situation may also be possible: Employers could refrain from instituting OWF policies in order to prevent earlier retirement of their older workers. However, these policies are also likely to help attract older workers to the company; thus, companies that avoid these policies may make themselves less attractive to talented older workers.

Finally, some OWF policies could potentially influence other organizational outcomes such as job satisfaction, organizational commitment, and work-family conflict. Thus, employers could effectively utilize older workers by increasing their commitment and satisfaction levels, and thus increasing their productivity (Patterson, Warr, & West, 2004). These policies may also avert the potential problem of employing workers with little commitment to the organization who are bound to the job for financial reasons. OWFs could allow these generally less productive workers to retire earlier and find more interesting work while reducing costs for employers.

### Limitations

While there are many positive aspects of this study, there are some limitations. The sample was generated only from Pennsylvania residents, which does provide a good representation of the issues surrounding older workers, as well as aging in general. Pennsylvania is one of the oldest states in the United States; the state's median age (39.5 years) is one of the highest median ages in the country (U.S. Census Bureau, 2009). This study may not be generalizable to other groups, so future research should remedy this limitation by sampling more diverse populations.

Further, since this study only focused on older workers, researchers may want to examine how these policies impact younger workers. It is possible that these relationships would

also hold when testing the model on a younger population and may also be linked to worker tenure at organizations.

Furthermore, future researchers will want to look at how economic conditions impact what benefits organizations can provide for their workers. Our data were collected in September 2008, which was early in the current economic downturn. Since the U.S. economy is still struggling, it would be pertinent for scholars to examine how this impacts our model.

Moreover, the study used a self-report measure of retirement to determine planned retirement age. This represents the participants' best estimate of their retirement age, but this is not necessarily an accurate measure. Unforeseen, extraneous circumstances can cause workers to retire earlier or later than planned. Future research could benefit from using a longitudinal model to determine the effects of OWF policies on actual retirement age.

At least one study found that employers are not taking measures to recruit and retain older workers in Europe (Van Dalen, Henkens, & Schippers, 2009). Although this can lead to many problems such as loss of knowledge (Hewitt, 2008), lower productivity, increase in errors, and diminished creativity (Calo, 2008), if this becomes a trend in organizations, future usefulness of our findings would be limited, although this seems unlikely due to the aging population of the workforce at many organizations.

Finally, evidence exists that there is a decline in the offering of such benefits as defined-benefits pension plans (Hurd & Rohwedder, 2011; Mikhitarian & Wukitsch, 2010). But they have not disappeared and many large corporations still offer them; furthermore, these plans are offered in many developed countries outside the United States (Mikhitarian & Wukitsch, 2010). Thus, while the decline in the offering of some OWF benefits, such as defined-benefits plans, limits our study, these programs still exist and are important areas of study, particularly in light of the Baby Boom generation reaching retirement age.

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