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Managers' Hiring Decisions of Retirees**

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ABSTRACT

Purpose -Our study investigates the role of managers in the re-employment of early retirees and asks what the effect is of managers' age norms and stereotypes on managers' employment decisions.

Design/methodology/approach- A combination of a factorial study and a survey was conducted. First, information on the age norms and stereotypes was collected. Secondly, profiles of hypothetical retired job applicants were presented to the employers, who were asked to make a specific hiring decision. The information collected during both studies was combined in the analysis and multilevel models were estimated.

Findings -The results indicate that higher age norms result in a higher propensity to hire an early retiree. Stereotypes, by contrast, do not influence managers' decisions. Early retirees' chances for re-employment are also related to their own circumstances (physical appearance and relevant experience) and organisational forces, as they are hired when organisations face labour force shortages.

Research limitation / implications – with the use of vignettes study we deal with hypothetical hiring situation.

Originality value- Although the effect of age norms and age stereotypes has been often suggested, not much empirical evidence was presented to support this notion. Our study estimates the effect of age norms and stereotypes on hiring decision.

Key words: Bridge Employment, Early Retirees, Age Norms, Age Stereotypes, Multilevel Models.

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INTRODUCTION

Changes in the population structure and the ageing workforce suggest that employers may need to retain and hire future older workers (Elster, 1989). Bridge employment, i.e. employment that occurs between career jobs and permanent retirement (Wang and Shultz, 2010) is expected to help close the gap in labour force supply that will occur along with the retirement of the baby-boomers (Wang *et al.*, 2008). As retirement has come to be seen as a more dynamic and gradual transition from a working to a non-working life, a growing number of older workers choose preferred level of occupational activity (Wang *et al.*, 2008) and opt for bridge employment.

Much research in the field of bridge employment has focused on retirees and their motivation, preferences and ability to extend their working career (Weckerle and Shultz, 1999; Jones and McIntosh, 2010) i.e. on the supply side. Those studies indicate that individual attributes like age and good health, along with attractive working conditions (such as challenging work) promote older workers' intentions of continued employment (Kim and Feldman, 2000; Wang *et al.*, 2008). Growing evidence suggests that the share of workers willing to extend their working career is increasing (von Bonsdorff *et al.*, 2009).

While older workers have some agency about whether to retire from work or to enter self-employment (Bruce *et al.*, 2000) retirees' prospects of returning to the labour force are largely determined by employers and the availability of jobs in organisations (Munnell and Sass, 2008). Although managers are the ones deciding on the hiring, the demand side for older workers has not yet attracted much attention. Henkens and van Dalen (forthcoming) argue that to better understand older workers' career decisions, driving forces of retirement processes at the demand side of the labour market need to be investigated.

A recent study of Karpinska and colleagues shows that the hiring propensity of retirees is low, also for those who are expected to have a high employability (Karpinska *et al.*, 2011). This raises the question of whether hiring of retirees is influenced not only by their individual attributes but also by managers' dispositional attitudes towards older workers. Our study integrates these aspects of labour market participation of older workers and asks: *How do ageist stereotypes and age norms, next to attributes of the applicants, affect managers' propensity to hire early retirees?*

There is a wide body of literature that focuses on the general attitudes of employers. Those attitudes frame managers' perceptions of older workers and their abilities (Van Dalen *et al.*, 2010), and can take the form of age norms and stereotypes. The concept of social norms and their impact on behaviour has been one of the paradigms of sociology for decades and has been gaining recognition in economics (Elster, 1989; Coleman, 1990). Norms as rules of behaviour coordinate interactions with others and are believed to guide individuals in social situations. Stereotypes form important cognitive tools that facilitate the processing of complex information (Hilton and von Hippel, 1996), and as such, influence behavioural response (Bargh *et al.*, 1996).

Although it has been suggested that both stereotypes and age norms may affect employers' behaviour (Chiu *et al.*, 2001; Finkelstein and Burke, 1998; Lee and Clemons, 1985; Loretto *et al.*, 2000) not much empirical evidence has been presented to support this connection. Studies on age norms in employment transitions often describe organisational age norms and factors behind them (Settersten and Hagestad, 1996; Settersten, 1998; Lawrence, 1996). Specific managerial norms and their impact on behaviour have been neglected. Similarly, while there are few studies analysing the effect of age stereotypes on attitudes towards different aspects of employment of older workers (Chiu *et al.*, 2001; Henkens, 2005; Hassell and Perrewe, 1995), they do not focus on their impact on decisions. A number of studies used experimental design to evaluate decisions regarding older workers (in basket or audit experiments; see (Bendick, *et al.*, 1997; Finkelstein *et al.*, 1995). Yet, not many have combined those two paths to assess the possible impact of general attitudes on individual employment decisions.

Our study contributes to the existing literature in two ways. Firstly, combining the information on the demand and supply side helps disentangle complex aspects of the hiring process. As suggested by Posthuma and Campion (2009) most studies that investigate ageist stereotypes and labour market outcomes focus on one dimension only, neglecting the organisational context. In the current work we not only estimate the effect of general attitudes (age norms and stereotypes) on hiring behaviour regarding early retirees but simultaneously we also evaluate applicants' attributes and the effect of organisational forces.

In addition, we estimate the effect of both age norms and age stereotypes on a specific decision. Liefbroer and Billari (2010) argue that although impact of age norms on human behaviour has been debated for decades now, it is still lacking an extensive empirical test. We contribute to this debate by offering an empirical test of the possible impact of general attitudes on managers' (hypothetical) hiring behaviour.

To investigate this specific employment decision, a combination of a survey and a vignette study was designed. The data for our study were collected in two stages. First we carried out the survey among managers and collected information on age norms and age-related stereotypes (Study 1). During Study 2, which took place a month later, a vignette study among the same group of managers was conducted. A factorial design is a method that allows the exploration of actions in context and offers an opportunity to simulate employment decisions (Rossi and Anderson, 1982). All

managers were asked to make hiring decisions for five hypothetical applicants. The data was collected in the Netherlands.

THEORY

Recruitment is a process where the demand for new employees is confronted with the supply of available applicants. The demand for new staff is conditional on the organisational circumstances and managers operate as a link between the organisational goals and the work environment, as they are directly responsible for recruitment (Kalleberg *et al.*, 1996). There are three types of factors that intertwine in the recruitment process: organisational characteristics, managers' attributes and applicants' attributes. Below we discuss in detail how each of these aspects affects hiring decisions.

Organisational Context

A basic tenet of organisational theory is that organisations are goal-oriented systems that strive towards profit maximisation, continuity, and maintaining a healthy market position (Kalleberg *et al.*, 1996). Managers in organisations are supposed to contribute to these goals by, among others, recruitment of qualified staff (Kalleberg *et al.*, 1996). Managers are expected to react to organisational workforce shortages by choosing the best candidates from the applicant pool. Successful applicants are thus the ones who are believed to be the most capable of fulfilling the assigned tasks. The same mechanism applies to the employment of early retirees. A manager decides to hire an early retiree if he or she is expected to contribute best towards achieving the organisation's goals.

The decision regarding the hiring of retirees is generally taken by a manager, but is always embedded in the broader context of a dynamically changing organisation. Macro-level developments (e.g. economic changes and labour-force shortages) influence managers' choices. When organisations shed jobs during an economic downturn, managers are assumed to assign less priority to hiring retired workers as it might hamper the work prospects of younger generations and conflict with norms of generational employment equity (Van Dalen and Henkens, 2002). On the other hand, managers facing structural or incidental labour-force shortages may be

inclined to hire retirees as a remedy. Hence we expect managers to be more inclined to hire early retirees when the organisation faces labour-force shortages

Attributes of managers

In the selection process, managers evaluate hiring desirability of applicants by assessing their productivity. There is a level of uncertainty in hiring decisions, as individual productivity capabilities are not known at the time of hiring (Phelps, 1972; Spence, 1973). Managers deal with this uncertainty by evaluating a combination of observable attributes of applicants (Phelps, 1972; Spence, 1973). Employers also have access to what Phelps (1972) calls “previous statistical experience”: information on how certain categories of employees tend to behave and develop. As productivity assessment is a complex information-processing task, managers apply categorisation and stereotyping as most effective cognitive tools (Van Dalen *et al.*, 2010). Social norms are also applied in this process. We elaborate on both below.

Age norms

Social norms are customary rules of behaviour that coordinate human interaction. Norms either operate as part of actors' environment or shape individuals' predispositions (Etzioni, 2000). While the first aspect depicts external control of human behaviour with external restriction and sanctions, the latter proposes that norms are internalised and no external sanctions are necessary, as norms determine dispositions and goals (Etzioni, 2000; Horne, 2003).

The current study focused on age norms regarding employment transitions (Settersten and Hagestad, 1996; Liefbroer and Billari, 2010). While age norms about the ‘right time’ to retire are formally expressed in age boundaries established by public and private pension schemes, the life-course paradigm presumes that the transition from work to retirement is also influenced by informal age-graded norms (Settersten and Hagestad, 1996; Settersten, 1998; van Solinge and Henkens, 2007). Re-entry to the labour force is a more complex process and norms held by managers can have a substantial impact on its course. We expect that the perception of the normative timetable (the proper age for retirement versus extended employment) affects, next to applicants' attributes, manager's hiring decisions. Support of older applicants' return to the labour market happens when managers believe that this is still appropriate. In the present study we hypothesize that the higher the age norm of

managers regarding older workers' participation in the labour market, the more likely they are to hire an early retiree.

Stereotypes about older workers

Stereotypes are the beliefs about characteristics, attributes and behaviours of members of certain groups, based on their personal characteristics (such as age, gender, social status, Hilton and von Hippel, 1996). People make use of those categorisations as they are assumed to be cognitively economical and form the basis of an automatic behavioural response (Bargh *et al.*, 1996; Macrae and Bodenhausen, 2001).

While many studies demonstrate that employers often see older workers as inflexible, unwilling (or unable) to adapt to the changing work environment and less productive than their younger colleagues, the same studies confirm that older workers are valued for their trustworthiness, specific knowledge and interpersonal skills (Chiu *et al.*, 2001; Finkelstein and Burke, 1998; Lee and Clemons 1985; Taylor and Walker, 1998). Van Dalen *et al.* (2010) have captured this dual aspect of stereotypes regarding older workers' productivity. They showed that employers' attitudes towards older workers reflect two dimensions-- hard and soft skills. Soft skills consist primarily of qualities that play role in job performance, such as commitment to the organisation, reliability and social skills. Those skills can be characterised as 'organisational citizenship behaviour' – pro-social behaviour that is not job-specific but which supports the broader organisational environment in which jobs are performed (van Dalen *et al.*, 2010; Ng and Feldman, 2008). Hard skills, on the contrary, reflect mental and physical capacity, willingness to learn new skills and adapt to new technologies, and flexibility. Although so different, both contribute to employees' productivity.

One important aspect of stereotypes is that prevailing views may affect managers' discriminatory attitudes and behaviour. Chiu *et al.* (2001) showed that the more respondents perceive older workers as being able to adapt to change, the more favourable their views are on the training and promotion of older workers. By the same token, less positive attitudes may lead to discriminatory behaviours. Therefore we expect more positive perceptions of older workers' soft and hard skills to lead to greater propensity of managers to hire early retirees.

Applicants' attributes

An important aspect of hiring decisions is the evaluation of an applicant's attributes. Four issues are deemed to be important here: human capital, health condition, flexibility and social capital.

Human capital is a set of skills that is embodied in the ability to perform labour and to produce economic value. As it is a direct measure of productivity, human capital is one of the most important characteristics of applicants evaluated in the employment process. In line with human capital theory (Becker, 1975), individuals' investments in human capital are made during the person's educational career, although the skills and experience that is built up over a long working career have a strong influence on the individual's productivity in different roles (Thurow, 1975; Eijs and Heijke, 2000). Thurow (1975) found that managers take into account potential training cost differences and favour candidates who require less training. The costs of hiring a retiree whose skills and experience are in alignment with the job requirements are significantly lower than for those without the matching skills, increasing the likelihood of successful application.

Human capital is an important indicator of an early retiree's potential productivity, yet deterioration is likely if it ceases. As indicated by Blanchard and Summers (1986), unemployed workers lose the opportunity to maintain and update their skills. By the same token, the human capital of early retirees becomes more obsolete with the length of their retirement. Various studies show that employers perceive obsolete skills to go hand-in-hand with lower productivity (Taylor and Walker, 1994; Remery *et al.*, 2003). This, in turn, will result in less support for hiring an early retiree.

Hiring decisions regarding older workers also involve the estimation of the health condition of an older applicant. Poor health puts worker productivity at risk and casts doubts on performance continuity. While older persons are less likely to be absent due to illness, once ill they take more time to recover (Gellatly, 1995; McCann and Giles, 2003). As health status is hardly known during the application process, managers may refer to observable attributes. Energetic physical appearance may serve as a proxy for good health and therefore be the best measure of an applicant's productivity that managers can obtain at the offset of the hiring history. A more energetic appearance can sway managers towards hiring an older worker, as this impression contradicts stereotypical images of older inactive persons with a

deteriorated health (Berger, 2009). We therefore predict that the hiring chances of older workers are higher for those applicants who appear energetic.

Another factor that can affect managers' decision is applicants' flexibility. As organisations may require short-term or project-based support, staff that accepts being called into work only as needed (DiNatale, 2001) is preferred and is thus more likely to be hired. There is some evidence that employers are prone to offer older workers part-time, flexible positions (Taylor, 2008). On-call arrangements in different forms (from fixed hours to part-time employment) are attractive to organisations because they enable dynamic staffing needs to be met without the commitment of permanent employment.

Also importantly, applicants' social capital can have an impact on their hiring success. An applicant's access to helpful networks provides information on job openings and can be a source of valuable recommendations. Marsden and Garman (2001) indicate that the use of referrals is one practice applied by employers in the staffing process, as it lowers hiring costs and allows conveying rich and trustworthy information. Employers put more trust in the recommendations offered by their contacts, as they act as a guarantee (Marsden and Garman, 2001). Hence the hiring chances of early retirees rise with recommendations, especially if the recommending party is a business contact of the manager.

DATA AND METHODS

For this study we used a multi-method approach, combining survey research (Study1) with a factorial study (Study 2). First a survey was administered to managers and one month later the same managers were approached again to complete a vignette study. By introducing a monthly gap between the studies we limited the risk of bias related to potential carryover effects (Leeuw *et al.*, 2008). Moreover, this approach, with a semi-panel design, is well suited to analyse the effect of stereotypes and norms on (hypothetical) behaviour. (Liefbroer and Billari, 2010) suggested that to properly analyse the effect of norms on behaviour, the perception of norms needs to be observed before the actual behaviour.

Our study makes use of the data collected by the LISS panel (Longitudinal Internet Studies for the Social Sciences of Tilburg University, <http://www.lissdata.nl/lissdata/>). LISS is an Internet panel that consists of 5000 households, comprising 8000 individuals. All individuals were selected based on a

true probability sample of households drawn from the population register by Statistics Netherlands.

Study 1

During Study 1, a battery of questions on stereotypes regarding older workers, age norms, and background characteristics was distributed to LISS respondents who held managerial positions during the time of the study. The data was collected in April 2010.

Participants

Based on the question: *Do you supervise others?*, a total of 700 LISS members (managers) were approached. The response rate for Study 1 was 73.6 percent (N=515). Although the study was aimed at different-level managers in organisations, not all of the respondents satisfied this condition. Further selection based on the question: *What is your current occupation?* eliminated 186 non-managers from the sample. The final sample consisted of 238 managers. Three categories of managers are represented according to the LISS panel distinction:¹ *higher supervisory positions* (manager, director, owner of large company, supervisory civil servant; N=99), *intermediate supervisory or commercial positions* (head representative, department manager, shopkeeper; N=99) and *supervisory manual workers* (N=40). The sample consisted of 182 males and 56 females and the mean age of respondents was 45.3 (range 24-65, SD=9.45). For details see Table 1 in the Appendix.

*** TABLE 1 ABOUT HERE***

Measurements

Age norm is based on the open question: *At what age do you consider a person too old to work in your organisation for 20 hours a week or more?* The answers range from 50 (standard definition of an older worker) to 80. Mean age was 64.7 years with a SD of 5.9. Modal value of age was 65 -- approximately 32 percent of respondents indicated that the retirement age of 65 is when a person is too old to work 20 hours or more. About 9 percent of managers indicated age norms for retirement transition to be

¹ For distinctions between respondents' professions see: http://www.lissdata.nl/dataarchive/study_units/view/145.

in the range between 50-59 years, for 60,5 percent of respondents within the range 60-65 years and for roughly 30 percent--above age 65.

Stereotype variables are based on the question: *To what extent does the following characteristics apply to workers aged 60 or older?* The characteristics presented were: *flexibility, social skills, commitment to organisation, creativity, management skills, reliability, willingness to learn, physical capacity, resistance to stress, new technology skills*. Factor analysis conducted on these items indicated that two-factor solution is appropriate for this data (factor loadings available upon request). The two factors are: *soft and hard skills* (Van Dalen *et al.*, 2010). A scale for each factor was constructed. The *soft skills* scale consists of the following four items: *social skills, commitment to organisation, management skills, reliability* (range 1-4; Cronbach's alpha=0.859). The *hard skills* scale is based on these items: *creativity, flexibility, willingness to learn, physical capacity, resistance to stress, new technology skills* (range 1-4; Cronbach's alpha=0.839). Higher scores on these scales mean that managers consider those skills as more applicable to workers aged 60 or older.

As both age norms and age-related stereotypes reflect managers' attitudes towards older workers, we assessed their correlation to rule out multicollinearity problems. The results indicate that stereotypes as measured in this study were not strongly correlated with the measure of age norms; the correlation between the soft qualities scale and age norm was 0.157 ($p < 0.001$) and for the hard qualities scale it was 0.126 ($p < 0.001$).

During Study 1 the control variables were also collected. We controlled for *job level of subordinates*. Settersen and Hagestad (1996) suggest that age norms may vary not only across different contexts but also across occupations. This variable was based on managers' answers to the open question: *What is the occupation that you supervise most frequently?* We constructed three variables representing occupations. In the first step all occupations were coded according to the occupational codes of Statistics Netherlands², arriving at five categories of occupations which were then limited to three categories: *professional occupations* (for which higher education was required), *administrative positions* and *manual occupations*. Details regarding the coding are available upon request.

² Standaard Beroepenclassificatie 2010, <http://www.cbs.nl/NR/rdonlyres/6221F84D-BEDD-4B0C-B9ED-ADF076E4D769/0/2010sbcclassificatieschema.pdf>.

Other control variables were *respondents' gender* and *respondents' age*. *Sector* of the organisation was based on the question: *In which sector is your company operating?* Following the European Commission division of sectors, three categories were constructed: *industry*, *services* and *public*. Comparison with Eurostat statistics (European Commission, 2006) revealed that the data are representative for the sector distribution in the Netherlands.

Study 2

Study 2 consisted of a factorial vignette survey. A vignette study is a method intended for the investigation of human actions. The basic item of the survey is a vignette, which is a short description of a situation or a person, generated by combining characteristics randomly manipulated by the researcher (Ganong and Coleman, 2006; Wallander, 2009). In our study, hypothetical retired job applicants were described by several individual characteristics and the hiring decision was placed in a specific organisational context. Given all possible combinations of the variables and their respective levels, the universe of 3456 unique vignettes was created (i.e. $4 \times 3 \times 2 \times 2 \times 4 \times 3 \times 2 \times 3$; for details see Table 2). None of the vignettes contained impossible combination of the factors.

In contrast with a factorial design in which all possible combinations are evaluated, in a vignette survey only a random selection from the universe of vignettes is judged by respondents (Wallander, 2009). In our study, each participant received a random sample of 5 vignettes (random selection with replacement). Each rater was required to rate each vignette on an 11-point scale, ranging from 1 (hiring very undesirable) to 11 (hiring very desirable). For an example of a vignette used in the study, see Figure 1.

*** Figure 1 ABOUT HERE ***

Participants

For Study 2, all respondents who participated in the first round were contacted and a total of 238 questionnaires filled in completely. The response rate for Study 2 was 82.3 percent. In Study 2 each manager judged 5 vignettes, resulting in a total of 1195 vignettes.

Measurements

In Study 2 various hypothetical applicants were described by several characteristics and the hiring decision was put in a specific organisational context. Eight vignette characteristics were: *organisation characteristics* (facing structural labour force shortages, incidental labour force shortages, no labour force shortages, need for downsizing); *experience in a similar position* (yes/no); *availability* (full-time only, part-time, fixed hours, flexible appointment), *length of retirement* (applicant retired a month ago, half a year ago, one-and-a-half years ago); *physical appearance* (appears vital/ does not appear vital); *was recommended* (by a business partner, by a colleague or no recommendation). In the vignettes we also included *applicant's age* (58, 62 and 65) and *gender* (male/female). All the variables measured in Study 2 were included in the analysis as dummy variables, so the weights estimated for each factor included are comparable.

*** TABLE 2 ABOUT HERE***

Analysis

In a vignette design, the unit of analysis is the vignette (Ganong and Coleman 2006). As each manager judged five vignettes, our factorial survey data have a hierarchical structure by design and consequently, observations are not independent (Wallander, 2009). Multilevel models were applied to deal with the hierarchical structure of the data (Hox, 2002).

In total, 4 models were estimated. The first model – the ‘empty model’ – was estimated to decompose the variance between the two levels of analysis: individual level of applicants (level 1) and managers’ level (level 2). In Model 2 we introduced managers’ age norms and stereotypes as well as control variables of managers’ organisations. Models 3 and 4 introduced attributes that were included in the vignettes. Specifically, Model 3 depicts the effect of organisational labour force shortages, and Model 4 also incorporates applicants’ characteristics.

RESULTS

Table 3 presents the results of our analyses. Model 1 contains only fixed and random effects of the intercept. Intraclass correlation shows that this level accounts for 38.3 percent of the total variance in hiring scores. The intercept illustrates that on average the hiring desirability was rather low and took a value of 4.1 (on a scale ranging from 1 to 11).

*** TABLE 3 ABOUT HERE ***

Model 2 in Table 3 shows the fixed effects of age norms and stereotypes on hiring decisions. In line with our hypothesis, age norms do affect managers' evaluations of the hiring desirability of early retired applicants. The higher the age limit, the higher the propensity to hire an early retiree. We also tested how different dimensions of age stereotypes affected hiring preferences of the early retirees. Contrary to our expectations, neither soft-skills nor hard-skills stereotypes affected hiring desirability of early retirees significantly.

In this model we also controlled for the characteristics of the managers and the context of organisations they are employed in. With respect to organisation characteristics, the findings reveal that there is no significant difference between managers employed in industry or services (as compared to the reference category, public sector) in how they evaluate the hiring desirability of early retirees. Similarly, the job level of subordinates did not significantly affect managers' decisions. In the analysis we also controlled for individual characteristics of managers. Neither their age nor their gender affected hiring propensity (results not presented).

Model 3 depicts whether hiring desirability depends on organisational forces. Managers who were confronted with a structural labour force shortage during their hypothetical decision-making process were more likely to hire early retirees as compared to the reference category of organisations in need of downsizing. A similar result is observed for those organisations experiencing incidental labour force shortages. Hiring desirability drops when an organisation is in no need for new staff members, but remains positive and significant compared to the reference category.

Model 4 is the final model that includes also characteristics of applicants in the analysis. We observe that effect of age norms remains significant even after including context information and individual attributes in the analysis.

We estimated the effect of the applicants' human capital on hiring desirability. As expected, experience in a previous similar position increased early retirees' hiring chances. Potential decline of retirees' human capital significantly lowered hiring dispositions of managers. For applicants who had not worked for one-and-a-half years, or even 6 months, hiring chances were substantially lower than for retirees who had been absent for one month (reference category).

We also investigated the importance of applicants' physical appearance. In line with our expectations, managers were much more likely to hire early retirees who presented themselves as energetic. In fact, retirees' physical appearance was the attribute that affected managers' hiring decisions the most.

Another factor evaluated in the analysis was the impact of applicants' flexibility – in terms of preferred form of appointment – on managers' hiring decisions. While applicants' willingness to work full-time did not significantly affect managers' hiring propensity, they did prefer on-call appointment above part-time and fixed-hours appointments.

Next to flexibility, we expected applicants' social capital to also be an asset in the hiring process. In line with our prediction, a recommendation by a manager's business partner increases hiring disposition. A recommendation by a manager's colleague does not have this positive effect though.

In the analysis we also evaluated the demographic characteristics of applicants. When the age of the applicant is considered, we clearly observed that the oldest category of applicants faced the greatest obstacles when returning to the labour market. A 65-year-old has lower hiring chances than a 58-year-old applicant. There was however no significant difference in how managers assessed 63-year-old applicants and their 58-years-old counterparts. Males were no more likely to be hired than females.

Our analysis also tested for the random effects of individual predictors, i.e. whether the effects of particular individual predictors differed across managers (results not shown). The analyses revealed that managers evaluated retirees' experience and physical appearance differently. We ran additional models with cross-level interactions to account for those differences. With respect to applicants' experience, we found that managers who have higher age norms are more likely to attach higher value to applicants' experience, and that older managers attach lower value to applicants' experience while assessing the hiring desirability. With respect to the physical appearance of the applicants, we were not able to distinguish which factors influence variability across managers, as no interactions introduced in the analysis were significant.

Illustration of the effects of age norms

The last column of Table 3 shows that the effect of age norms remains significant, even after controlling for the effect of individual's and organisational characteristics. To illustrate the importance of managers' age norms, for each value of age norms we predicted the hiring scores (based on Model 4 in Table 3). Based on the employability of applicants (e.g. capability to gain employment, maintain it or obtain new employment; Fugate *et al.*, 2004), we distinguished two categories of applicants: the 'high' and the 'low' employable. A retiree with *high employability* was identified as an applicant with relevant experience, retired for a month, 58 years old and appearing energetic. A retiree with *low employability* was described an applicant who did not have relevant experience, was retired for at least one-and-a-half years, was 65 years old and did not appear energetic. Figure 2 presents the effect of age norms for these two categories of applicants in two organisational situations: structural labour force shortages and need for downsizing.

*** FIGURE 2 ABOUT HERE***

The results indicate that managers' age norms are important impediments for early retirees in the labour market. For a highly employable individual applying for a position in an organisation that is in need of new staff members, we observe that the hiring desirability scores starts with a value of approximately 6.7, which is the score for the lowest age norm – i.e. if a manager perceives age 50 as the limit of employment. This score is just above the neutral value of 6 (on a scale running from 1 to 11). A same-category applicant dealing with managers who consider the age deadline for employment to be 80 will obtain scores approaching 8. When a highly employable applicant seeks a position in an organisation shedding jobs and when a manager holds age norms at the minimum level of 65, hiring scores peak above the neutral value of 6 and approach a value of 7. A similar effect of age norms is observed for low-employable applicants in both organisational conditions, although in those cases the hiring score does not exceed the neutral value of 6.

DISCUSSION AND CONCLUSIONS

This study has investigated the effect of general attitudes of managers on their decisions to recruit early retirees. The research question was: *How do stereotypes and age norms, next to attributes of the applicants, affect managers' propensity to hire*

early retirees? For this purpose a multi-method study was designed. Information on general attitudes of managers was collected in a survey (Study 1), and in a follow up vignette study (Study 2) profiles of hypothetical retirees were presented to the same respondents, who accordingly made recruitment decisions. Data from those two sources were combined and multilevel models estimated to answer the research question.

The central issue addressed here was how general attitudes influence managers' hiring decisions. We found that managers with a higher perception of age norms (i.e. when a person is too old to work for 20 hours a week) were also more inclined to hire early retirees. The impact of age norms clearly identifies existence of time schedules. As indicated by life-course scholars, there are informal expectations as to when behaviour should occur (Settersten, 1998), and such norms exert significant influence on life-transition behaviour (Settersten and Hagestad, 1996; van Solinge and Henkens, 2007). Our findings thus lend support to this notion, and corroborate the link between social norms and human actions that has been suggested by many theorists (Coleman, 1990; Etzioni, 2000).

The positive and significant effect of age norms on managers' hiring decisions regarding early retirees does not necessarily raise confidence in the improvement of the latter's labour market position. The overall hiring score was low. Moreover, most of the managers in our sample were convinced that the age deadline for work was 65 or younger. This suggests that although managerial norms can exert positive effects on their hiring behaviour, there is still little support for hiring workers in their late sixties.

The current study does not confirm the often-suggested link between age stereotypes and employment outcomes for older workers (Chiu *et al.*, 2001; Finkelstein and Burke, 1998; Loretto *et al.*, 2000). It has to be noted that our dependent variable refers to hiring of retirees and not to older workers at other ages. Whether and how age stereotypes affect managers' decisions regarding different categories of older workers (unemployed, working etc.) and different types of decisions (e.g. training, retaining) are important questions for future research.

Our study also shows that although stereotypes and age norms represent general attitudes towards older workers, there is only a very weak link between them. This suggests that age norms regarding retirement transitions may not be simple representations of older workers' perceived productivity, as is the case with age

stereotypes. The question remains as to what factors influence those age norms. Are they culturally influenced by the formal age boundaries established by public and private pension schemes, or does the organisational age structure also affect them? Will age norms align the changes in increase of the mandatory retirement age (as discussed currently in the Netherlands)? Answers to those questions can offer new insights into the process of employment transition at older ages.

Despite the effect of managerial norms, importance of personal circumstances remains crucial to application success. Physical appearance and human capital are the most important factors that influenced managers' propensity to hire an early retiree. Applicants who appear vital encounter higher chances for employment. Berger (2009) showed already that many unemployed older applicants alter their physical appearance to portray a more youthful image in job interview settings to manipulate their self-presentation and sway potential employers to hire them. Our findings highlight the importance of this form of self-management on the part of older applicants, suggesting that managers indeed rely strongly on the observable attributes of early retirees when assessing their hiring desirability (Berger 2009).

Furthermore, this study confirms the importance of human capital in the employment chances of early retirees (Karpinska et al., 2011). Individuals with relevant experience were more likely to be successful in their application process. This finding implies that occupational success of early retirees is conditional on their employability (Ekerdt, 2010), highlighting the importance of skills maintenance. The emphasis on relevant experience may also limit retirees' opportunities to for work in different occupations and sectors after they retire from their career job.

We conclude with some methodological remarks. In this article we combined survey research with vignette design. Factorial surveys are very suitable for investigating issues that are normally difficult to examine because they are rare events or involve complex multi-attribute situations (Ganong and Coleman, 2006; Wallander, 2009). Surveys, on the other hand, offer the possibility of gathering a wide range of information on context and attitudes. Although this design has clear advantages compared to single-method research design, one has to keep in mind that we asked managers to assess hypothetical situations. In addition, in our study the applicants' pool was limited to early retirees what lowered the realism of the hiring situation. In a real-life hiring participants may act or decide differently. Low hiring scores can be

due to managerial comparison to other (younger) applicants, who are a natural part of the general applicants' pool.

Labour market participation of older workers is a growing concern of many governments. Our findings show that age norms hamper return to the labour force. Chances of early retirees in the labour market are lower at older ages, and that managers are negatively preoccupied about hiring anyone beyond a certain age. These results have also implications for older workers who are employed in the organisations. As managers have a rather clear idea as to when a person should leave the labour force, such attitudes can result in reduced access of older workers to training or lack of managerial support for employment until the obligatory retirement age. This suggests an urgent need for managerial training to raise awareness of possible age biases that occur in their decisions.

Age discrimination is often mentioned barrier in employment prospects of older workers (Roscigno *et al*, 2007). Our study shows that discriminatory behaviour of managers is attributable not only to applicants' age, but is also affected by managerial norms regarding employment transitions, suggesting that age discrimination is a complex concept.

Appendix

Table 1. Descriptive statistics of the sample used in the data, N=238.

	Min	Max	Mean/ %	St. Dev.
Dependent variable				
Hiring chances	1	11	4.15	0.06
Independent variables				
Stereotypes				
Hard qualities	1	4	1.82	0.54
Soft qualities	1	4	2.48	0.63
Age norm	50	80	64.5	6.04
Characteristics of respondents				
Managerial position				
Higher supervisory positions	0	1	41.5	
Intermediate supervisory or commercial positions	0	1	41.5	
Supervisory manual workers	0	1	16.8	
Age (years)	24	65	45.3	9.4
Gender (male- reference category)	0	1	76.4	
Education (years)	8	18	15.5	2.55
Job level of subordinates				
Manual	0	1	19.7	
Intermediary administrative	0	1	47.8	
Professional	0	1	32.2	
Size of organisation	10	10000	375.8	1048.54
Sector				
Industry	0	1	26.4	
Services	0	1	38.8	
Public	0	1	34.8	
Note: Source: LISS panel study				

Table 2. Characteristics as found in the vignette and the expected effects, including reference categories.

Item	Categories	Expected effect on hiring probability
Organisation		
Organisational condition	Structural labour force shortages	+
	Incidental labour force shortages	+
	No labour force shortages	+
	Need for downsizing	Reference category
Applicants		
Age (years)	58	Reference category
	62	-
	65	-
Gender	Male	+
	Female	Reference category
Experience in similar position	Yes	+
	No	Reference category
Availability	Full-time only	Reference category
	Part-time	+
	Fixed hours	+
	Flexible appointment	+
Last worked	One month ago	Reference category
	Half a year ago	-
	One-and-a-half years ago	-
Physical appearance	Energetic	+
	Not very energetic	Reference category
Recommended by	A business partner	+
	A colleague	+
	No specific recommendation	Reference category
Note: Source: <i>LISS panel study</i>		

Figure 1. Example of a vignette.

Below are various descriptions of early retirees who would like to work for your organisation. Please indicate, for each profile, what is the likelihood of you being willing to hire this person for a position that you most often supervise.

Context	
Organisational condition	Structural labour force shortages
Applicant	
Age	65
Gender	Male
Experience in similar position	Yes
Availability	Fixed hours
Last worked	1.5 years ago
Physical appearance	Energetic
Recommended by	A business partner

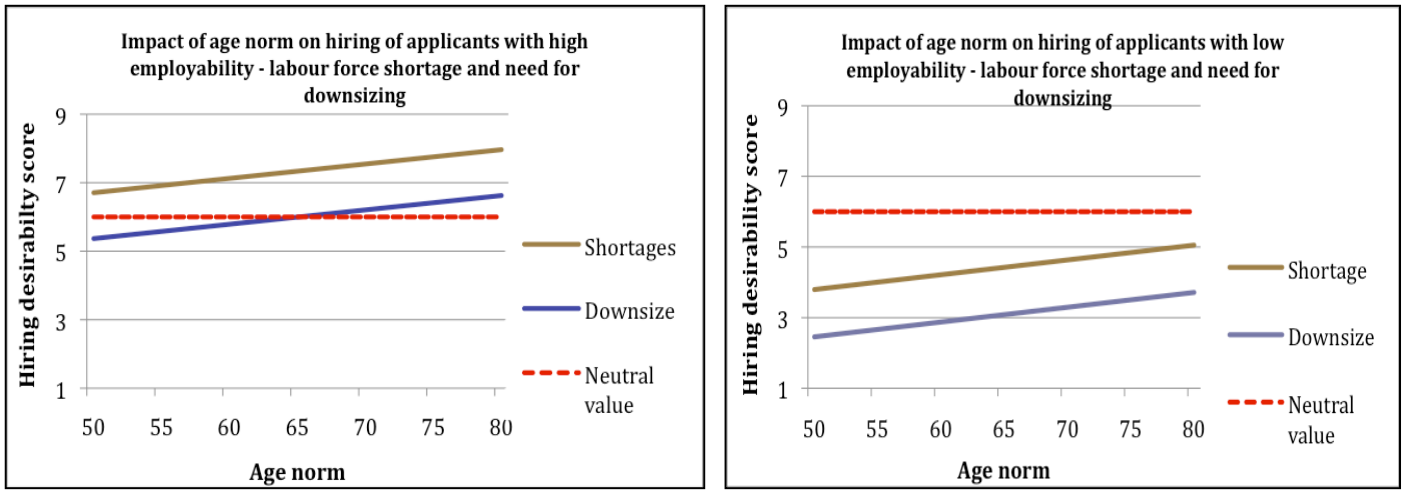
What is the likelihood that you would be willing to hire this person for a position that you most often supervise?

1	2	3	4	5	6	7	8	9	10	11
Hiring very undesirable					Neutral		Hiring very desirable			

Table 3. Results of the multilevel analysis of the hiring chance of early retirees (N=1190)

	Model 1	Model 2	Model 3	Model 4
FIXED EFFECTS				
<i>Managers' characteristics</i>				
Stereotypes				
Hard qualities		0.33 (1.51)	0.33 (1.55)	0.35 (1.66)
Soft qualities		-0.16 (-0.85)	-0.157 (-0.84)	-0.13 (-0.75)
Age norm		0.05** (2.84)	0.04** (2.73)	0.04* (2.42)
Sector				
Industry		-0.28 (-1.00)	-0.27 (1.00)	-0.24(-0.91)
Services		-0.43 (-1.71)	-0.40 (-1.60)	-0.44(-1.81)
Public		Ref.		Ref.
Subordinates' position				
Professional		-0.60 (-1.87)	-0.62* (-1.98)	-0.61*(-1.97)
Middle		-0.45 (1.60)	-0.48 (-1.71)	-0.55*(-2.01)
Manual		Ref.		Ref.
<i>Organisational characteristics</i>				
Structural shortage			1.37*** (8.69)	1.33*** (9.48)
Incidental shortage			1.22*** (8.11)	1.20*** (8.90)
No shortage			0.39* (2.54)	0.38** (2.72)
Need for downsizing				Ref.
<i>Applicants' characteristics</i>				
Age of applicant (years)				
65				-0.32*** (-2.71)
62				-0.12(-1.05)
58				Ref.
Male ^a				0.10 (1.08)
Experience in similar position (yes)				0.89*** (9.06)
Availability				
Full-time only				-0.09 (-0.66)
Part-time				-0.34* (-2.45)
Fixed hours				-0.50*** (-3.53)
Flexible appointment				Ref.
Last worked				
One month ago				0.53*** (4.47)
Six months ago				0.24* (2.04)
1.5 years ago				Ref.
Appears energetic -yes				1.16*** (11.88)
Recommended by:				
A business partner				0.26* (2.28)
A colleague				-0.04 (-0.34)
No recommendation				Ref.
Constant	4.15*** (38.45)	1.522 (1.17)	0.833 (0.65)	0.207 (0.16)
RANDOM EFFECTS				
Variance level 2	2.10 (0.25)	1.96 (0.24)	1.93 (0.23)	1.91 (0.22)
Variance level 1	3.38 (0.15)	3.38 (0.25)	3.07 (0.14)	2.38 (0.10)
MODEL FIT (degrees of freedom)	5165.6 (3)	5148.4 (10)	5045.6.0 (13)	4796.4 (25)
Notes: in parentheses: Z scores for coefficients, Standard error for variance components * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. ^a Ref. category: female. Source: LISS panel study.				

Figure 2. Impact of the age norm on the hiring propensity of applicants characterised by high and low employability in organisations facing labour force shortage and need for downsizing (N=238).



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