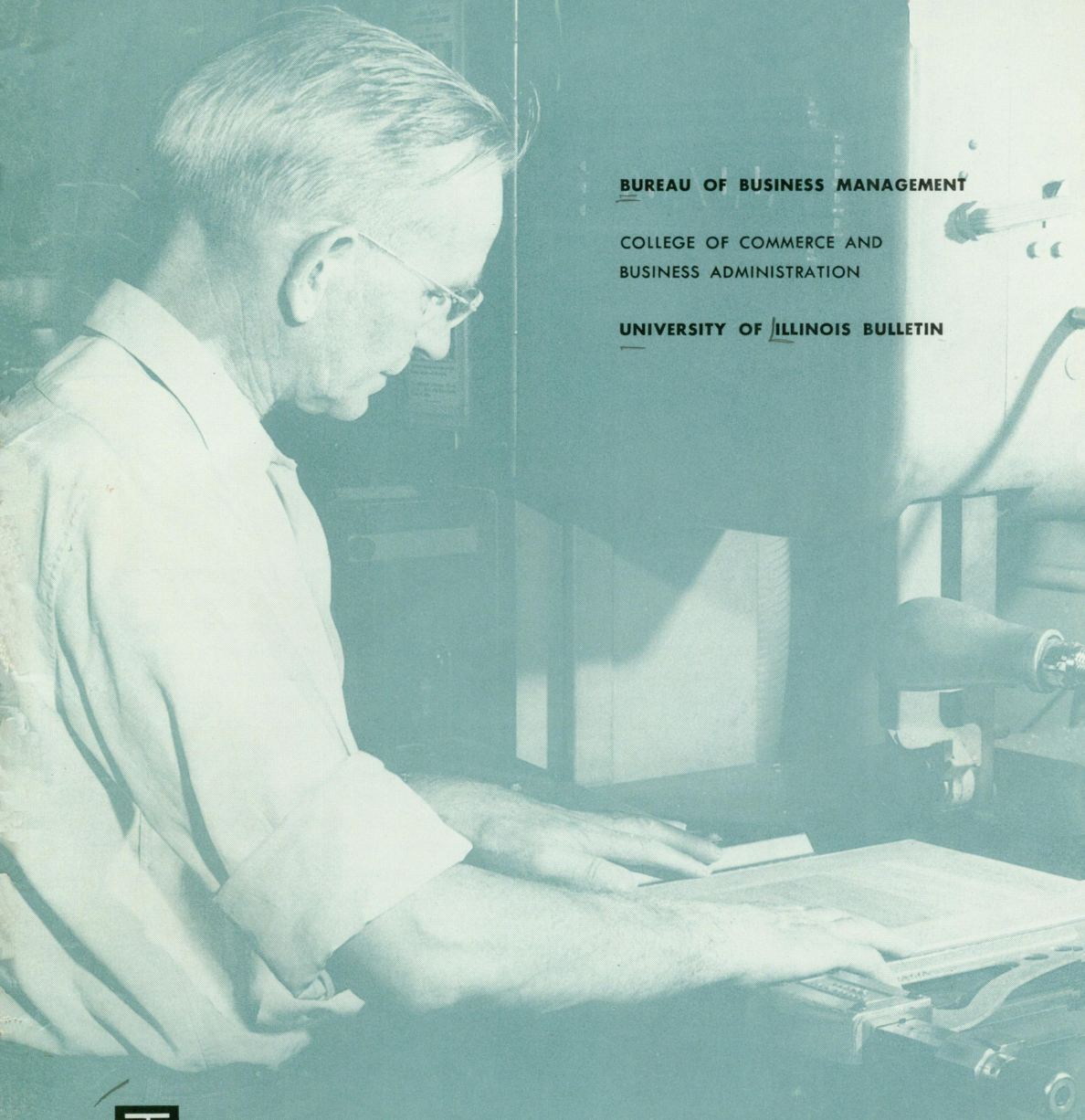


Older workers (1954)

BUREAU OF BUSINESS MANAGEMENT

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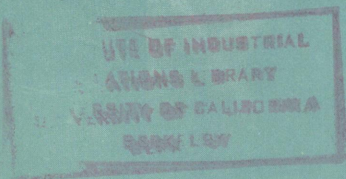
UNIVERSITY OF ILLINOIS BULLETIN



The effectiveness of older personnel in industry

by

Robert L. Peterson //



DEC 10 1954

Urbana, 1954

THE BUREAU OF BUSINESS MANAGEMENT OF THE UNIVERSITY OF ILLINOIS was established January 1, 1948, to aid Illinois businessmen in solving their problems of management and to serve as a clearing and distribution agency for new management ideas and techniques. Drawing upon its staff of specialists skilled in various management areas, the Bureau through research, analysis of new management materials, and consultation with businessmen, gathers information which will help the businessman to operate efficiently and profitably.

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Paul M. Green, Dean of the College of Commerce and Business Administration.

Robert G. Seymour, Director of the Bureau of Business Management.
(Bureau of Business Management Bulletin No. 608)

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Robert L. Peterson

the effectiveness of **older personnel** in industry

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the effectiveness of older personnel

Introduction

Just how good are older industrial workers? There has been so much talk about the use of older workers in industry, and so few facts offered in support, that it was decided to ask a number of industries in Illinois to help us make an appraisal of the effectiveness of personnel sixty years of age and older.

Our interest in older industrial workers was stimulated as a result of a study which was conducted and published under the title **THE EFFECTIVENESS OF OLDER WORKERS IN RETAILING** (Bulletin No. 607, Bureau of Business Management). In that study, which has received considerable comment in retailing circles, it was found that older retailing personnel, as compared with younger personnel, are considered by supervisors to be surprisingly productive and dependable. However, there appeared to be no sound basis for the assumption that the implications of that study were applicable to older workers in other fields of employment. It was therefore decided to study the effectiveness of older workers in industry. The conclusions of the two studies are shown, comparatively, at the end of this report.

In this study of industrial personnel supervisors were asked to give us their frank, honest opinions of older workers under their jurisdiction. As in

in industry

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the retailing study, reliance has been placed on supervisory opinion. While it is true that supervisory opinion may be somewhat subjective, it seems that it would be virtually impossible to obtain laboratory-controlled, scientifically-objective answers concerning the effectiveness of large samples of older workers in many different types of work. It appears that the evaluation prepared by an older worker's immediate supervisor is the best indication which can be obtained of a worker's effectiveness.

Evaluation Procedures

Various industries in Illinois were invited in person and by letter to participate in this survey of older personnel. Those who offered to cooperate gave us the number of employees on their rolls who were sixty years of age and older. These industries were then sent a supply of rating forms to be distributed to supervisors. Supervisors were then requested to rate each worker under their jurisdiction who was sixty years of age and older. A copy of the rating form used is shown in Figure 1.

Supervisors were asked to "Answer all questions honestly and realistically," and were informed that "Ratings are entirely confidential." When ratings were completed they were sent directly to the University where they were tabulated on IBM machines.

Company_____

Questions to be answered by supervisors concerning each employee sixty and over

Name or initials of employee_____ Sex__ Approx. Age__

Kind of work being performed_____ Dept._____

About how long employed in company_____

If there were no age restrictions on employment, how many more years do you feel this employee would be able to do a good job on this kind of work?
_____years

How would you rate the over-all performance of this employee?

_____Excellent_____Very Good_____Good_____Fair_____Poor

In comparison with *average younger workers*, please rate this employee on:

Absenteeism _____ More absences _____ About the same _____ Fewer absences

Getting along with _____ Less well _____ About the same _____ Better
others

Dependability _____Less _____About the same_____More

Work volume Less About the same More

Quality of work _____Poorer _____About the same_____Better

What, if any, *age-connected* weaknesses (mental or physical) have you noticed in this employee?

To the supervisor completing this form: please indicate your age group:

25-35_____ 35-45_____ 45-55_____ 55-65_____ 65 + _____

Please answer all questions honestly and realistically/Ratings are entirely confidential

FIG. 1

The sample used in this study is large. The 1525 cases included represent all older personnel (excluding some top officials) in thirty-nine Illinois industries. The following firms cooperated in this study:

A. E. STALEY MFG. CO., *Decatur*
 ALLITH-PROUTY INC., *Danville*
 AMERICAN-MARIETTA CO., *Kankakee*
 AMERICAN STEEL AND WIRE DIVISION, UNITED STATES STEEL CORPORATION,
Joliet
 BARRETT HARDWARE CO., *Joliet*
 BROWN SHOE COMPANY, *Mattoon*
 CHAMBERS, BERING, QUINLAN CO., *Decatur*
 CHAMPION MACHINERY CO., *Joliet*
 COFFING HOIST CO., *Danville*
 DAVID BRADLEY MFG. WORKS, *Bradley*
 ELECTRIC STEEL FOUNDRY CO., *Danville*
 EQUIPMENT STEEL PRODUCTS DIVISION OF UNION ASBESTOS & RUBBER CO.,
Blue Island
 FLAMINGO PRODUCTS INC., *Danville*
 GAR WOOD INDUSTRIES, INC., *Mattoon*
 GOTHARD MFG. CO., *Springfield*
 GRANITE CITY STEEL COMPANY, *Granite City*
 GREAT LAKES SCREW CORPORATION, *Chicago*
 HEGLER ZINC COMPANY, *Danville*
 HERMAN NELSON DIVISION, AMERICAN AIR FILTER COMPANY, INC., *Moline*
 HIRAM WALKER & SONS, INC., *Peoria*
 HYSTER COMPANY, *Danville*
 ILLINOIS CLAY PRODUCTS CO., *Joliet*
 INTERNATIONAL HARVESTER COMPANY, CANTON WORKS, *Canton*
 INTERNATIONAL SHOE COMPANY, *Springfield*
 J. D. ROSZELL COMPANY, *Peoria*
 J. L. CLARK MANUFACTURING CO., *Rockford*
 LE TOURNEAU-WESTINGHOUSE COMPANY, *Peoria*
 MUELLER CO., *Decatur*
 NORGE DIVISION, BORG-WARNER CORPORATION, RANGE PLANT, *Effingham*
 OLIVER CORPORATION, *Shelbyville*
 OSGOOD AND SONS INC., *Decatur*
 PERFECTION GEAR COMPANY, *Harvey*
 PILLSBURY MILLS, INC., *Springfield*
 PROGRESS MANUFACTURING CO., INC., *Arthur*
 ROBERT HOLMES & BROS., INC., *Danville*
 SAM WOLF BROOM CO., *Mattoon*
 STA-RITE GINNI-LOU, INC., *Shelbyville*
 UNITED STATES STEEL CORPORATION, *Joliet*
 WAGNER MALLEABLE IRON COMPANY, *Decatur*

Characteristics of the Group

Workers sixty and over constituted about 6.5 per cent of the total employees in the thirty-nine cooperating organizations. The average age of all personnel included in the survey was 63.9 years. Older workers included were distributed into age categories as follows:

| Age groups | 60-64 | 65-69 | 70-74 | 75 and over | TOTAL |
|------------|-------|-------|-------|-------------|-------|
| Number | 1056 | 372 | 68 | 29 | 1525 |
| Per cent | 69 | 24 | 5 | 2 | 100 |

About a hundred employees in the sample were more than seventy years old. The eldest employee was eighty years of age. It may be of interest to note that this eldest employee was employed as a tool worker and had

been with his present organization for fifty-nine years. He was given an over-all rating of "Good" and was reported by his supervisor to be good for at least two more years of satisfactory service. His weaknesses were reported to be "Declining eyesight and a tendency to fatigue more easily." Nevertheless, he was reported to have a lower record of absenteeism and to be more dependable than average younger workers.

Occupationally, plant production workers dominated the group and represented sixty-six per cent of the total employees. Included in this group were such occupations as assemblers, drill press operators, molders, machinists, lathe operators, polishers, patternmakers, and tool makers. Next in order were custodial and maintenance employees, representing thirteen per cent of the total. Laborers totaled eight per cent. Office and clerical employees totaled six per cent. Managerial and supervisory personnel totaled five per cent. Engineers totaled two per cent. Ninety-four per cent of all employees in the group were men.

Better than one quarter of all workers included in the survey group had spent most of their working lives with their present organizations, as shown in the following chart:

| Length of Service | Per Cent of Total |
|-------------------|-------------------|
| 1-4 years | 6 |
| 5-9 | 21 |
| 10-19 | 27 |
| 20-29 | 18 |
| 30 plus | 28 |

As shown in this chart, twenty eight per cent had been with their present organizations thirty or more years. A similar percentage had been with their organizations *less than ten years*. The longest term of service was held by the octogenarian referred to above; however, there were several employees in the group who had been with their firms for more than fifty years. Classified by age groups, the median length of service was as follows:

| | | | | |
|-------------------------|-------|-------|-------|--------------|
| Age groups in years | 60-64 | 65-69 | 70-74 | 75 and older |
| Median years of service | 18.1 | 18.6 | 16.3 | 21.6 |

The following paragraphs outline the specific findings of the survey with reference to the performance of older workers.

Ratings

OVER-ALL PERFORMANCE. All employees included in the survey group were given one of the following ratings by supervisors on over-all performance: excellent, very good, good, fair, or poor. Supervisors compared the performance of the individual with their own standards of what constituted a satisfactory employee. The ratings were distributed as follows:

| | | | | |
|-----------|-----------|------|------|------|
| Excellent | Very Good | Good | Fair | Poor |
| 11% | 25% | 39% | 22% | 3% |

No important differences appear in the ratings assigned to employees in the four age categories. While one might expect the favorableness of the ratings to decline sharply as age increased, the figures do not support such an assumption:

| | 60-64 | 65-69 | 70-74 | 75 plus | AGE IN YEARS |
|-----------|-------|-------|-------|---------|----------------|
| Excellent | 10 | 13 | 9 | 9 | |
| Very good | 25 | 25 | 26 | 24 | |
| Good | 41 | 33 | 37 | 31 | RATINGS IN |
| Fair | 21 | 25 | 24 | 27 | PER CENT |
| Poor | 3 | 4 | 4 | 9 | |
| | 1056 | 372 | 68 | 29 | (NO. IN GROUP) |

It is clear from these ratings that older industrial personnel are, for the most part, regarded as capable and efficient by their supervisors. Note that three-fourths of these employees were rated as *good or better*. Even more interesting is the fact that cost-conscious managerial personnel rated more than one-third of these workers as *better than good*.

There is, of course, a question as to how younger workers in these industries would have fared in a similar evaluation of over-all performance. Although no ratings of younger personnel were prepared, it seems unlikely that employees under sixty years of age would, as a group, have received ratings more favorable than those given older personnel. This is indicated by the following data in which performance of older workers was specifically compared with that of *average younger workers*.

ABSENTEEISM. Older workers far excel their juniors in being on the job each morning. In preparing ratings on absenteeism, managers and supervisors were requested to compare the record of absences of each older worker with that of *average younger workers*. The ratings for older personnel were distributed as follows:

| | |
|---|-----|
| Reported to have less absenteeism | 63% |
| Reported to have about the same absenteeism | 27% |
| Reported to have more absenteeism | 10% |

A breakdown of ratings by age categories shows no significant relationship between absenteeism and advancing age. Note that about two-thirds of older employees in each age group are reported to have less absenteeism than average younger workers. While there is a relationship between advancing age and those reported to have *more* absenteeism, note that only ten per cent of all employees were reported to have more absenteeism than younger persons:

| | 60-64 | 65-69 | 70-74 | 75 plus | AGE IN YEARS |
|------------------|-------|-------|-------|---------|----------------|
| Less absenteeism | 64 | 62 | 68 | 65 | |
| Same | 27 | 28 | 19 | 14 | RATINGS IN |
| More absenteeism | 9 | 10 | 13 | 21 | PER CENT |
| | 1056 | 372 | 68 | 29 | (NO. IN GROUP) |

There are several possible explanations for the excellent attendance records of older workers. It is our belief that the excellent attendance of these workers can be attributed to the fact that older personnel are more conscientious and stable in their work habits. Since persons in older age groups are freed of many of their family obligations and since they have discovered the satisfactions of a regular occupation, they tend to feel a greater incentive to be on the job.

The fact that older workers have such excellent attendance records seems to support the findings of geriatricians that illness and disease are not inevitable companions of old age.

GETTING ALONG WITH OTHERS. We found that older workers as a group were rated favorably in their human relationships. Each worker was evaluated in comparison with *average younger workers*. The distribution of ratings is as follows:

| | |
|--|-----|
| Reported to get along better with others | 32% |
| Reported to get along about the same | 61 |
| Reported to get along less well | 7 |

There are no meaningful relationships in ratings assigned to persons in different age groups. The following table shows ratings by age categories:

| | 60-64 | 65-69 | 70-74 | 75 plus | AGE IN YEARS |
|----------------------------|-------|-------|-------|---------|------------------------|
| Gets along better | 30 | 36 | 28 | 42 | RATINGS IN PER CENT |
| About the same | 63 | 56 | 66 | 55 | |
| Does not get along as well | 7 | 8 | 6 | 3 | |
| | 1056 | 372 | 68 | 29 | (NO. IN GROUP) |

This distribution shows that older workers are probably not more difficult to get along with than are younger workers. About one-third of these older employees were judged by management to be *better* than average younger workers in their relationships with others, and close to two-thirds were said to be as good. This suggests that there is little basis for the belief by some that older workers as a group are tactless, bigoted, and difficult to supervise.

DEPENDABILITY. Older personnel have been given an admirable rating in dependability. The tabulated ratings indicate that better than forty per cent of these senior workers were considered more dependable than *average younger workers*:

| | |
|--------------------------------|-----|
| Reported to be more dependable | 44% |
| Reported to be as dependable | 49 |
| Reported to be less dependable | 7 |

A study of ratings by age categories indicates that dependability is an enduring quality which may continue into advanced age:

| | 60-64 | 65-69 | 70-74 | 75 plus | AGE IN YEARS |
|-----------------|-------|-------|-------|---------|------------------------|
| More dependable | 44 | 46 | 44 | 41 | RATINGS IN PER CENT |
| As dependable | 49 | 46 | 47 | 41 | |
| Less dependable | 7 | 8 | 9 | 18 | |
| | 1056 | 372 | 68 | 29 | (NO. IN GROUP) |

These ratings suggest that older personnel are remarkably dependable, contrary to the belief of some businessmen and personnel managers who reject older workers "Because you can't depend on them." Foremen and department managers, whose own performance is dependent upon the accomplishments of subordinates, have indicated by their ratings that older workers represent a bulwark of stability and loyalty.

A skeptic might ask if older workers are dependable simply because they feel they *must* be in order to hold their positions. This does not seem to be a reasonable conclusion. If an employee were basically undependable and unreliable it seems unlikely that he could or would change merely to retain his position in later years. It seems more plausible to conclude that older workers are more dependable because of the greater stability of their habit patterns.

WORK VOLUME. Everyone will doubtless agree that a major criterion in the evaluation of an employee is productivity. It is clear that business organizations operate for profit. Unless employees produce satisfactorily a company will not remain in business very long. In this survey the work productivity of older workers was compared with that of *average younger workers*. The results are as follows:

| | |
|--|-----|
| Reported to have a higher work volume | 21% |
| Reported to have a volume about the same | 59 |
| Reported to have a lower work volume | 20 |

These figures, which show that better than three-fourths of the older personnel have work production records as good as, or better than, those of younger workers, should be of great interest to industrial personnel men who are looking for new sources of personnel or who may be weighing the feasibility of retiring all employees at sixty or sixty-five.

Ratings indicate that satisfactory work productivity may continue into advanced age categories:

| | 60-64 | 65-69 | 70-74 | 75 plus | AGE IN YEARS |
|----------------|-------|-------|-------|---------|------------------------|
| Higher volume | 20 | 20 | 25 | 10 | RATINGS IN PER CENT |
| About the same | 61 | 56 | 50 | 59 | |
| Less volume | 19 | 24 | 25 | 31 | |
| | 1056 | 372 | 68 | 29 | (NO. IN GROUP) |

Note that there is a slight decline in volume of work among employees in the advanced age categories. However, these eldest employees are nevertheless productive to an extent which is surprising.

QUALITY OF WORK. After considering the volume of work produced by older personnel one becomes interested in the quality of work produced by these workers. As one might suspect, older personnel are rated quite favorably in this regard. As before, work quality of older persons was compared by supervisors with that of *average younger workers*. The results follow:

| | |
|---|-----|
| Reported to have a better work quality | 32% |
| Reported to have a quality about the same | 60 |
| Reported to have a poorer work quality | 8 |

This indicates that as a rule management has nothing to fear concerning the quality of work produced by older personnel. Actually, there seems to be no consistent trend with reference to the quality of work produced by personnel as they become increasingly older, as seen in the following breakdown by age category:

| | 60-64 | 65-69 | 70-74 | 75 plus | AGE IN YEARS |
|---------------------|-------|-------|-------|---------|------------------------|
| Better work quality | 32 | 31 | 44 | 27 | RATINGS IN PER CENT |
| About the same | 61 | 59 | 44 | 59 | |
| Poorer work quality | 7 | 10 | 12 | 14 | |
| | 1056 | 372 | 68 | 29 | (NO. IN GROUP) |

These figures suggest that the quality of work produced by older personnel is remarkably satisfactory and that high work quality is a performance characteristic which may be retained well into advanced years.

From these survey results it is apparent that efficient work productivity may continue at a relatively unimpaired level through the years, provided the individual retains (a) his physical strength, and (b) his motivation to work.

(a) We may ask whether elder workers in general retain their physical strength for work into advanced years. The answer seems to be an unequivocal yes — for most types of work today. While quite a few of the positions included in this survey are somewhat physically demanding, advances in modern, labor-saving devices are resulting in fewer demands on physical strength. As a consequence, workers today may be presumed to be less physically worn and weakened at sixty-five than they were in previous generations.

(b) We may ask whether older workers in general retain their motivation to work. Again, the answer appears to be yes. This conclusion is supported by a study conducted by Edwin Shields Hewitt and Associates of Chicago, among employees about to be arbitrarily retired at sixty-five. The study indicated that a majority of these employees would prefer to continue working for a few more years.

Remaining Years of Service

Perhaps the most important question concerns how many more years an older employee can continue to render productive service to his em-

ployer. Does the work life end at sixty, sixty-five, or seventy? To obtain supervisory opinion on this point we asked this question:

“If there were no age restrictions on employment, how many more years do you feel this employee would be able to do a good job on this kind of work?”

The responses were as follows:

| | Per Cent of Total Responses |
|--------------------|-----------------------------|
| Less than one year | 6% |
| 1-2 years | 14 |
| 3-4 | 16 |
| 5-9 | 45 |
| 10 or more | 14 |
| Indefinitely | 5 |

For the entire group, the average employee was estimated by supervisors to be good for another 5.11 years of satisfactory service in the organization.

These data indicate that supervisors believe a majority of elder workers are capable of continuing beyond the traditional retirement age of sixty-five. Since the average age of employees in this survey group was 63.9, and since the average employee was estimated to have better than five years of satisfactory service ahead of him, it appears that seventy would be a much more realistic age for retirement — if management must use a fixed chronological age in retiring employees.

There are, however, many evidences in these data indicating that employees should not be bound by a fixed retirement age but rather should be permitted to continue as long as they perform satisfactorily. For example, an employee of sixty-one, who worked as a painter, was reported by his supervisor to have “at least 20 years of good service ahead.” Another supervisor, in rating a square shear operator of sixty-two, said, “A man of this calibre will be a capable employee as long as he is able to move a muscle.”

Age-connected Weaknesses

In evaluating employees on age-connected weaknesses, raters were asked to list only those weaknesses which they regard as *age-connected*. In other words, they were not to list traits, such as irritability and obstinacy, unless they considered these traits to be the result of advancing age. The following list shows the kinds of weaknesses observed by supervisors, in the order of their frequency:

| | |
|---------------------------------------|-----|
| General slowing down | 10% |
| Poor health | 10 |
| Psychological (such as forgetfulness) | 5 |
| Physical weaknesses | 5 |
| Poor eyesight | 2 |
| Poor hearing | 1 |
| None | 67 |

It is startling to observe that only one-third of the 1525 employees in this survey group were reported to have age-connected weaknesses, although such weaknesses are commonly attributed to older people in general. Fully two-thirds of the employees in the group were reported to be free of the inadequacies popularly associated with the later years.

Influence of Supervisor's Age on Ratings

To provide some facts concerning the long-standing belief that older supervisors may tend to think more charitably of older workers than do younger supervisors, rating supervisors were asked to indicate their age group. In comparing the ages of supervisors with the over-all performance ratings assigned (excellent, very good, good, fair, and poor) very little evidence supporting the traditional belief is found, as shown in the following:

| Age of Supervisors | Per Cent of Ratings Assigned | | | | |
|--------------------|------------------------------|-----------|------|------|------|
| | Excellent | Very Good | Good | Fair | Poor |
| 25-34 | 9 | 27 | 35 | 27 | 2 |
| 35-44 | 11 | 27 | 40 | 20 | 2 |
| 45-54 | 11 | 24 | 39 | 22 | 4 |
| 55-64 | 11 | 22 | 39 | 24 | 4 |
| 65 plus | 18 | 53 | 18 | 11 | 0 |

As shown in this chart, the percentage distribution of ratings is very similar for supervisors in all age groups. The higher percentage of *excellent* and *very good* ratings assigned by supervisors in the sixty-five plus category can, it appears, be discounted as there were only seventeen supervisors sixty-five and over in the survey group.

Summary

In interpreting these data we must avoid the tendency to infer more than is actually indicated. For example, there is a suggestion that older people tend to be efficient by virtue of their age alone. This inference is not sound because it fails to consider that the older workers in this survey represent a selective group in several senses: only the healthiest have lived, only those with motivation have continued to work, only those with the best apparent capabilities were selected for employment, and only the fittest have survived dismissal.

There may also be the suggestion that people sixty and over should be selected for industrial employment in preference to younger people. But this inference is also unsound because it overlooks the necessity in industry to employ younger persons who will be able to give long years of service to the organization and who will be available to replace experienced senior workers who ultimately must leave the organization.

The survey results, however, appear to support the following conclusions:

1. Most older workers in industry are considered by their supervisors to be as good as or superior to average younger workers with reference to over-all performance, absenteeism, getting along with others, dependability, work volume, and quality of work.

2. There seems to be no specific point of age at which industrial employees become unproductive. Satisfactory work performance may continue into the eighth decade.

3. Most older workers in industry are considered by their supervisors to have several years of productive service remaining.

4. Most older workers in industry are reported by supervisors to have no apparent age-connected weaknesses which impair their usefulness as employees.

5. Older supervisors do not tend to rate older personnel more generously than do younger supervisors.

6. Older people should be considered for employment along with younger people. A well-selected person of middle age may become adapted to his work and render a dozen or more years of satisfactory service to the employing organization. As seen in this study, more than a quarter of all employees had been with their organizations less than ten years — which means they must have been hired when past fifty years of age.

It should be noted that older people are being rated by physicians as physiologically younger than their fathers and grandfathers were at the same chronological age. These advances have come about through rapid progress in controlling infectious diseases and through the development of labor-saving devices. By 1980, population authorities predict, we shall have nearly twice as many people in our midst over sixty years of age as we had at mid-Century; and, according to geriatricians, these older people will be stronger and more capable of sustained work production than their predecessors were at the same age.

Accordingly, it appears that any unfavorable attitudes which we may harbor about the usefulness and capacity of older workers should be reappraised. Because there are growing numbers of older people in society, management should make intelligent efforts to use these older skills. The findings of this study, and of other studies as well, indicate that we need not be magnanimous about utilizing older people. There is a growing and imposing assembly of evidence that older workers as a group are considered by their supervisors to be productive and competent in most industrial tasks — even when their performance is compared with that of younger workers.

It is interesting to compare the results of the study conducted among older retailing employees (**BBM Bulletin 607, THE EFFECTIVENESS OF OLDER PERSONNEL IN RETAILING**) with the results of this study. While the types and conditions of work in these two areas are quite different, it is noted that older workers in

both fields of endeavor have similar work characteristics as shown in the following:

| | RETAILING STUDY | INDUSTRIAL STUDY |
|--|-----------------|------------------|
| NO. OF EMPLOYEES IN SAMPLE | 527 | 1525 |
| NO. OF PARTICIPATING FIRMS | 22 | 39 |
| PERCENT OF OLDER WORKERS IN RELATION TO TOTAL PERSONNEL IN THESE FIRMS | 10 | 6.5 |
| AVERAGE AGE OF OLDER WORKERS IN STUDY | 65.1 | 63.9 |
| PERCENT OF OLDER WORKERS RATED EXCELLENT | 20 | 11 |
| PERCENT OF OLDER WORKERS RATED VERY GOOD | 29 | 25 |
| PERCENT OF OLDER WORKERS RATED GOOD | 37 | 39 |
| PERCENT OF OLDER WORKERS RATED FAIR | 13 | 22 |
| PERCENT OF OLDER WORKERS RATED POOR | 1 | 3 |
| ABSENTEEISM | | |
| PERCENT WITH LOWER ABSENTEEISM THAN AVERAGE YOUNGER WORKERS | 70 | 63 |
| PERCENT RATED ABOUT THE SAME | 21 | 27 |
| PERCENT WITH MORE ABSENTEEISM | 9 | 10 |
| GETTING ALONG WITH OTHERS | | |
| PERCENT RATED BETTER THAN YOUNGER WORKERS | 31 | 32 |
| PERCENT RATED ABOUT THE SAME | 54 | 61 |
| PERCENT RATED POORER THAN YOUNGER WORKERS | 15 | 7 |
| DEPENDABILITY | | |
| PERCENT RATED BETTER THAN YOUNGER WORKERS | 58 | 44 |
| PERCENT RATED ABOUT THE SAME | 38 | 49 |
| PERCENT RATED POORER THAN YOUNGER WORKERS | 4 | 7 |
| WORK VOLUME | | |
| PERCENT RATED HIGHER THAN YOUNGER WORKERS | 39 | 21 |
| PERCENT RATED ABOUT THE SAME | 47 | 59 |
| PERCENT RATED LOWER THAN YOUNGER WORKERS | 14 | 20 |
| WORK QUALITY | | |
| PERCENT RATED BETTER THAN YOUNGER WORKERS | Not Computed | 32 |
| PERCENT RATED ABOUT THE SAME | Not Computed | 60 |
| PERCENT RATED POORER THAN YOUNGER WORKERS | Not Computed | 8 |
| AGE CONNECTED WEAKNESSES | | |
| PERCENT OF OLDER WORKERS RATED AS HAVING NO APPARENT AGE-CONNECTED WEAKNESSES | 76 | 67 |
| YEARS OF SERVICE REMAINING | | |
| ESTIMATES AS TO THE NUMBER OF YEARS OF SATISFACTORY SERVICE REMAINING FOR THE AVERAGE OLDER WORKER IN SURVEY GROUP | 5.6 yrs. | 5.1 yrs. |

From the foregoing comparison, we may conclude that supervisors in retailing look upon their older workers a trifle more favorably than do supervisors in industry. The difference may be attributed to the fact that (a) retailing work is less physically taxing than industrial work, and (b) there were considerably more women in the retailing study; since the female of the species has a longer life expectancy than that of the male,

women may be expected to retain their level of satisfactory work efficiency longer than men.

Satisfactory work performance does not cease at any given chronological age. Accumulated data indicate that supervisors, who are in the best position to know, consider their older workers as a group to be competent and capable. Accordingly, it is being realistic to suggest that businessmen study their employment and retirement policies to insure that effective utilization is being made of older hands which are ready, willing, and able to work.

Appendix

SOME QUESTIONS AND ANSWERS ABOUT EMPLOYING AND RETIRING OLDER PEOPLE

Everyone is familiar with the plight of the older individual who, for one reason or another, finds himself adrift in the employment market. The employment policies of most companies make it difficult for such an individual to find a suitable job — even though his experience and qualifications may be excellent. In addition, many firms continue to retire all employees at a fixed age, such as 65. Why are these practices followed?

In the following paragraphs are some of the arguments presented by employment managers and others as a basis for policies which (a) reject older applicants for employment, and (b) require employees to be retired at a fixed age. There are, of course, two points of view which may be expressed with reference to each of these arguments. One point of view is sympathetic to the use of older workers and the other is not. In responding to each the author, whose thoughts on the subject have the support of a number of well-known economists and retirement specialists, presents the former point of view and suggests that the popularly cited arguments are not entirely justified:

1. "The cost of employing people 55 and over would be prohibitive in view of our pension system."

Not if you have a "money purchase" plan with no minimum pension base. Under this plan, a small per cent of one's wages (usually less than 5%), supplemented by an amount from the employer, is paid into a fund which, upon the employee's retirement, provides a pension based on the amount paid into the fund. If, however, you have a "per cent of final income" plan (pension based on a substantial percentage — usually 30 to 50% — of final annual wages), it is true that it would be costly to give pensions to short term employees who reach the fixed retirement age. Firms with this type of plan, however, could nevertheless employ older people simply by exempting them from the plan or stating that to be eligible to participate in the pension plan it is necessary to be employed for a

certain number of years. If this were done, the company would have nothing to lose and the older individuals concerned would be given the opportunity to work. Further, since these older individuals would be exempt from the pension plan it would be an easy matter for management to permit them to continue working as long as they were willing and capable of doing so.

2. **"If we hired people past 55 and then retired them on a very small pension or terminated them without a pension, the company would be open to criticism."**

It appears that most job seekers past 55 realize that they cannot expect to obtain employment and then retire a few years later and receive a pension from the company for the rest of their lives. Insofar as community criticism is concerned, it appears that a company would be criticized more for refusing to employ capable older people than it would be criticized for employing older people and then retiring them, after a relatively short term of employment, with a very small pension or with none at all.

3. **"We feel that if a person is adrift in the employment field at 55 or 60 there must be something wrong with the individual."**

This assumption may be sound in some cases; however, there are thousands of honest, capable, and well qualified older workers who are seeking work not because they are job-hoppers or are inefficient but because of circumstances. For example, they may have been retired from the Army, they may have been in business for themselves and the business failed for reasons beyond their control, they may have been employed in firms where they were laid off because of declining sales or work stoppages, they may have found work in a certain position unrewarding after many years of service and decided to make a change, or they may have been discharged from a position not because of any inherent weakness but because of honest personality differences with supervisors and others. In the case of older women, there is always the chance that the individual decided to go to work late in life as a means of combatting loneliness or boredom.

4. **"People tend to lose their incentive and work motivation after 55."**

There is yet no evidence from psychologists to prove that this is so. Actually, incentive and motivation are very difficult factors to measure. If, however, we assume there is a relationship between incentive and an employee's regularity in attendance, there is reason

for believing that older people have considerable motivation, inasmuch as various studies show that absenteeism is lower among older workers than among younger workers. Some people attribute these low records of absenteeism to the fact that older people fear dismissal and are thus careful to be on the job regularly. If this is true it seems reasonable to assume that this same element of fear serves as a spur which motivates older workers to perform efficiently. If older employees in an organization seem to lack motivation this may be an indication that management is failing to provide a level of supervision and an environment which is stimulating to personnel.

5. "The mechanics of setting up a pension system make it essential that all employees be retired at a fixed age, such as 65."

While most pension systems employ a fixed and definite retirement age, there is no reason why these systems cannot be changed so as to provide flexibility in the retirement age. With the insertion of a few clauses, nearly any pension system can be changed so as to permit management to retain those productive employees who reach the fixed age and who wish to continue working. The retirement plans of the Parker Pen Company and the Pitney-Bowes Corporation are examples of the fact that it is possible for sound pension plans to employ a flexible retirement age.

6. "Retiring all employees at a certain age permits a firm to get rid of the deadwood."

If management employed a system of periodic employee evaluations it would not be possible for deadwood to accumulate so as to make it necessary to use the pension system as a means of removing inefficient personnel. An alert management will remove or rejuvenate ineffective personnel of any age.

7. "Retiring all employees at the same age eliminates possible charges of discrimination."

Management is always vulnerable to charges of discrimination. There are always decisions to make affecting individual employees, such as those relating to promotions, salary changes, transfers, and work assignments. If these decisions are made ineptly, management is sure to be labeled as discriminatory. On the other hand, decisions affecting employees usually prove acceptable to personnel when management establishes sound policies and administers these policies fairly and wisely. Similarly, a capable management can

administer a retirement policy under which only those employees found to be healthy and competent may continue to work beyond the normal retirement age.

8. "It's a matter of sound economics to retire older workers so as to make room for younger workers."

Few economists, if any, will support this argument. As a general rule, it is not economically sound to remove from the work force persons who are willing to work and are capable of producing efficiently. An economy is strong by virtue of having as many people as possible engaged in productive work. In some companies it is the belief of management that the older workers must be retired so as to provide a steady flow of advancement for younger workers. However, normal attrition and voluntary retirements are nearly always sufficient to provide the necessary opportunities for younger workers. If a firm has a capable younger worker whose progress seems to be blocked, there are usually two alternatives, either of which seems wiser than retiring the capable older man who may occupy the position above him: (a) the older man can be transferred to another position in the organization, or (b) the younger man can be assigned to work elsewhere in the organization which will provide the necessary advancement for him.

9. "What kind of a course do you feel management should follow with reference to employment and pensions?"

Employees should be selected based on their ability to perform required tasks. Age limitations should not be invoked except in the case of those positions which will necessarily involve a long training period before the individual can be expected to perform satisfactorily. When they have been hired, employees should be evaluated periodically so that deadwood is not permitted to develop and accumulate.

With reference to retirement, it is believed that pension plans should be created which establish a normal retirement age of 70 but which have features of flexibility. There should be three factors which govern whether or not employees will be retained beyond the normal retirement age:

- (1) whether or not they wish to continue working;
- (2) whether or not they can pass a reasonable physical examination;
- (3) whether or not, in the opinion of supervisors, they are still earning the wages which they receive.

Employees who are permitted to continue working after reaching the normal retirement age should be evaluated annually thereafter. When it develops that either the doctors or the supervisors decide that an employee should be retired, the employee should be counseled fairly and tactfully and should then be retired.

Actually, the practice of retiring competent employees with a pension is an expensive luxury. It is much wiser to keep a willing and capable employee on the job and earning his wages than it is to retire him on a pension and receive nothing in return.