

Older workers
(1959 folder)



employing

older

workers

U. S. DEPARTMENT OF LABOR
James P. Mitchell, Secretary
BUREAU OF EMPLOYMENT SECURITY
Robert C. Goodwin, Director

Washington 25, D. C.

MAY 1959

*A Record of
Employers' Experience*

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EMPLOYING OLDER WORKERS

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Office of Program Review and Analysis

Louis Levine, Assistant Director, Bureau of Employment Security

The Bureau extends its appreciation to the State employment security agencies and the many other organizations, both public and private, who furnished the examples of employer experience and other materials that appear in this publication. A special debt, which unfortunately cannot be repaid adequately, is owed to the employers whose practices and policies are reflected in this booklet.

This publication was prepared by Norman Medvin with the assistance of Benjamin Goldstein, both of whom are in the Branch of Manpower Studies, Jildo Cappio, Chief; Division of Labor Market and Manpower Studies, Gladys F. Miller, Chief; under the general supervision of Lazar M. Paves, Deputy Assistant Director for Manpower Studies and Research Development, Office of Program Review and Analysis. Valuable comments were received from Earl T. Klein, Chief, Division of Counseling and Special Applicant Services, Employment Service, and members of his staff and from Charles E. Odell, formerly Special Assistant to the Under Secretary of Labor for Older Worker Programs. Art and layout work was done by Evelyn Eckert, typing by Ernestine Briley and Carolee Grigg.

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PREFACE

President Eisenhower has expressed his concern for increased employment opportunities for middle-aged and older workers in the following statement:

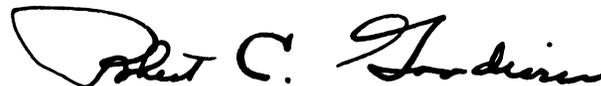
'Our Nation now must learn to take advantage of the full potential of our older citizens--their skills, their wisdom, and their experience. We need those traits fully as much as we need the energy and boldness of youth.'

The need for this kind of statement arises from the facts of discrimination against the older worker in the hiring process. A majority of job openings carry some sort of age restriction. Or, the barrier may not be so obvious, taking the form of educational and physical standards which are unrelated to the requirements of the particular job to be filled. Older workers, as a result, cannot get their fair share of jobs. Once unemployed, they have greater difficulty than younger workers in getting placed.

Part of the problem arises from misconceptions about older workers. Claims have sometimes been made that older workers are less productive, that they cannot adjust to new methods and techniques, that they are a greater accident and sickness risk, or that adding them to the payroll increases company retirement plan costs. The facts, based in part on Department of Labor studies and on independent testimony of employers, are that the work performance and work habits of older workers compare favorably with those of the younger group of workers.

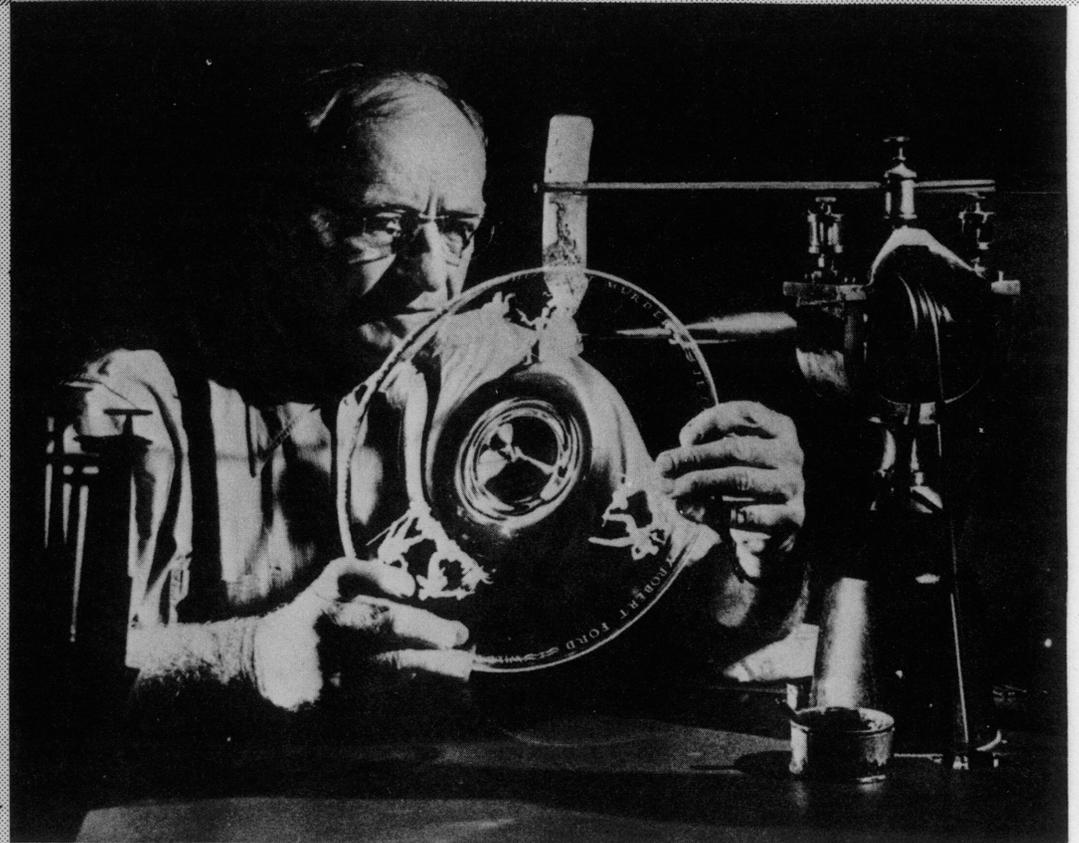
This record of employers' experience in the employment of older workers illustrate what can successfully be accomplished in actual practice. The cases described are the practical applications of business management's desire to obtain a dollar's worth of service for that amount of wages. They illustrate the profit motive in action, in getting the maximum use out of a scarce resource--qualified and experienced manpower.

It is on this basis, therefore, that I urge employers to hire workers on the basis of ability without regard to age. The facilities and services of the 1800 public employment offices in this Federal-State system are at the disposal of employers, workers, and the communities in which they are located in order to facilitate the use of all job seekers--young and old--on the basis of their individual capacities and effectiveness as workers.

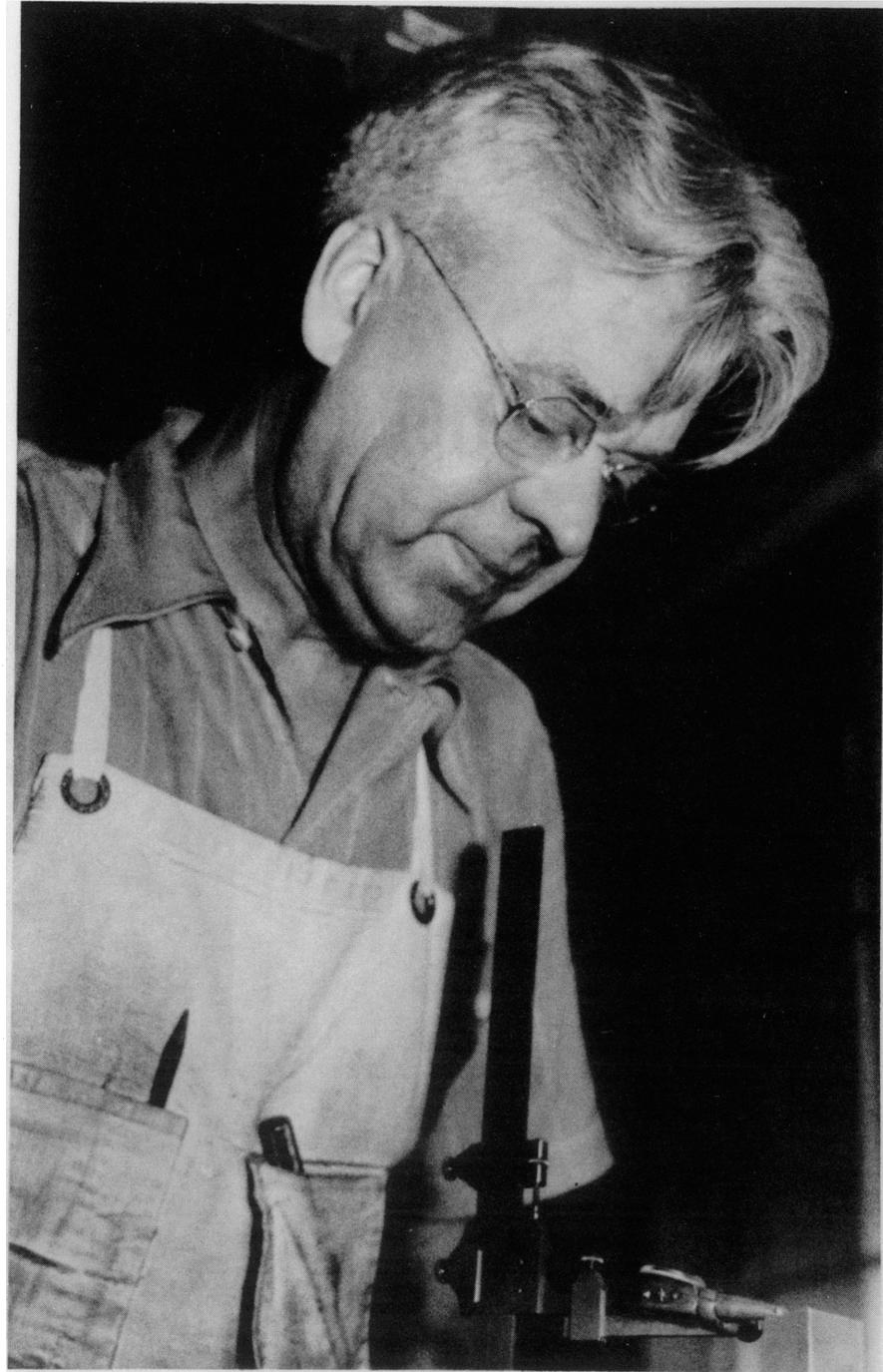


Robert C. Goodwin, Director
Bureau of Employment Security

I. INTRODUCTION



Craftsmanship is Ageless.



ABOUT THIS PUBLICATION

This is a book of condensed illustrations, drawn from actual experience, of sound and successful employer policies and practices in the employment of older workers--persons encountering difficulty in obtaining or retaining jobs because of age restrictions. The examples are drawn from individual company operating procedures.

Most of the examples were obtained during the course of a study of older workers conducted by the Bureau of Employment Security and seven of its affiliated State employment security agencies. Others are from the operating experience of various State employment services, studies conducted by the Bureau of Labor Statistics, and publications of the New York State Joint Legislative Committee on Problems of the Aging.

This book is one in a series of publications sponsored by the Department of Labor as part of a broad program to provide practical contributions toward resolving the problems of older workers. As a result of the Department's activities, a number of reports and pamphlets have been published, copies of which may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D. C. (See inside back cover.)

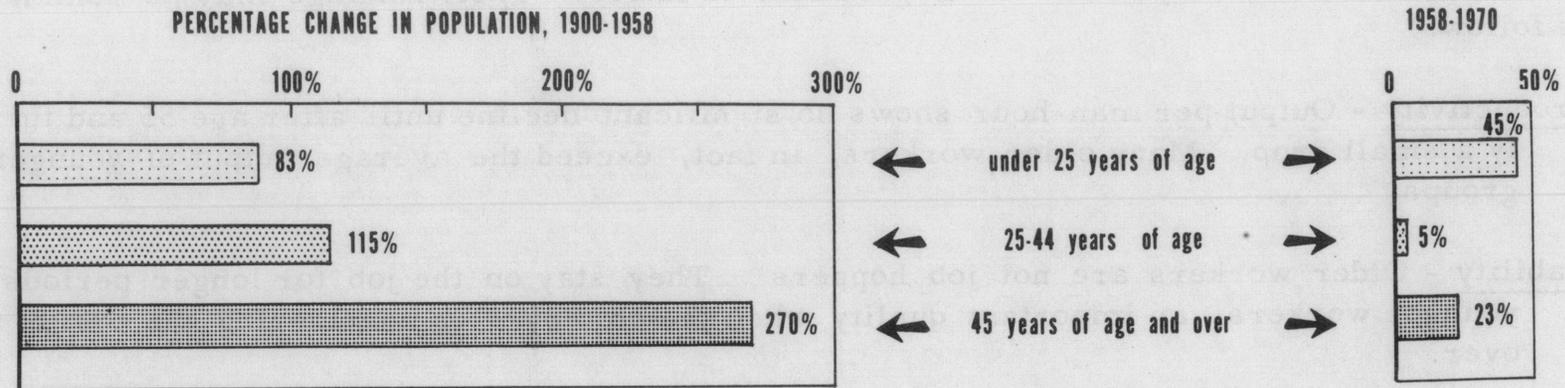
OUR CHANGING POPULATION

The remarkable increase in longevity since the turn of the century, curtailed immigration, and the low birth rate of the 1930's have caused the middle-aged and older segments of our population to increase more rapidly than the younger groups. In our 1958 population of 171.4 million there were 50.2 million persons aged 45 and over compared with only 13.6 million in 1900. During that time, the number of persons under 45 years of age almost doubled but those aged 45 to 64 tripled and those 65 and over quadrupled.

By 1970 our population will total almost 220 million. Sixteen million new workers will be needed in the 12-year span. Future labor force growth patterns, however, will differ from the past. Although the population age 45 and over will continue to expand, the number of those aged 25-44 will grow the least because of the effects of the low birth rates in the 1930's. Thus, when the national economy must grow to keep pace with our larger population's needs and our hoped-for rising standard of living, this preferred work group will become relatively scarcer.

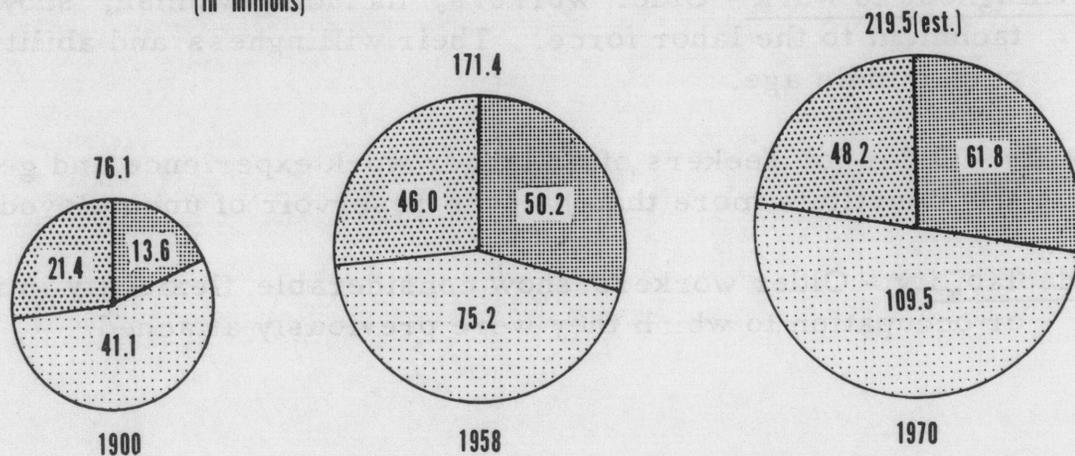
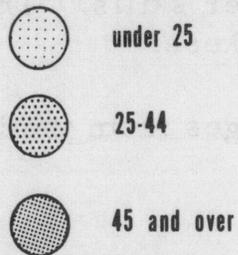
OLDER AGE GROUPS HAVE HAD THE FASTEST GROWTH SINCE 1900 AND WILL CONTINUE TO GAIN .

The age group 25-44 will gain the least .



U. S. POPULATION
(in millions)

Population in Age Group:



Source: Bureau of the Census

OLDER WORKERS ARE CAPABLE WORKERS

What can employers expect from older workers? How do they compare with younger workers in attitudes and skills, production and other cost factors? Answers to these questions are found in studies made by the U. S. Department of Labor. Their findings may be summarized as follows:

Productivity - Output per man-hour shows no significant decline until after age 55 and then only a small drop. Many older workers, in fact, exceed the average output of younger age groups.

Stability - Older workers are not job hoppers. They stay on the job for longer periods than younger workers, an important quality when the employer is considering the cost of turnover.

Absenteeism and safety - No significant differences among older and younger workers.

Willingness to work - Older workers, including women, show a high degree of continuous attachment to the labor force. Their willingness and ability to work do not drop off as they pass middle age.

Skills - Older job seekers offer longer work experience and generally higher skills. They usually constitute more than half the reservoir of unemployed skilled workers.

Adaptability - Older workers show considerable flexibility in making changes from the industry or occupation to which they were previously attached.

MYTHS VS. FACTS CONCERNING OLDER WORKERS . . .

MYTHS

Reasons Employers Give for Not Hiring Workers at Age 35, 45, or Over

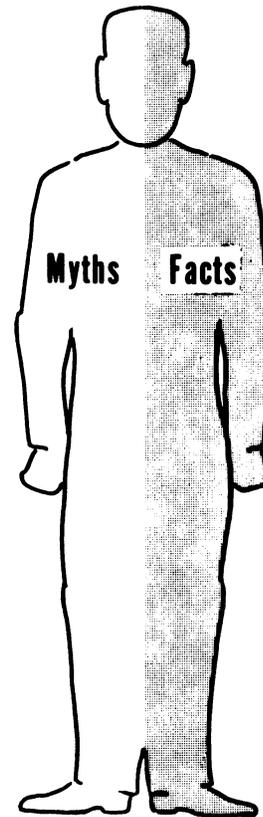
- ① *They Are Too Slow and Can Not Meet Production Requirements.*
- ② *They Can Not Meet the Physical Demands of the Jobs.*
- ③ *They Lack the Skills and Flexibility to Meet Changing Job Conditions.*
- ④ *Hiring Them Greatly Increases Pension and Insurance Costs.*

vs.

FACTS

As Determined by Labor Department and Other Studies

- ① *Studies of Age and Performance in Eight Plants Show No Significant Decline Until After Age 55 and Then Only a Small Drop and Wide Variation in Individual Output in All Age Groups.*
- ② *Extensive Job Analysis Shows Only 14% of Jobs Require Great Strength and Heavy Lifting. Among Older Job Seekers, 5 Out of 6 Had No Significant Vocational Handicap for Jobs for Which They Qualified.*
- ③ *Thorough Evaluation of Older Job Seekers' Characteristics Shows a High Proportion With Skills and Considerable Flexibility in Accepting Change in Industry, Occupation, and Earnings.*
- ④ *A Distinguished Group of Experts Reports that Under Pension and Insurance Plans Most Prevalent Today There Is No Significant Increase in Costs for New Hires of Older Workers.*



CONCLUSION:

Hire on the Basis of Ability, Without Regard to Age

II. HIRING OLDER WORKERS



(Photo by Newsday, Long Island)

HIRING FOR PERFORMANCE

The basic consideration in hiring should be ability to do the job. Studies reveal that job performance is not directly related to age. Many workers over 45 years of age have demonstrated a capacity to perform as capably as the average younger worker in terms of production. Regarding other job requirements such as dependability, cooperation, stability, and adaptability, mature workers usually surpass their younger counterparts. These findings have been established by intensive study.

There are many reasons why age as a factor in hiring is becoming less important and ability more important. Employers realize that most jobs, in terms of physical requirements, can be handled by anyone. The U. S. Employment Service, analyzing 4,000 typical jobs, found that 86 percent required little or a minimum of physical exertion; increasing mechanization continues to whittle away at the remaining numbers. Even in those jobs where physical requirements are important, alert employers recognize that many mature workers have individual capacities which may equal or exceed those of many individual younger workers. Some unions, like some employers, accepting the principle, have inserted clauses in their contracts which prohibit discrimination in hiring on account of age.

As part of the hiring procedure, management may require applicants to undergo a physical checkup. When the medical examination is related to the needs of the job, it is unquestionably sound. High physical standards unrelated to job requirements, however, may actually be a form of age discrimination.



Mature, constant, reliable, and over 45.

Employing Older Workers

Statements by companies who hire for ability. . .

**MOST JOBS CAN BE HANDLED
BY PERSONS OF ANY AGE**

In practice this division employs personnel on the basis of their ability to qualify for specific jobs. However, many jobs throughout the plant can be handled by persons at any reasonable age.

Scientific instruments
company, Pennsylvania

HIRING BASED ON QUALIFICATIONS

The group over 50 years of age are steady and dependable with considerably less turnover. Therefore, the company sees no reason for setting up age barriers in hiring so long as the applicant can perform the necessary job duties.

Candy manufacturer,
Illinois

It is, and always has been, the policy of the company to have the best qualified applicant for the job. Selection is based on individual qualifications for the job, with emphasis on ability, and not age.

Paper products company,
Illinois

In hiring, as in all other personnel policy and practice in our company, the merit of the individual is the guiding principle.

Operating under this philosophy we, of course, would never think of restricting hiring to any arbitrary age level. There is so much more involved in the contribution an individual can make to any organization than can be measured by the chronological number of his years.

Underwriting firm, New Jersey

For years, the company has followed a policy of merit employment. It hires on the basis of qualifications; if the skills are there, age is not important.

Agricultural implement maker, Illinois

The company hires new employees on the basis of ability with emphasis on work experience and education rather than age. It believes elderly workers provide them with a wealth of experiences and are ordinarily qualified to rapidly assume the full responsibility required of them.

Sporting and athletic goods manufacturer,
Illinois

PHYSICAL REQUIREMENTS IMPORTANT
BUT BASED ON JOB DEMANDS

Employee applicants who successfully pass the physical examination and have favorable past employment records are considered for employment irrespective of their age. Formal job studies aid the company in the selection and placement of older workers.

Automotive parts distributor, Washington

Applicants for jobs must pass a strict physical examination. Physical fitness and ability to do the job are the determining factors rather than any upper age limitation.

Machine tool company, Massachusetts

MECHANIZATION PERMITS HIRING IRRESPECTIVE OF AGE

Modern material handling equipment has lightened many of the jobs in this company, which makes it possible to hire more older workers.

Steel warehousing company, Pennsylvania

MANAGEMENT-LABOR AGREEMENTS AGAINST AGE DISCRIMINATION

"The company agrees that there will be no established maximum age limit in the hiring of employees."

Collective bargaining provision covering seven West Coast aircraft plants

"There shall be no discrimination in the hiring of any union worker because of union activity, age, sex, or prior employment with the firm."

Collective bargaining provision, New York handbag industry

HIRING FOR SPECIFIC JOBS

While workers should be hired on their individual merits, whether young or old, there are some situations or jobs for which older workers are especially suited because maturity contributes to better job performance. In these situations, employers may wish to reappraise their attitudes toward the hiring of older workers.

Take the instance in which employees must meet the public and where age inspires confidence and respect, or implies--and in fact means--knowledge. Or consider the need for skilled workers. Here, age is associated with highly developed skills, or craftsmanship and competent technical judgment.

Mature workers are particularly desirable in a number of other types of jobs because of their capacity for adjusting to special operating requirements such as off-schedule working hours, ability to maintain production on routinized operations, etc.



(Photo by Milk Industry Foundation)

Our preferred age for milk route men is between 45 and 55 years. This age provides a man with common sense and a maturity of judgment which is so necessary in the personal contacts between the company and its customers.

Dairy Company, Pennsylvania

Employing Older Workers

Illustrations underlining the desirability of older workers for many specific types of jobs. . .

NEED FOR SCARCE SKILLS

Frequently only the older workers have the necessary skills to perform certain jobs. This is particularly true of toolmakers who are very hard to find in the labor market. There have been a number of men hired in this job classification who have been over 50 years of age.

Brass products manufacturing company,
Pennsylvania

NEED FOR PART-TIME HELP

The company utilizes a great many older employees on an 11:00 a.m. to 4:00 p.m. short-hour basis, which is admirably suited to the older worker.

Department store, Illinois

WILLINGNESS TO WORK, STABILITY, QUALITY OF PERFORMANCE

The company stated that the most pronounced characteristic of older employees is the fact that there is no turnover for those over 45 years of

age. Also, older employees generally require less supervision than the younger employees. In particular areas of work, i. e. blending of paint, older workers are more careful and responsible than younger workers.

Paint company, Washington

Turnover in the older group is lower, and the production per day is better than in the younger group as a whole, because time is not wasted in visiting and playing.

Office machine manufacturer, Illinois

This company has discovered that for routine clerical-type work, the older worker is superior to those who are younger. For this reason, older workers are recruited and trained for certain specific clerical jobs. One department doing general clerical work is presently composed of seven women with ages ranging from 45 to 70 years.

Magazine publishing company, Pennsylvania

This producer prefers to hire older workers for a series of occupations, both for considerations of competence and for stability in employment. For skilled craftsmen, it has found that workmen in the 45-50 age group are usually journeymen of the "old school," and able to work on an all-around basis without much supervision. Younger journeymen have been found to be in many cases less adequately trained and in need of more supervision.

The company also prefers older workers for clerical jobs since the turnover among them has been found to be less than among younger employees.

Motion picture producer, California

MEETING THE PUBLIC

For work as hostesses, the company prefers older women in the 50-55 age group. This position requires visiting families after the memorial service, and the poise and experience of older persons contribute to effective job performance.

Memorial park, California

Older workers are preferred because they consider service in a hotel or restaurant a career and consideration of others a requisite.

Restaurant, Florida

Older persons can produce higher earnings in selling where maturity and patience are important qualities in dealing with the public.

Department store, Michigan

HIRING IN FIRMS WITH PENSION PLANS

Company pension plans, which help maintain worker income after retirement, can be a significant factor in attracting new workers and, in addition, help retain experienced workers by reducing incentives to change jobs. In recruiting, however, many employers feel that the existence of a private pension plan makes it costlier to hire the mature worker. Moreover, it is sometimes felt that to hire older workers who cannot meet maximum age or length of service requirements in order to be eligible for benefits or who would earn less than "adequate" benefit rights, would subject the employers to community criticism on behalf of retiring older workers.

Pension impediments to the hiring of older workers, however, may be more theoretical than real. Many variants of sound pension financing are available in which the added cost of hiring an older worker is minimal or nonexistent. Most pension plans today provide for benefits related to length of service, or earnings, or both. Additional pension costs, when incurred, are frequently offset by the older worker's experience, lower turnover and absenteeism, and quality of work.

Employer sensitivity toward "turning out" older employees with little or no pension income is effectively dispelled by developments of the last few years. Almost all workers are entitled to benefits under the Federal Old Age and Survivors Insurance program. Hence, it is increasingly recognized that private pension plan benefits really supplement the basic Social Security retirement benefits program. In some cases, vesting of private pension rights is provided.

There is nothing inherent in the nature of pension plans which limits the freedom of employers to hire qualified older workers. A number of employers have indicated how they achieve flexibility in their hiring under pension plans.

Eligibility requirements under some plans enable virtually all employees to qualify for benefits; in others, standards limit benefits to those hired under a specified age. The latter are sometimes specifically stated, or if not, may be derived by subtracting the plan's length of service requirements from the mandatory retirement age or the age after which service credits are not granted. A recent liberalizing development is the raising of the maximum participation age. Companies may also achieve flexibility in hiring by providing special retirement allowances for employees who are not eligible for the pension plan benefits.

Cases illustrating pension hiring practices are shown below. . .

ALL EMPLOYEES ELIGIBLE FOR BENEFITS

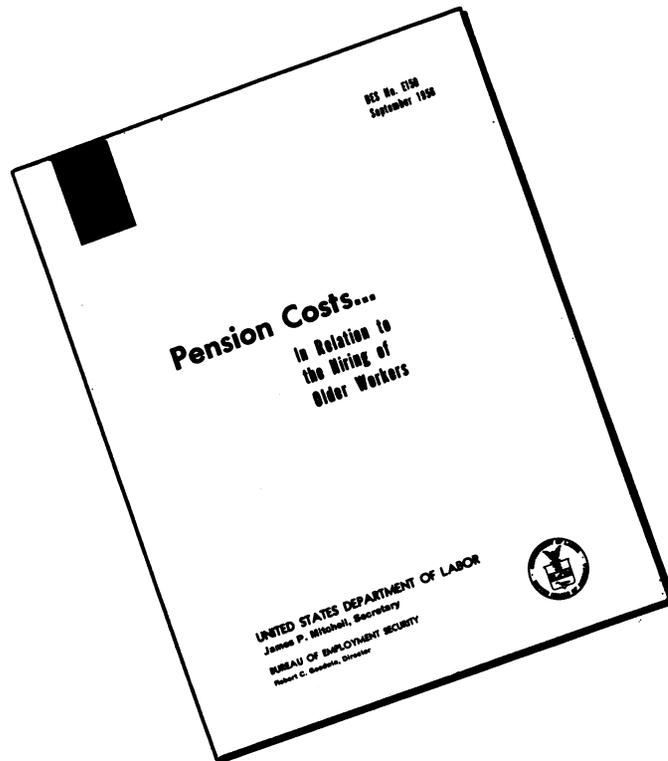
A pension plan, adopted substantially in its present form in 1944, is open to all employees after age 30 and up to age 64, after one year of service. For those who continue to work after the normal retirement date, no further contribution is made by the employer into the retirement fund, except for employees who at the date they joined the plan were 55 years of age or over. In these cases, the contribution continues for the period during which retirement is postponed.

Financial institution,
California

This company, with several hundred workers, has a plan which provides pension rights for every employee of at least ten years of service. The minimum pension payment is \$197.20 per month, including Social Security benefits. Employees with the required service may retire at age 65, or may continue to work at their own option.

The flexible retirement policy permits this company to hire persons beyond 55 years of age without barring them from pension benefits. Such employees can earn a pension by continuing to work for ten years.

Cemetery association,
California



"....abundantly clear that pension and insurance costs need not stand in the way of hiring on the basis of ability to do the job, regardless of age...."

(From U. S. Department of Labor study shown above. Also see inside back cover.)

This pension plan provides benefits for all employees who have at least five years of service. There is no automatic compulsory retirement age and all service after the normal retirement age of 65 is credited.

Electrical manufacturing company,
New York

RETIREMENT ALLOWANCES FOR WORKERS WHO FAIL TO QUALIFY FOR PENSIONS

Provision for retirement income for employees is made in a form that does not bar the hiring of persons after 45 years of age. Since the pension plan is available only to employees with 20 years of service, employees hired after age 45 are given "retirement allowances" in lieu of pensions. An amount equal to 10 times the normal weekly earnings is provided, with the retirement payments being disbursed weekly until the total amount is exhausted.

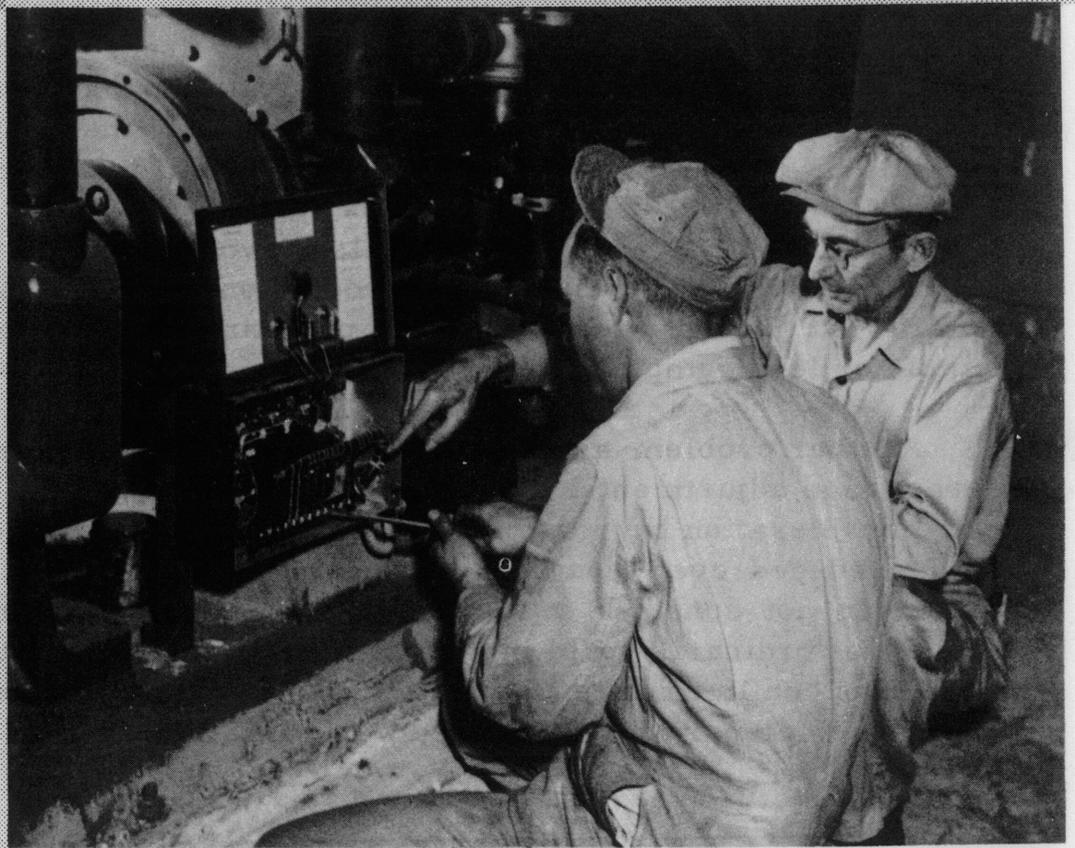
Meat packer, California

ADDED PENSION COSTS A RELATIVELY MINOR FACTOR

Employment policy is not based on the narrow aspects of pension cost. A whole range of factors affecting labor costs are relevant to the question of age. In this firm's experience, older persons have been a more stable working force and the cost of labor turnover in this group is less than among younger workers. The firm considers that the lower turnover cost compensates to some extent for the additional costs involved in pension and group insurance when older persons are employed.

Airframe manufacturer, California

III. KEEPING OLDER WORKERS ON THE JOB



ASSIGNMENT TO DIFFERENT JOBS

Employers use a variety of means to keep workers who are unable to continue in their customary occupations because of job-connected disabilities or diminished physical capabilities. The ages at which workers' physical abilities diminish are much higher, of course, than the ages at which the bulk of hiring restrictions take place. When ability to do the job is diminished, the most frequently employed device is to transfer the worker to another job.

The transfer procedure may be a formal one in which provision is made for analyzing the requirements of the job as well as evaluating the worker's capacity. In some companies, however, an on-the-spot, informal approach is used. In still other companies, especially those with union agreements, the basis of the transfer may be spelled out in some transfer provision of the agreement. While seniority is frequently the controlling factor, some agreements specifically by-pass seniority for specified types of transfers.

The transfer procedure may also involve changes in the type of job. Workers may be shifted to the same job but off the production line, to custom or quality work, to reserve jobs, to different jobs of equal status, to part-time jobs or to jobs on a more desirable shift, or to simple or less complex jobs.

Another problem area arising out of job transfers in which employer practices differ concerns wage adjustments. Some companies believe that the older employee is entitled to special consideration by reason of his long years of service. Consequently, his rate of pay may not be reduced even though he is working at a job which carries a lower rate. But many companies do not consider it sound administration to pay transferred employees a rate which is above that ordinarily paid in a particular job. In still others, a compromise is made between these two conflicting views, and the cut in pay is in inverse proportion to the worker's length of service, or may be determined by negotiation.

Examples of job transfer practices follow. . .

INFORMAL TRANSFER PROCEDURE

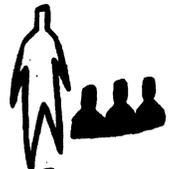
Job-transfer problems are generally handled by the plant superintendent, working in conjunction with the nurse and plant doctor, who are consulted when necessary. There are no rigid rules relative to such problems; an informal common-sense approach is used. It has been very effective and generally satisfactory to both employer and employee.

Metal stampings manufacturer, Massachusetts

FORMAL TRANSFER PROCEDURE-- JOB EVALUATION AND WORKER CAPACITY

The job evaluation plan of the company includes analysis and description of the physical requirements of the job. The safety and medical departments in conjunction with supervisors and job analysts study the physical and environmental job conditions. When an impairment in job performance is noticed by a supervisor or foreman, or is evident in measures of production, a medical examination is made if indicated. The company has a fully equipped and professionally trained medical department. In addition to periodic examinations of employees in occupations with particular physical requirements or hazards;

Moves of older employees will generally fall into one of the following patterns:



- To supervisory and other jobs requiring judgment, knowledge and experience.



- To jobs requiring custom or quality work.



- To jobs in which they train new employees.

- To jobs off the production line.



- To part-time jobs or work on a more desirable shift.



- To inspection work or other light jobs.



physical examinations are provided employees of any occupations upon request of the supervisor. A change of work assignment as necessary to bring job performance up to standard is made by the foreman.

Aircraft producer, California

FORMAL TRANSFER PROCEDURE-- PERFORMANCE RATINGS AND WORKER CAPACITY

The company has a regular policy of reassignment of workers as necessary to fit their abilities to the job, or alternatively, of adjusting the job content to fit individual abilities. These policies apply to all cases of impaired job performance, including physical handicaps, aging or any other reason. The company has regular performance ratings, and impairment of ability to do the job due to age is noted in the normal rating process and the change of work assignment is made by the foreman.

Another aircraft manufacturer, California

When older workers become unable to handle their regular jobs, transfers to jobs which are within their capacities must be accomplished within the framework of a rigid seniority system. Under this system, open jobs are posted, and older workers--who are likely also to have relatively high seniority--bid for the job they can handle.

Basic steel producer, Michigan

SUPERSENIORITY TRANSFERS

"Employees who have given long and faithful service, and who have become unable to perform heavy work by reason of age, physical handicap, or otherwise, shall be given light work they are able to perform, regardless of seniority rights, if such work is available."

Plumbing supply plant agreement

TRANSFERS TO JOBS OFF THE PRODUCTION LINE

In a shirt company, the final six operations are performed by a group of women known as an assembly unit. Because the work is paced to each succeeding operation, there is considerable pressure for each worker to match the speed of the group. As each operator grows older and encounters difficulty meeting the pace, the company removes her from the unit and lets her set her own pace. She is not downgraded but does her own job without pressure.

Shirt company, New York

TRANSFERS TO JOBS OF EQUAL STATUS

An outside salesman of the company was no longer able to drive a car. He was transferred to an inside desk job.

Meat company, New York

A driller in an underground mine was unable to climb ladders and perform laborious duties. He was transferred to putting blasting caps on fuses and cutting the fuses to lengths required for various types of drilling.

Mining company, New York

TRANSFERS TO RESERVED JOBS

The company has given careful consideration to the problem of the older worker who finds that the job he is doing is beyond his physical capacity; it makes a practice to transfer such individuals to its "pasture department," i. e., the inspection and gauging department, where work is light, or to bench work. Recent examples of such transfers involved three heart cases transferred from machine work to inspection or bench work.

Machine tool manufacturer,
Massachusetts

**PAY ADJUSTMENT IN TRANSFERS:
NO REDUCTION IN PAY**

"An employee with 20 or more years of service with the company who becomes incapacitated so as to be unable to perform his or her regular work to the satisfaction of the company may, in the sole discretion of the company, be placed at any work the employee can perform at an appropriate rate of pay. 'Appropriate rate of pay' shall be determined by the company in relation to the circumstances in each individual case but shall not exceed the maximum rate of pay of the position to which an employee is assigned, unless such employee is 50 or more years of age. In that case an employee's existing rate shall not be lowered by virtue of the assignment to the lower-rated job. The Head Shop Steward will be notified of such transfers at the time such transfers are made."

Public utility agreement

WORKER RECEIVES PAY RATE OF NEW JOB

"Employees in their senior years who because of their health are not able to continue on the operation they were employed may be transferred to other departments where there is work they can do and shall receive the rate for the job."

Metalworking machinery company
agreement, Ohio

RATE BASED ON AGE AND LENGTH OF SERVICE

"In the event that an employee age 45 or over has fifteen or more years of service, and becomes partially disabled from injury or natural causes which cannot be attributed to gross negligence, or which cannot be corrected so that he may continue in his regular occupation, he is entitled to be transferred to a less difficult job when a vacancy occurs."

If the employee is transferred to a job which pays less than his regular job, his pay will be cut in inverse proportion to his years of service with the company.

The medical director of the company decides the extent and cause of any physical disability. If there is a disagreement between the medical director and the employee's personal physician, the employee may appeal to a reputable medical agency for advice, with the company and the union sharing the expense of the appeal."

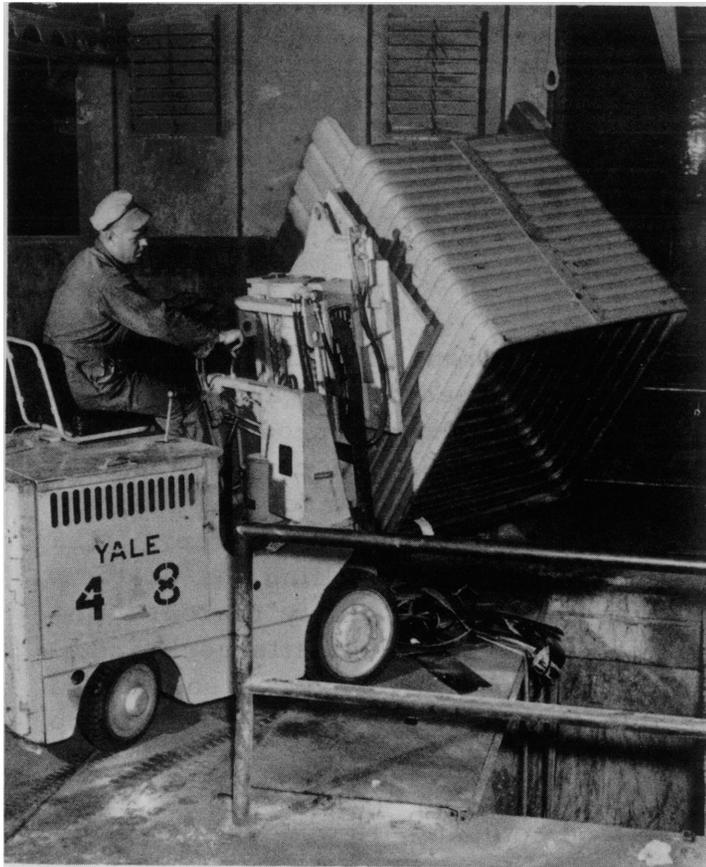
Public utility company, Pennsylvania

MECHANIZING OR RE-ENGINEERING THE JOB

Keeping workers whose ability to perform their customary job is impaired may be accomplished by transfer or by changing the job content. Transfer is described in the previous section. Cases of changing job content are illustrated in this section.

Redesigning the job to suit the worker by such innovations as rescheduling the pace of production, breaking a job down into simpler components, relocating control levers, or changing height of benches, chairs, etc., is known as "job re-engineering." However, it has been used only on a limited basis as a means of retaining older workers, partly because physical deficiencies are not uniform but largely because it may involve dislocation or expenditures which the employer is unwilling to undertake.

Of greater significance than job re-engineering in reducing the physical demands of many jobs is the introduction of materials-handling and control equipment or manual energy-saving methods. This kind of technological improvement reaches its highest point in the broad development of automation, though not directed necessarily to utilizing older workers. While automation may mean temporarily fewer jobs with immediate disadvantages for some older workers, it does increase the emphasis on repair and maintenance of costly equipment. Such activities call for skills possessed abundantly by older workers. It also promotes the retention of older workers by placing increasing reliance on maturity and dependability.



Modern machinery lightens the load of older workers .

Examples of mechanization and job re-engineering are as follows. . .

MECHANIZATION

Technology is a major asset to this company and helps explain why it has been able to continue to employ so many workers over 45 years of age. Because of the introduction of cranes and mechanical devices, most of the physical effort has been removed from production jobs.

Metal tubing company,
Pennsylvania

The search for efficiency has resulted in the introduction of machinery which has greatly reduced the number of back-breaking jobs in the plant. Speed has become much more essential to production efficiency, but this comes with experience. Thus, the older worker has benefited tremendously by modern technology which not only has reduced the physical labor involved but has also placed a premium on experience. In addition, technological advances have reduced the necessity of transferring older workers to lighter work, for almost all jobs can now be performed equally well by either young or old. Intraplant transfers have only arisen because of injury or incapacity, not age.

Corrugated box manufacturer,
Pennsylvania

The introduction of improved machines has tended to remove almost all physical effort from most jobs. There are still a few workers who may be required, in the process of a day's work, to lift weights up to 30 pounds. This is not frequent, nor is it a major item in any job classification. Management also believes that mechanization has resulted in increased demands for the experience and skills usually found in the older worker.

Metal notions manufacturer, Pennsylvania

JOB RE-ENGINEERING

A company found it necessary to place 12 women ages 50-60 on rough fill lines, to pick up an empty carton from one conveyor belt, quickly fill it with processed beans, and then place the filled carton on another conveyor running to weighing tables. Overall production in the plant was governed by the speed with which the women did their work. The company after a few days found that the women constituted a bottle-neck; they were too slow for the job, yet they could not be replaced with younger women "due to the nature of our workforce." The company felt its only recourse was to study the job for simpler methods of filling the cartons. As a result, it rearranged the filling system so that the women could fill empty cartons without having to pick them up. "This simple change completely eliminated the bottle-neck and at the same time brought the job within comfortable reach of the women involved. It so changed the physical requirements of the operation that we were able to shift four women from this job to others in the plant without making the job burdensome on the remaining women."

Frozen food company, New York

In chemical storeroom, carboys weighing up to 50 pounds contain various chemicals. To fill an order, it was necessary to lift the carboy from the shelf and then pour out the required amount. The storeroom employees found it increasingly difficult to perform the job as they aged. The firm placed the carboys in rockers and had siphoning devices attached.

Chemical company, New York

An operator of a sand slinger machine, used in making molds, formerly had to guide the suspended head of the machine back and forth over the mold by hand. This necessitated standing during the full shift and was very heavy physical work. After operating the machine for a number of years, the operator began to lose weight and requested a transfer. Instead, the equipment was altered so that the head moved back and forth with hydraulic power remotely controlled by the operator from a sitting position within a well-ventilated enclosure. Immediately after the change the operator regained his weight and health, and production of the slinger unit went up 20 percent.

Plumbing fixtures manufacturer, New York

'Most Wish to Stay on and We Let Them. . .'

Many workers do not wish to retire at age 65. Often they feel that they cannot afford to retire. To stop working would mean a drop in their living standards. The earning potential based on their cumulatively acquired skills would not be effectively utilized.

To accommodate these workers who wish to stay on and to advance their own interest, many companies have adopted the policy of a flexible retirement age. It enables them to retain their workers as long as they are able to do their jobs. The fact that workers have a proven record of satisfactory employment is considered a sound reason for continuing them in their jobs. Flexible retirement thus enables companies to take into account the very considerable individual variations in physical capacity.

Flexibility in retirement may be achieved, in effect, by raising the general compulsory retirement age. Individual employees may also be given the option to continue at work with the introduction of certain modifying conditions with advancing years. These include ability to maintain satisfactory performance standards and/or physical condition.

Pension costs and retirement benefits based on length of service complicate the problem of the retirement age. This has been met in some instances by awarding the worker his retirement benefits at the normal retirement age without severing his employment. In other cases, retirement benefits are postponed until the worker is actually separated. Benefits may be increased for the worker who continues beyond normal retirement age, but under some plans, no additional sums are set aside for the employee who has postponed his retirement.

Cases illustrating flexible retirement practices are shown below. . .

**FLEXIBLE RETIREMENT: RAISE
RETIREMENT AGE AND GIVE
EMPLOYEES OPTION TO CONTINUE
WITHOUT CONDITIONS**

This company raised the compulsory retirement age for its employees and provided a three-year period in which retirement at the option of the employee is possible. The change in the retirement age provision was not unilateral on the part of the company, but was a negotiated increase effected through collective bargaining. In accordance with an agreement dated March 1956, the following provision was adopted:

"An eligible employee, upon reaching age 65 men, age 62 women, may continue to work up to age 68 men, age 65 women, or may at his or her own option elect to retire as of the first day of any calendar month following the 65th birthday for men, 62nd birthday for women. . ."

Public utility company,
California

The company considers that ability to do a job is the important factor in employment and that an employee's chronological age is relevant only insofar as it affects his ability to do his job. Another reason for the company action was to accede to the personal requests of employees who wanted to



'Loath to Leave Lathe'

continue in employment beyond the then compulsory retirement age limits. The company also observed that since some of their retired employees were taking jobs elsewhere, they apparently were qualified for continued activity with the company. Experience in recruiting in a relatively tight labor market was another factor.

There appears to be no problem associated with administration of a plan providing for retirement at the employee's option. The provision that the company will be given adequate notice permits the company to hire replacements, and overcomes the objection that such flexibility precludes manpower programming.

A second public utility company, California

FLEXIBLE RETIREMENT: EMPLOYEE CAN CONTINUE SUBJECT TO CONDITIONS

Company administers a liberal and flexible retirement policy which contributes to continued employment beyond age 65 of those employees who are performing satisfactorily on the job. The company has the general policy of permitting continued employment after age 65 if the employee so desires and if he is performing satisfactorily. The company had, as a result of this policy, numerous employees over 65 years of age, the average for the group being 68 years.

When the employee who wishes to continue working nears the retirement age, he submits a formal request in writing.

The employee's request is reviewed by his supervisor and the department head of the division in which he works. His job performance, attendance, and health are rated and a recommendation is made by the department head, subject to administrative approval, as to whether or not the employee is to be invited to continue to work.

If the employee's request is disapproved by these persons, an investigation is undertaken by the industrial relations office as to why performance was not found to be adequate. A

medical examination is made if indicated. The supervisor's rating is reviewed, together with previous merit ratings of the employee, by the industrial relations staff, and consideration is given as to whether or not inadequacies in performance have been discussed by the supervisor at a previous time with the employee.

The Retirement Board of the company, composed of the Director of Industrial Relations, the Vice President in charge of finance, the Administrative Engineer, Comptroller, and Factory Manager, then considers the employee's request, together with the recommendations, and a decision is made.

If the Retirement Board approves the employee's request, a written invitation is sent informing him that he can continue to work subject to periodic review in accordance with company practice. If the employee's request to continue to work is denied, the employee is so informed by the staff of the industrial relations department.

Aircraft producer, California

Continuation in employment beyond the normal retirement age is on a year-to-year basis. A review is made of those employees wishing to continue to work, and subject to a successful physical examination and supervisory and executive approval, an invitation to work one year is extended. A review is made each year thereafter and, subject to the same conditions, the invitation to continue in employment another year is renewed by the company. The general desire to continue is attributed mainly to financial considerations since many of these employees have not worked long enough to fund an adequate pension.

Air transportation company, California

FINANCIAL ASPECTS OF FLEXIBLE RETIREMENT

Pensions Paid in Addition to Earnings

In this company, all employees with five years continuous service who earn more than \$3,000 annually are covered by the pension plan. Employees may collect retirement benefits

and continue to work since there is no compulsory retirement age. Retirement income is paid from the "normal retirement" date, i. e. the December 31st nearest the employee's 65th birthday, whether or not the employee retires or continues to work.

Aircraft producer, California

Employees may retire at age 65; those who were first employed by the company at advanced ages may retire at 70. The term "retirement" is loosely used and does not mean "separation from employment," but rather, the date of collection of bulk cash benefits which may be met without severance. "Most wish to stay on and we let them. . ."

Fur retailer, Michigan

Additional Service Increases Amount of Pension Benefits

The (company) has a liberal retirement policy which permits employees in all types of jobs to continue to work beyond age 65 if they so desire. For drivers and operators, the major occupational group, the pension plan provides for a normal retirement age at 65 years for employees with 30 years of service. Retirement at 65 is permissive. . . Additional service beyond age 65 up to 70 years increases the amount of the pension payable upon retirement. No credit is given for service beyond 70 years of age, for the company wants to encourage drivers and operators to retire at this time.

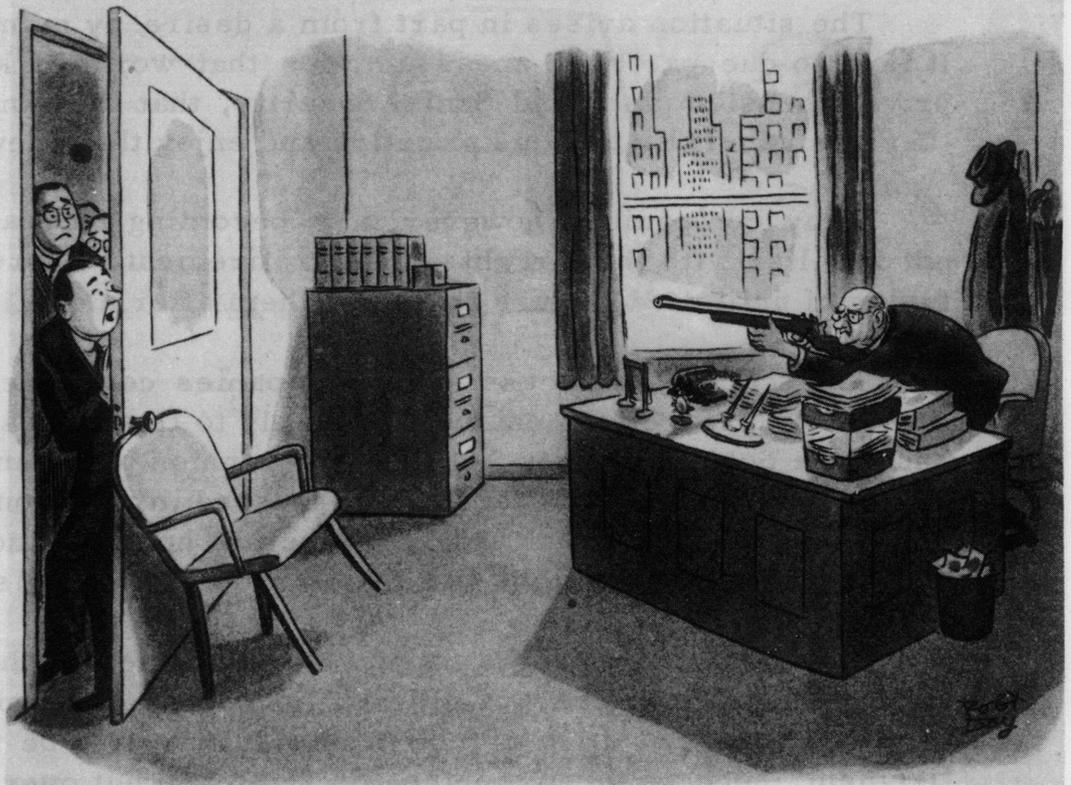
Bus line, California

Additional Service Does Not Increase Amount of Pension Benefits

The pension plan establishes a normal retirement age at 65 but provides that employees may remain in service thereafter with the year-to-year approval of the Board of Directors. When an employee continues to work, there are no further company contributions to the pension fund for the additional service. The retirement pension is available to the employee only on his actual retirement date, and the amount is the same as would have been available at his normal retirement rate.

Furnishing and equipment retail store,
California

IV. TERMINATING EMPLOYMENT OF SENIOR WORKERS



"Cut it out, B.J.! You know that retirement at sixty-five is mandatory!"

PREPARATION FOR RETIREMENT

The involuntary separation of older workers from jobs or establishments with which they have been long associated, avoiding painful psychological or other maladjustments, requires careful planning and tactful execution. Successful retirement is not a matter of chance. Despite a general acknowledgment by authorities of the necessity to prepare older workers for retirement, this is an area which appears to have been very generally overlooked in practice.

The situation arises in part from a desire by management to avoid charges of paternalism. It is also due partly to an assumption that workers know their rights and entitlements under private pension plans and Social Security, that they know what is in their best interest, and that they are generally anxious to retire and enjoy their newly acquired leisure.

Many companies, however, are becoming increasingly aware that workers are generally not familiar with their rights under retirement. Moreover, many retirees fail to grasp what a future of unlimited leisure holds for them after a discipline of decades of daily work.

The scope of the activities of companies concerned with this situation varies widely. Some limit their pre-retirement program only to financial advice--informing workers of their rights under the Social Security Act, private pension plans and health and life insurance plans. In others, these financial matters are discussed in addition to laying out plans for future retirement activities such as developing prospective hobbies and productive interests, possible part-time work, health examinations and nutritional advice, housing, travel, and budgeting.

Pre-retirement programs may be conducted by the personnel office, the supervisory staff, trained social workers, or others. It may be done singly, in small groups, by the distribution of printed matter, or in combination. It may also be started a relatively short time before retirement, such as three months, or stretched out over a larger period of time, as five years.



Retirement requires careful planning.

This is how some companies prepare their workers for retirement.

FINANCIAL COUNSELING ONLY

The personnel manager does carry on some pre-retirement counseling. Social Security payments are thoroughly explained and in many cases the company discovers at this point whether or not the retiring worker would care to supplement his income from Social Security by continuing with the company on a part-time basis.

Publishing company,
Pennsylvania

COMPREHENSIVE COUNSELING PROGRAMS

The employee who is approaching retirement age is scheduled for interviews with the retirement counselor at least twice a year for the last five years of his employment. During these interviews the counselor discusses job performance, health, family, and financial status.

This financial information is revised to keep it current and is recorded on the employee's Performance and Retirement Report. Since the average (company) employee with 15 years of service at retirement will receive a total monthly income of approximately \$200.00, including his wife's Social Security benefits, the main counseling need

appears to be more importantly post-retirement activities rather than financial matters. Very many employees have not developed enough outside interests to keep occupied once they quit work.

Heavy stress is therefore put on outlining to older workers the possibilities of satisfying hobbies and civic activities. If serious financial, family or related problems appear likely to develop as a consequence of the impact of impending retirement, every effort is made to solve them in advance so that a satisfactory retirement may be effected.

Stone, clay, & glass products manufacturer,
Minnesota

The pre-retirement counseling program was undertaken with increasing realization that financial provision is not the only requirement for successful retirement. Information on retirement problems and on what has proved helpful to others is made available. The company thus hopes to aid the employee achieve a successful retirement by stimulating his thinking, planning, and investigating of problems in advance of his retirement date. The subjects covered in the pre-retirement counseling sessions include the reasons for retirement, income and expenditure patterns during retirement, questions of health and medical care, employment and recreational activities, and a wide range of other matters found to be of interest to most retired persons.

Three formal personal meetings between the counselor and the employee are held. In the first, the subject of why retirement is necessary points up the explanation that inevitably everyone must retire. This discussion is designed to prepare the employee for the time when he must actually retire and to alleviate some of the psychological problems involved. A suggested reading list of books which are available on a loan basis to the employee and which pertain to retirement is provided.

The focus of the second interview is on retirement income and finance. The counselor will have an estimate, based upon the suggested retirement age of the employee if he elects to retire before the compulsory age of 65, of the amount of benefits the employee will receive from the pension plan, other company funds, and Social Security payments at the appropriate date.

The interview also includes a discussion on the taxes a prospective retiree may expect to pay, possible benefits from any insurance he may have, and any possible new vocation that he may have under consideration. Other matters discussed concern wills, estate problems, and similar topics, not on a legal basis, but only in a manner to stimulate the employee's thinking on such problems. No suggestion regarding possible investments is made, but general information is provided if the employee seeks such information. The counselor also provides the employee with literature on expenditure patterns, how to maintain a budget, etc.

In the third interview the counselor discusses with the employee problems relating to health and medical care. The employee is given a physical examination on company time at its expense. The results are available solely to the employee to aid him in his planning for retirement. Special examining doctors have been selected (by the company) and they in turn provide information and consultation to the prospective retiree on matters of health during old age.

The third interview also discusses what the employee may do after retirement. There are no possibilities of any part-time or full-time job situations with (the company) after mandatory retirement. The counselor seeks to stimulate thinking on other employment prospects in the form of a question, "If you were looking for a job, what would you do?" The employee is furnished literature on hobbies and gardening.

In addition, possible new avocations and changes of residence are reviewed. Where a change of residence is contemplated, an objective discussion covers the factors involved, such as the loss of old friends, etc. It may be suggested that the prospective retiree visit his contemplated retirement place of residence on his vacation before making any definite plans.

In the pre-retirement counseling discussions, the approach is nondirective. The counselor does not "advise," but merely elaborates and discusses matters in an objective manner, leaving any decisions involved to the employee. Interviews are individual, in private, and usually last about one to one and a half hours. They are free and held on company time. Efforts are made to space the meetings at least two months apart so that the employee may have time to evaluate the conclusions or opinions voiced at the previous interview and formulate plans or raise questions as a consequence. This series of discussions is not designed to provide firm answers to specific program interests. It rather aims to help the employee develop an objective

and provide broad guidance within which he might work out his own program to reach it.

Oil company, California

As advance preparation, the company has set up an educational program which begins with annual meetings of small, reasonably homogeneous groups (about ten persons) of all employees over age fifty. These are designed to encourage free expression of thought about retirement. (The company is convinced that such free expression would be much more difficult to obtain, if there were any kind of compulsory retirement.) At these meetings, films taken by company personnel in the course of visits to retired employees showing how these people live and what they do have been very successful in stimulating constructive discussion.

Individual interviews are commenced annually when the workers reach sixty years of age, with a minimum of two individual interviews to take place during the year prior to retirement. An annually prepared summary of the individual employee's status under the pension plan is the customary basis for initiation of such an interview.

Automotive parts manufacturer, Michigan

COMPANY EFFORTS CONTINUE AFTER RETIREMENT

After retirement the employee is visited by the retirement counselor twice a year so that assistance may be given on any problems that might arise. The company maintains a clubroom, open five days a week, for the convenience of its retired workers.

The clubroom is located on company property and contains a library, writing materials and recreational facilities. Retired employees are also permitted to buy at the company store, and are issued badges which allow them to visit other (company) plants throughout the country.

Stone, clay & glass products manufacturer,
Minnesota

After retirement the company has an interesting policy toward its alumni. They attempt to lay stress on the point that the individual is still a member of the organization although now in a different capacity. The retirement counselor sees each retired employee living in the area on an average of once a year. This is accomplished through the visits some employees pay to their former place of employment or actually seeing them in their homes. Counseling services are still available to these people. Also, every year a Christmas greeting is sent in the name of the President of the Corporation to retired employees. This greeting contains a list of names and addresses of other retirees so communication may take place among them if desired. In other words, a "community" of company retirees is encouraged.

Automotive parts manufacturer, Michigan

With regard to its former employees who have retired, the company has an annual "25 Year Party." To this come all workers presently in service, and all who have retired. This is considered to be a significant event by the older employees and is well attended. The company encourages retired employees to return and visit the plant and they do return "usually two or three a week. . ." Another policy relative to retired workers is the firm's attitude to purchase of paints and other products the company manufactures. The person interviewed felt that the company policy of permitting purchases at the plant of all such items by former (retired) employees at cost encouraged at least annual visits and created a general climate of good will among this group.

Paint manufacturing company, Michigan

PART-TIME WORK

Retirement income alone is frequently not sufficient to take care of the needs of older persons. Even where retirement income is sufficient to maintain a modest standard of living, many retirees are unwilling to accept the drop in living standards occasioned by the change from a full-time weekly wage to a considerably smaller pension.

Retired older workers, impelled by financial considerations or otherwise, may look for and accept full- or part-time employment. Under OASI, beneficiaries can earn \$1,200 a year in any employment without loss of benefits. After age 72, there is no restriction on the amount of earnings. In an earlier section, it was noted that many employers permit their workers to continue working beyond the normal retirement age. Where retirement at age 65 is compulsory, however, some employers help their retired workers to obtain jobs elsewhere. On the other hand, a large segment of retired workers, interested in supplementing their pension income, are anxious to obtain part-time work only. Here, the governing factor is usually the above-mentioned \$1,200 earnings ceiling.

Employing Older Workers

This section provides instances of working arrangements, full-time or part-time, occasional or seasonal work after retirement, on conditions advantageous to both employers and workers.

COMPANY HELPS RETIRED WORKER TO FIND A JOB

The personnel section has found employment in other firms for persons who are incapable of sustained productive effort, but who are not in a sound financial position to retire.

**Construction equipment
manufacturer, Minnesota**

The interest this company has shown in its retired workers extends to helping the worker find outside employment when no work is available with the company. The company does not hesitate to suggest names of its former employees to other companies that might need either part-time or seasonal help.

**Paper processor,
Pennsylvania**

The company's retirees can remain on a part-time employment basis with the firm. Actually, over 90 percent of the retirees chose this status. Normally, they work three days per week; at sales and other special events they work full-time for the duration. The company finds that the



(Photo by Humble Oil and Refining Co.)

Part-time Job: Formerly a chief telephone operator, she now has a job "that's just right", a three-day-a-week post with a credit union.

number of persons remaining on this status drops sharply with successive years. This tapering off is voluntary and, the firm feels, indicates that new fields of interests are being pursued by retirees.

Department store, Minnesota

Each individual store in the company chain keeps a list of retired employees on whom it can call to meet particular manpower needs. Retired personnel are recalled primarily for temporary duty to replace vacationing employees during the summer months and also for two days each week to meet the weekly peak in activity in the retail grocery trade.

Meat cutters and retail clerks are the jobs that are most often filled by retired personnel. Meat cutters among the retired employees are in particular demand. The regular staff has to be replaced during vacations. The retired relief employees work a cumulative time of two to three months during the summer although the days may not be consecutively served.

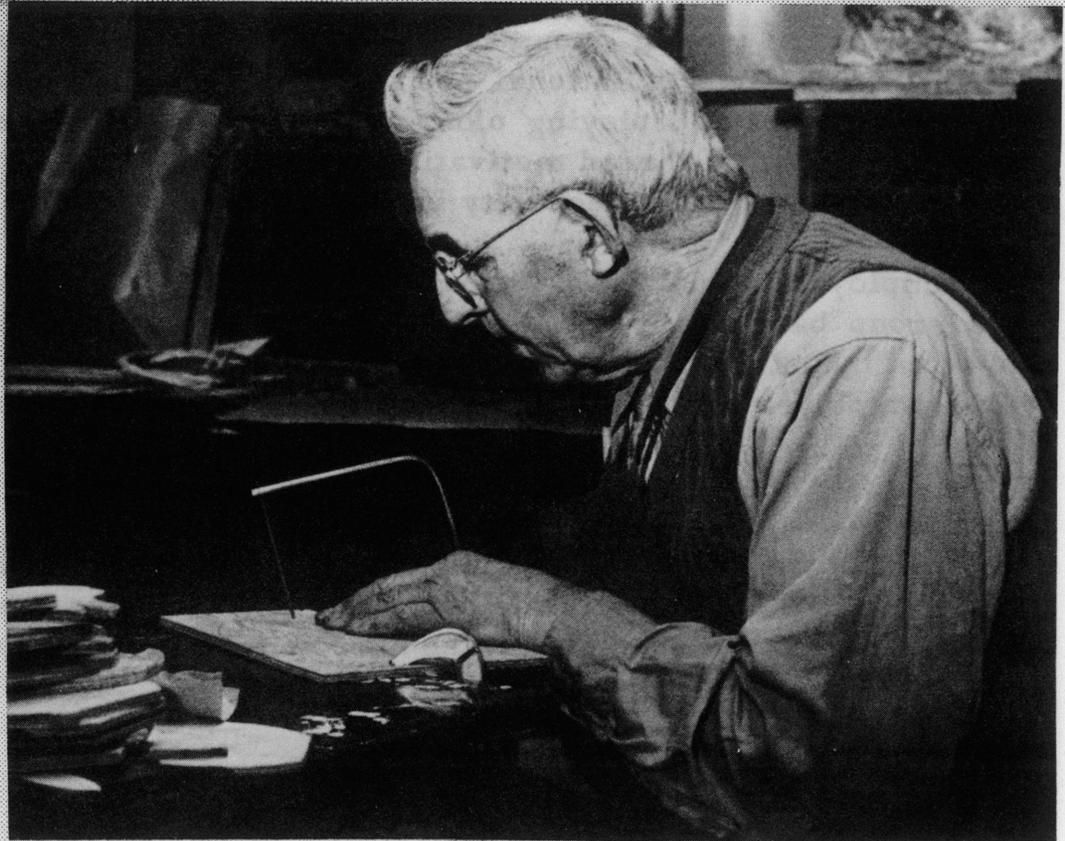
The company practice has had satisfactory results. Management is able to fill skilled positions with individuals who have had considerable experience in the job. The retired workers perform far more efficiently than persons who are new to the job and must be trained. Management's view is that such temporary employment is welcomed by retired workers because it provides income to the individuals involved and permits flexibility in hours worked. The length of time during the day that the retired person will work or the number of days per week is determined on an individual basis by the personnel manager and the recalled employee.

Food chain, California

Many of the store's employees are pensioners desirous of earning the \$1,200 a year allowed under Social Security regulations. The company has reduced the working hours of these individuals. In several instances, two individuals, working alternately during the week, are used on a single job. An example of such a "two for one" arrangement is the job of elevator operator which is performed on a split-week basis by two pensioners, one a retired policeman and the other a retired fireman.

Department store, Massachusetts

V. GROUP ACTION



Group worker making "....tie racks, shoe shine boxes, toys, picture frames, easels...."

GROUP ACTION

Older workers, in their job seeking efforts, may have at their disposal various organized groups whose function, wholly or in part, is to help them find work and keep them on the job. These activities may originate as a group employer action or as a broad union-management agreement. They may also owe their existence to older workers themselves. (Special placement activities for older workers, such as the Forty Plus Clubs, are not included in this presentation because the purpose of this booklet is to highlight employer practices only.)

A practical type of group action which lends itself to widespread use is the potential activity of the thousands of national and local employer associations in educating their members to the advantages of employing older workers. In the illustrations below which typify this approach, a common thread motivating the appeal is that hiring older workers is sound business practice and a growing necessity in view of the aging labor force.

Employers and unions, through the collective bargaining process, have also joined hands on a group basis to promote the employment of older workers. The form of this action may cover an industry group on an area-wide basis only, or as a typical clause in a series of individual employer agreements, become so prevalent as to constitute an industry-wide practice.

A third type of group endeavor may be the organization of an establishment which employs older workers exclusively. Here again, businessmen may serve in an advisory capacity and may even underwrite the cost of the administrative machinery and initial capital investment. The number of efforts in this direction is small but the results, as indicated in the illustrations below, are highly successful in the narrow area of this application.

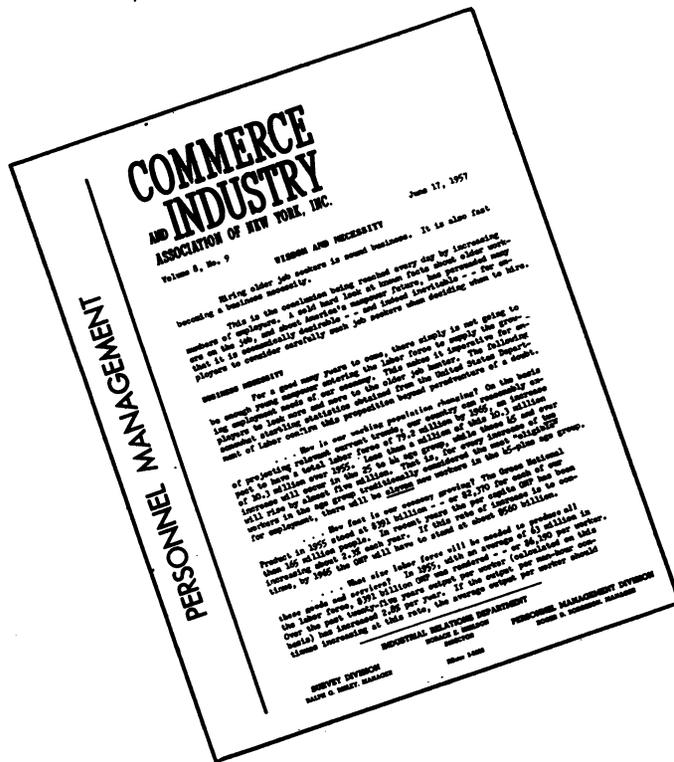
Some types of group practices in the employment of older workers are illustrated below. . .

EMPLOYER ASSOCIATION ACTIVITIES

COMMERCE AND INDUSTRY ASSOCIATION OF NEW YORK

This organization has been active in promoting the employment of older workers. Through its circular letter, it has alerted its members to the availability and desirability of hiring these workers, using the approach that to do so is good business and fast becoming a business necessity. In response to a letter sent out to member firms at one time, over 200 companies indicated their desire to interview older workers for existing vacancies on their staff.

The association has presented statements on older workers at public hearings, supporting State legislation for expanding job counseling services to older workers and for establishing pilot projects to be undertaken by nonprofit placement agencies. It works closely with the New York State Employment Service, using job materials which the latter provides. It also prepares scripts for use by its staff for television, radio, and public and private meetings.



"Hiring older job seekers is sound business. It is also fast becoming a business necessity."

Commerce and Industry Association of New York, Inc.

SYRACUSE (N. Y.) CHAMBER OF COMMERCE

The Syracuse Chamber of Commerce, in cooperation with the Syracuse Manufacturers Association, sent out questionnaires and letters to employers in Onondaga County to enlist their support in promoting employment opportunities for older workers. An employment workshop for personnel managers of the area firms was scheduled to discuss and exchange experiences which could prove helpful in dealing with older workers.

NATIONAL ASSOCIATION OF MANUFACTURERS (NAM)

The NAM held three pilot clinics in New York where groups of manufacturers considered ways and means of implementing their campaign for the employment of the older worker. This approach to industrial relations problems has been most effective in such fields as employment stabilization, employer-employee communications, management teamwork, and other aspects of personal administration.

To exercise industrial leadership and point the way to constructive action, the NAM gathered together manufacturers in small groups, first in New York and then in clinics or small round table discussion groups sponsored by local or State employer associations affiliated with the National Industrial Council. Here employers came to grips with the problem in frank discussion and exchanged their experiences. These discussions revealed there was no one single answer to the problem at hand. Conditions varied between sections of a State, between different industries, and frequently between plants of the same company making the same products, to such an extent, that no one formula or solution could be applied universally.

They found that best results were secured where the individual employer examined his own situation and developed his own program. His intimate knowledge of the facts at hand put him in the best position to apply the sound corrective.

These clinic discussions give employers an opportunity to learn what other employers are doing. They were encouraged by the successful experiences in other plants and stimulated to go back to their plants and do something about the problem.

MANAGEMENT-LABOR AGREEMENTS

POOLED-PENSION PLAN

A group of employers in Toledo, Ohio entered into an agreement with the UAW-CIO whereby past service credits could be transferred with the worker if he moved from one of the co-operating automotive or automotive parts companies to another. This plan permits greater mobility of labor within the area and also avoids loss of pension rights when the worker is separated or voluntarily moves to a new employer.

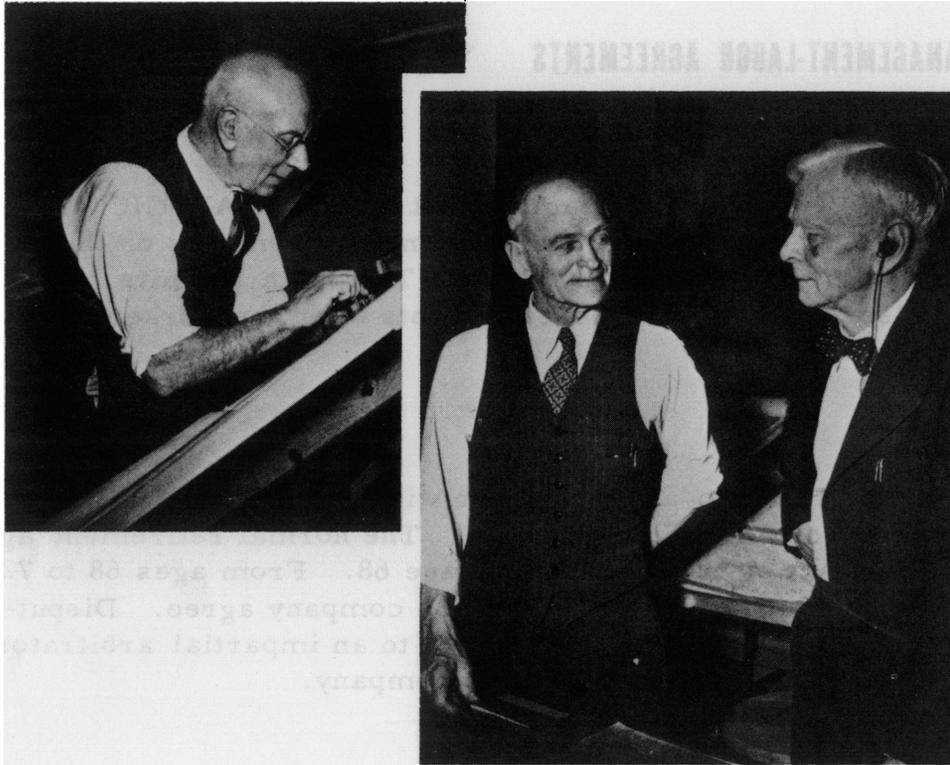
GRADUAL RETIREMENT PLAN

Many carpet manufacturers have entered into an agreement with the Textile Workers of America to provide for gradual retirement of their older workers. The normal retirement age is 65, but retirement is voluntary on the part of the worker until age 68. From ages 68 to 72, the worker can continue on a year to year basis if the union and the company agree. Disputes are referred to a union-management committee with the final resort to an impartial arbitrator. From 72 on, permission to continue is the prerogative only of the company.

OLDER WORKER BUSINESS ENTERPRISES

MOHAWK DEVELOPMENT SERVICE

A group of retired technical men--engineers and draftsmen--in Schenectady incorporated in 1950 under the name of the "Mohawk Development Service." The purpose was to give themselves useful work and to perform a needed service to local and outside concerns. The corporation was launched with a capital of \$2,000. At first, six men turned out designs and blue prints for turbines, turbo-generators, diesel engines and large motors. As the orders mounted, more pensioners were "taken off the shelf." At the end of its first year, Mohawk Development Service had 16 employees and the number zoomed in subsequent years. MDS is now a medium-size profitable concern offering services in the field of engineering and drafting.



**Engineering team at work for
Mohawk Development Service**

(left picture)
working on a turbine design
(right picture)
discussing a drafting problem

The organization has rigid age barriers. Applicants must be over 65 and retired from a job in private industry. Present employees range in age from 66 to 74. They are paid rates comparable to the highest in the area for similar work.

The men work on an hourly basis and are not paid for time off when ill. The absentee record shows that the men were actually out less than they were before they were pensioned by their original employers.

A future objective of MDS is to hire some of the skilled pensioned machinists in Schenectady; start-up costs for this expanded operation are estimated at \$25,000. In addition, the company hopes to add engineering consulting services to its activities, thereby increasing its opportunities for retired engineers and draftsmen who now turn out the bulk of its services.

AMERICAN GERIATRIC ENTERPRISES (A. G. E.) INC.

American Geriatric Enterprises is a St. Paul firm which was incorporated in August 1956 for the purpose of providing employment to older workers. It is a privately financed venture designed to be a regular, profitmaking business concern.

Its establishment is the result of the efforts of a St. Paul doctor who noted that many of his patients were jobless men between the ages of 50 and 65. A surprising number of these persons were experiencing ailments which were psychological in origin and could in many instances, he felt, be traced to inactivity and financial insecurity resulting from unemployment.

Several local industrial leaders and professional people contributed their time and efforts toward the establishment of the concern and are currently serving in advisory capacities.

At the start \$1,500 was raised by subscription. A man was hired to get at the size of the problem and also to see if there were any work projects that could be obtained. It was estimated that there were 1,500 people in St. Paul, ages 50-65, who wanted and could not get work. The survey also found there were several hundred jobs that could be done by older people but which were not feasible on the premises of the companies themselves.

A. G. E., Inc. serves several local industries on a contract basis. Two contracts for example, covered the repair of wooden pallets used in industrial loading operations and the repair of wooden cases for soft drink bottles.

A. G. E., Inc. is unique in its hiring policy in that its restrictions are limited to age 50-65. The firm is interested primarily in providing employment to qualified older workers, who because of their age, are encountering employer resistance and who are ineligible for OASI or other retirement benefits.

Hiring requirements include a physical examination. If hired, employees must agree to undergo physical examinations at periodic intervals. Employees must also agree to transfer to other in-plant operations when requested.

Since incorporating, A.G.E. has hired eight persons. Company officials are optimistic concerning future expansion. Though in operation a relatively short time, the company is showing progress and has been able to meet its obligations.

SENIOR ACHIEVEMENT INC., CHICAGO

The goal of this organization is to employ older men and women who have skills and ability to do work, who are not needy persons, and who want to live useful, self-sustaining lives. Applicants must be retired. They are screened for physical ability, mental ability and hand and finger dexterity. A research program, carried on by the University of Chicago and paid for by a group of Chicago companies, is designed to help classify people according to their interests, abilities, etc. There are no upper age limits, and no one under 60 is presently employed.

The organization began with \$30,000 contributed by a few major Chicago companies and the Wieboldt Foundation. It consists of a financial board of leading citizens in Chicago and a technical board. These groups raise funds and provide advice on manufacturing, management and sales organization. There is a director of the organization, also previously retired, who directs the manufacturing superintendents, foremen, and the like. It also has a staff of salesmen.

The company is divided into four divisions: Drafting-Engineering Department, Packaging Department, Clerical and Office Services, and Manufacturing. These activities are carried on in two plants; a third, with 21 wood and metalworking pieces of equipment and a modern drafting department, is being developed. Some of the contracts worked on include the manufacture of bacon drainers, tie racks, shoe shine boxes, toys, picture frames, easels, and candy packaging.

Work is geared to the personal and physical requirements of the staff. The average work day is about four hours with the workers selecting the time of day they want to work. Most do not want to work a full week. Social Security pension payments are protected by keeping earnings below \$1,200 a year. Wages are basically \$1.00 an hour, with engineers' earnings some-

what higher. Over 1,000 people are on the waiting list but there is not enough capital or capital equipment to put them to work (an estimated \$420 is needed to initiate employment to one person).

Senior Achievement is organized as a bona fide business and hopes to be self sustaining. It does work for companies on a contract basis. Financially, it does not aim to make a profit but just to break even. One of the problems is to balance cost and efficiency versus the welfare of the individuals and their particular attitudes.

After one year of operation, Senior Achievement has employed 100 workers covering a broad spectrum of the occupational range. Sales in the first year were \$33,000.

OTHER READING REFERENCES

The following references are suggested for those who wish to explore more thoroughly the problems of older workers. Publications of the U. S. Department of Labor in this field are listed on the opposite page.

Earnings Opportunities for Older Workers, edited by Wilma Donahue. University of Michigan Press, Ann Arbor, 1955.

Effective Use of Older Workers, by Elizabeth L. Breckinridge. Wilcox and Follett Company, Chicago, 1953.

Flexible Retirement, edited by Geneva Mathiasen. G. P. Putnam's Sons, New York, 1957.

How to Achieve a Better Balanced Labor Force by Removing Age Barriers to Employment, Proceedings of the Older Worker Conference, 1958. Pennsylvania Department of Labor and Industry.

How to Use Older Workers. Mill and Factory, Volume 60, Number 4, April 1957.

Studies of the Aged and Aging. Selected Documents - Volume IV and Supplement, Employment. Committee on Labor and Public Welfare, United States Senate, Washington, 1957.

The Older Worker, Special Survey. Factory Management and Maintenance, Volume 116, Number 3, March 1958.

The Untapped Pool of Labor. Special Report by Prentice-Hall, Inc. New York, 1956.

REPORTS ON THE DEPARTMENT OF LABOR'S OLDER WORKER PROGRAM

(Copies may be obtained from the Superintendent of Documents,
Government Printing Office, Washington 25, D. C. Remittance is required in advance)

<u>Publication Title</u>	<u>Cost Per Copy</u>
Job Performance and Age: A Study in Measurement, Bulletin No. 1203	\$.45
Comparative Job Performance by Age: Large Plants in the Men's Footwear and Household Furniture Industries, Bulletin No. 1223	.45
Older Workers Under Collective Bargaining: Part I. Hiring, Retention, Job Termination, Bulletin No. 1199-1	.25
Older Workers Under Collective Bargaining: Part II. Health, Insurance, and Pension Plans, Bulletin No. 1199-2	.25
Older Worker Adjustment to Labor Market Practices: An Analysis of Experience in Seven Major Labor Markets, BES No. R151	1.25
Counseling and Placement Services for Older Workers, BES No. E152	.50
Pension Costs in Relation to the Hiring of Older Workers, BES No. E150	.25
How to Conduct an Earning-Opportunities Forum in Your Community, Leaflet 25	.15
Mr. Employer. . . Here's How You Can Get Better Results with Older Workers	.10
You Can Get That Job! Maturity is an Asset	.10
Mr. Businessman! Are You Cutting Yourself Off From One-Third of Your Labor Supply?	.10
What Your Employment Service is Doing About Older Workers	.05
Services to Older Workers: Chart Book (Can be obtained free-of-charge by writing to your local public employment office or to the Bureau of Employment Security, U. S. Department of Labor, Washington 25, D. C.)	Free

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