Human Resource Approaches to Retirement:
Gatekeeping, Improvising, Orchestrating and Partnering

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Abstract

This qualitative study examines the patterns in HR approaches to retirement across 24 organizations, in order to explore innovative practices as well as gain understanding of the differences in how firms are dealing with major changes surrounding retirement and workforce demographics. Using organizational adaptation theory and carrying out a thorough analysis of in-depth interviews with HR managers, we identify three dimensions that differentiate organizations' approaches to retirement: 1) actions and interactions of key stakeholders in the retirement process; 2) HR information gathering focus regarding workforce issues; and 3) HR posture around changes needed in retirement policies and practices. Based on organizational profiles on these dimensions, four distinct approaches to retirement emerge and are described in some detail: Gatekeeping, Improvising, Orchestrating and Partnering. These different approaches provide insight into what organizations are doing and why, by examining how they differ in their adaptation to change.

Keywords: retirement, talent management, human resource management, managers' careers, organizational adaptation

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One of the most significant challenges facing Human Resource (HR) managers today is adapting to the dynamic external and internal labor market forces in order to achieve the necessary flow of talent to meet organizational goals and objectives (Society for Human Resource Management, 2012). HR managers play a critical role in monitoring and interpreting these dynamics and strategically making efforts to reward and retain the best employees. In this context, an important set of changes facing organizations today are related to retirement and shifting patterns in the flow of senior talent out of the workforce. For example, in many parts of the world there has recently been a removal of mandatory retirement; and government as well as private pension or superannuation structures have been adjusted or overhauled to anticipate the

effects of increased life expectancy (Phillipson, 2012), as well as to protect institutions from the increasing turbulence of financial markets (Murray et al., 2013). Furthermore, there is evidence that there are shifting patterns of aging and greater diversity in individual preferences and priorities for late career and retirement (Wang & Shultz, 2010). Such changes present HR managers with critical workforce challenges that must be met with some urgency and creativity, if negative effects are to be avoided or at least mitigated in the long term (Merton, 2014).

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However, little research has focused on examining exactly *how* organizations have been dealing with these changes, whether strategically, haphazardly, or unresponsively, which means that ongoing, valuable innovation has not been captured or critically analyzed to inform HR best practices. The goal of our research is to examine the patterns in HR approaches to retirement across organizations to learn about innovative new practices and to investigate how and why firms differ in their approaches.

Our approach to investigating how organizations have been responding to the veritable ‘stew’ of changes occurring related to workforce demography and retirement is informed by organizational adaptation theory (Daft & Weick, 1984), which suggests that organizational decisions makers (e.g., top-level managers and human resource professionals) are key actors in noticing and interpreting issues and events that affect organizational functioning and survival. Thus, this theory allows us to focus on ways that human resource managers in this case make sense of the changing organizational environment, specifically in relation to retirement trends.

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The theory suggests that organizations that are able to find ways to adapt and strategically align with the changing environment will also be those that will survive and prosper (e.g., Milliken, Dutton & Beyer, 1990; Milliken, 1990; Matz-Costa & Pitt-Catsouphes, 2010). HR managers are key informants for this study as they are critical boundary spanners able to understand their organizations’ talent pool, as well as their tacit knowledge of the external labor market, which

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suggests they play a dual and key role in organizational adaptation (Milliken, et al., 1990). In addition, HR managers are in a position that requires capacity to interpret a complicated set of general trends (i.e. demographic change, new legislation on retirement, changes to pension plans) in relation to firm-specific objectives and contingencies (Roche & Teague, 2012).

The main focus of this study was to investigate and illuminate variation in organizational approaches to employee retirement from the perspective of HR managers in the contemporary and highly dynamic context of early 21st century organizations, and to uncover innovative policies and practices that might be useful to the wider community of practice. This study makes three contributions. First, we show how organizational adaptation theory can inform an empirical study of how organizations are responding to changing workforce demographics and retirement processes. Second, by studying patterns in how HR managers scan, interpret and enact how retirement occurs in organizations, we identify three dimensions that capture how organizations differ in social processes and dynamics around retirement. The first dimension captures the interactions and actions of key stakeholders (HR, line managers and retiring employees); the second emphasizes the HR information gathering focus, which highlights what external and internal information HR managers attend to when thinking about employee retirement; while the third dimension encompasses HR managers' mindsets about the need for change in light of workforce challenges – HR posture. Our third contribution is showing how patterns across organizations on these dimensions combine to produce a typology of HR approaches to retirement, thus extending existing understandings by identifying organizations as gatekeepers, improvisers, orchestrators and partners. It is this last approach that provides us with new and innovative understanding of how retirement and the nature of organizational retirement is changing.

The remainder of the paper is structured as follows. We first provide an overview of existing research that has examined current and/or recently revised organizational policies or practices related to retirement. We also briefly summarize the complex set of workforce demographic and retirement changes facing HR managers as they seek to meet the talent flow challenges in their organizations; and we outline how organizational adaptation theory provides a useful framework for understanding organizational responses to changes occurring related to workforce demography and retirement. Next we describe the study methods and analysis. Finally, we present our findings, and discuss their implications.

Current HR Practices Related to Retirement

Existing research on current retirement policies and practices can be characterized as focusing on one of three distinct themes: (1) how organizations are adapting practices to deal with potential talent shortages; (2) how mature workers are being perceived and treated and effects on retirement patterns; and (3) how public policy and/or organizational initiatives in a specific country or context have been interlinked to achieve specific goals. An examination of some of this research indicates some important gaps in our understanding and some opportunities to explore and gain new insight. In addition to addressing gaps in the literature, our paper seeks to make the link between the roles of HR and line managers in relation to employees in general, given our research goal focuses on understanding more about the changing retirement process, which affects and is shaped by the nature of interactions among the three actors.

The first theme of retirement research focuses on examining HR retirement practices at the organizational level, starting with the assumption that a given organization or industry sector will experience labor shortages as a result of retirement trends. For example, Armstrong-Stassen (2008) discusses specific HR policies aimed at extending the labor force participation of mature workers, thus promoting retention of mature workers, either by influencing later retirement, or

encouraging postretirement employment (more working retired). Similarly, Flynn (2010) has described some examples of UK firms trying to change the ‘culture of retirement’ and to take action using a ‘business case’ approach in deciding which mature workers may be allowed to stay and continue working. This puts emphasis on the specific means that organizations may be using to move from the ‘pro-retirement’ stance (i.e., disincentives to work at a mature age) towards more ‘pro-work’ policies, for example (i.e., policies encouraging mature workers to continue working beyond their traditional retirement age) (e.g, Shultz & Wang, 2011; McNamara, Sano, & Williamson, 2011). As a result, these studies identify successful retention policies and practices that will enable mature workers to remain employed and engaged (e.g., Claes & Heymans, 2008), thus focusing on organizational policy and actions in response to changes, rather than examination of appropriateness of revised practices and their implications for organizational functioning. These studies further assume the relevance of these practices for employers in general, without necessarily assessing the organizational context or analyzing how and why this strategy was pursued (e.g., Timmons, Hall, Fesko, & Migliore, 2011; Farr & Ringseis, 2002). Moreover, this research adopts a reactive approach to retirement of workers (Taylor & Walker, 1998; Vickerstaff, Cox & Keen, 2003), in that it looks for a short-term solution to a labor force demand-supply issue. The emphasis of this research focus on HR practices is laudable; however, as mentioned above, it provides a somewhat narrow perspective without examining the organizational context or changes in the external environment and how the new or revised practices are linked or make sense for the organization.

The second theme in retirement research focuses more on mature workers themselves, how they are perceived and treated in organizations and effects on their retirement patterns. For example, a number of researchers have examined retirement in the context of perceptions of mature workers and different levels of discrimination and negative views of mature workers that

are embedded in the cultures, policies and practices of many organizations (e.g., Callanan & Greenhaus, 2008; Herrback, Mignonac, Vandenberghe & Negrini, 2009; Loretto & White, 2006; Taylor & Walker, 1998). These studies have also considered needs, perceptions and preferences of mature workers (e.g., Buyens, Van Dijk, Dewlode and De Vos, 2009) in terms of employment and retirement patterns. For example, a recent study by Oakman and Wells (2013) focuses on workers' motivations to remain employed in two Australian firms. The study finds 'push' factors from the employee's perspective (i.e., low job satisfaction, age, length of service) and suggests potential employer innovations in retirement practices. Similarly, Lin and Hsieh (2001) and Elovainio et al. (2005) reported that stress at work and high workload led to early retirement. Understanding workers' intentions and perceptions around retirement is important, as are mature workers' perceptions of negative or discriminatory policies; however, most of these studies do not tend to pay sufficient attention to the organizational context. The aim tends to be to gain insight into mature employees and how they retire. There are some exceptions, like Kooij, Jansen, Dijkers, and de Lange, (2014) who have examined sets of HR 'bundles' (supportive policies and practices) for aging workers, as well as how these bundles are associated with well-being and performance in the aging workforce (Kooij et al., 2013). However, even these studies don't focus much on the broader needs of the organization itself in the context of changes and challenges in talent flow in changing times.

The third theme of research on retirement focuses on distinct examples of retirement-related public policy or initiatives in a country-specific context. For example, from the perspective of trade unions in UK and Germany researchers have examined the tension between steps to enhance opportunities for mature workers within the firm and emphasis on the maintenance of existing pension rights – given the threat of redundancies – at a national trade union level (Flynn, Upchurch, Muller-Camen, & Schroder, 2013). Loretto and White (2006) also

present a local situation by looking at employers in Scotland in the context of public policy changes in Scotland and the UK. They describe employers' attempts to adopt policies that are more receptive toward mature workers, but find little strategic deployment of mature workers, despite the need to ameliorate the impact of Scotland's ageing and declining population. They also highlight a substantial 'enactment gap' between formal policy adopted and practices in actual reality. Likewise, Danish researchers examined the uptake of early retirement pension (ERP) among a group of workers and linked age and lower socioeconomic status to early uptake (Lund & Villadsen, 2005). These studies involve a more macro-level focus looking at the aggregate impact of strategic retirement-related policy level changes. However, they leave aside examining individual employers and the issue of fit between changing policies and organizational needs. There is also little focus on employee outcomes.

Next we turn our attention to the roles of HR and line managers in relation to employees and implementation of policies and practices in general. This research is relevant because **our research goal goes beyond looking at specific policies and practices and exploring more about the 'how' of the retirement process, that is, what actually goes on and who is involved** Sikora and Ferris (2014) have pointed out that line managers act as 'interpretive filters of HR practices', and others go further suggesting that line managers have an important role to play in implementing HR policies as well as leading strategic change (Currie & Proctor, 2001). However, there is also evidence that line managers sometimes fail to implement HR practices (Wright, McMahan, Snell, & Gerhart 2001; Ferris et al., 1998). The cost of weak or ineffective HR implementation efforts, are negative employee attitudes as well as lower employee involvement outcomes (Fenton-O'Creevy, 2001). These studies indicate the importance of understanding the influence of line managers' as well as HR managers' roles in the retirement process. The extent to which line managers and/or HR managers are involved in this process and information on the specific

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interactions between all relevant parties are critical pieces of the puzzle around retirement practices. We argue that the roles of HR and line managers will shape what Loretto and White (2006) describe as the ‘enactment gap’. Better understanding of the relational and social processes linked to how retirement happens is an important yet neglected area of research, which the current study importantly seeks to address.

To summarize, a critical shortcoming of the literature on current retirement practices is that research tends to focus at different levels of analysis without much integration or consideration of the broader external environment, different organizational priorities, or the extent to which mature workers have changing priorities.

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For example, studies that examine specific policies or practices to retain employees longer do not shed light on the rationale driving the implementation of the new practice(s) and how it came about. Research that focuses on older employee motivations and outcomes gives little attention to organizational context or needs.

While studies that target macro level patterns at a country or sector level examine gross levers used to alter employee retirement behavior, they give scarce attention to organizational context or employee needs and preferences. Therefore, our paper seeks to gain understanding of the specific organizational contexts in which HR managers deliberate on what the most effective approaches to retirement are in the current social and economic global environment, and we give attention to how individual employees, HR managers and line managers interact around the retirement process.

Retirement-Related Changes and Organizational Implications

There are numerous retirement-related changes at the societal, organizational and individual level that have been identified elsewhere (Sargent, Lee, Martin & Zikic, 2013) as driving forces in the ‘reinvention of retirement’. These include changes in life expectancy, labor force composition, regulations around mandatory retirement age, typical pension and

superannuation plans, and re-imagining of life post-retirement; these are summarized in Table I.

Insert Table I about here

Next we focus on four specific changes that are likely to be of most strategic relevance and acted upon by HR managers in organizations. It could be argued that the most striking change is the general shift in the aging of the population with increased life expectancy and health after age 60. This macro level shift has had two significant ramifications. First, it has taxed the capacity of private and public pension/superannuation plans to pay for the increased average time they must support pensioners after retirement and has arguably led to an increase in mandatory retirement age. Second, it has challenged individuals' conceptions of what retirement is all about, whether they want to or can afford to retire, and if they do, how they want to spend the remaining time they have in life. A second dramatic change is private sector organizations' move away from providing defined benefit pension plans and toward offering defined contribution plans, thus transferring financial risk from the firm to the employee. Third, is the societal reality of a smaller cohort of GenX employees to be soon taking over the organizational work and leadership dominated by Baby Boomer employees. Finally, the de-standardization and individualization of the life course has meant that past age-driven predictable patterns of education, work, marriage and family, and retirement no longer reign (Macmillan, 2005), and individuals over 60 are pursuing a greater variety of types of activities and commitments, work-related and other.

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These trends outlined in Table I capture some of the important changing workforce demographics and retirement regulations and procedures, which represent a complicated combination of forces that HR managers must contend with as they consider various

organizational approaches to employee exit as well as retention. Interpretation of these changes and strategic application of potential policies towards organizational goals and related constraints are not straightforward or easy. For example, some organizations are more concerned with preventive strategies against 'labor drain' (Rappaport, Stevenson, Pfiffner & Watson, 2004), especially when they see their firm specific human capital as an asset (Moen, 2007; Piktialis, 2007). Others may not be so concerned with these issues, at least may not see the urgency, or may even be doing the opposite, namely looking for ways to reduce the headcount or becoming leaner organizations. To help sharpen our analysis of dynamics driving changing retirement processes, we used Daft and Weick's (1984) model of organizational adaptation to illuminate our search for insight and understanding. We turn next to the relevance of this model to the research at hand.

Organizational Adaptation Theory

Our research draws on Daft and Weick's (1984) three-stage organizational adaptation framework to facilitate our understanding of the role of managers in interpreting and responding to environmental events, in this case retirement trends, and how this process may lead organizations to differ in their response to these changes. The value of this model in the current investigation centers around two areas. First of all, as pointed out by Milliken, Martins and Morgan (1998), this framework acknowledges the power of external constraints in which organizations operate, but asserts that how managers respond to these external environment elements can make a big difference in organizational actions and ultimately organizational effectiveness. Our study represents an opportunity to take a close look at HR managers' perceptions and interpretations, as per the organizational adaptation framework, and to gain greater understanding of how central they might be to understanding organizational responses to retirement trends. Second, as Milliken et al. (1998) found, we assumed that there would likely be

industry or organizational differences likely to influence organizational actions, but also evidence of the importance of managers as key players in noticing and interpreting environmental changes (e.g., Weick, 1987; Goodstein, 1995). Thus, the model asserts that organizational adaptation is a key process in helping organizations to make sense of and adapt to important new trends, events and changes in the environment. The inherent dynamism of the model seems especially relevant in the context of retirement, often described as an ‘ever-evolving institution’, with every cohort retiring in the context of its times (Ekerdt, 2010). The implication of the theoretical model is that in perceiving changing retirement challenges, managers must not only notice the issues but also must make sense and decide on their relevance for organizational functioning (Weick, 1987). Thus, lack of noticing or errors in terms of scanning or interpreting specific changes as relevant (i.e., perceiving threats vs. opportunities), will lead to lack of fit between the organization and the environmental requirements, and potentially lead to decline in performance and other challenges such as succession planning and developing the next generation of leaders (Milliken, et al., 1990; Matz-Costa & Pitt-Catsouphe, 2010).

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Daft and Weick (1984) describe three stages in organizational adaptation. *Scanning* involves searching, both internally and externally, and examining the environment to identify issues or events that may affect organizational functioning. Next stage, *interpretation*, involves trying to understand the meaning and significance of environmental changes for the organization and how it functions. It is essentially the process of assigning meaning to the information collected as a result of scanning, thus, ‘fitting the information into some structure for understanding and action’ (Thomas, Clark, & Gioia, 1993). Depending on how the particular issue is framed, the final stage in the Daft and Weick model is described as *learning*, which basically involves taking action and responding to interpretations given to the issue. Yet, as

discussed previously, much of the literature examining retirement from organizations has mostly focused on bundles of HR practices and/or policies and less on how and why they came about.

To summarize, the literature indicates that organizations need to respond to workforce demographic changes, national policy changes, along with changing employee preferences. The extent to which innovation in retirement policy and practices occurs is likely contingent upon how HR managers in particular gather information and interpret internal and external changes and how they link them to the firm's retirement process, including who the key actors are and how they interact. However, we know little about the specific dynamics of these relationships.

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Our specific research questions therefore are: First, how are HR and line managers interacting with employees around retirement and how do these social processes differ across organizations? Second, how are organizations adapting their current HR approaches to retirement and for what reasons? Third, what innovative practices or mindsets can be identified that may represent new organizational options and alternative employee experiences with late career and retirement?

Method

The study was designed to examine a range of current HR approaches to retirement in three industry sectors in Canada and Australia: financial services, extractive natural resources (oil, gas, mining), and hi-tech manufacturing. The goal was to explore how employees are encouraged to stay, leave and/or return -- at a time of great upheaval and change -- and how retirement occurs. The three sectors were chosen because they are dominant sectors in both countries and because a number of firms in those sectors have been recognized publicly for being "Best Employers" for introducing innovative HR practices. The plan was to conduct a series of semi-structured interviews with HR managers in 20-30 firms to learn about their current understanding of retirement policies and practices and the associated rationale in light of workforce and retirement-related issues and changes. We asked informants to focus on the

retirement process for professionals and managers in order to facilitate making viable comparisons across organizations and sectors.

Sample

The selection of firms in each sector was based on a combination of convenience and targeting best practices in order to increase the likelihood of learning about new or emerging innovative employer approaches to employee retirement. We wanted to probe in-depth what kinds of retirement policies and practices were in place, how they are being used, as well as what changes had been undertaken recently and why. Recruitment of firms to participate in the study involved cold calls (and emails) using professional contacts of the researchers, and following-up on recent popular press articles focused on company retirement practices. The objective was to conduct interviews with human resource managers in 6-10 firms in each sector. The sample achieved included eleven companies from financial services, eight from hi-tech manufacturing while the remaining five were from extractive natural resources. Three of the co-authors interviewed 39 human resource managers and professionals from 16 Canadian and eight Australian large and in many instances multinational companies, making a total of 24 organizations in the study.

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Data Collection

The interviews were completed between December 2008 and 2010 and normally lasted one hour to an hour and a half. In some instances a couple of managers from a single firm participated in the same interview based on knowledge, expertise and the norms of the organization. In a few companies two or more individual interviews were conducted with managers with different knowledge and expertise. Interviews were completed at the organization's premises, and were tape-recorded and transcribed verbatim, with the permission of the managers. The same open-ended interview protocol consisting of 19 questions was used by

three interviewers in the two countries. The topics of the questions included: (1) current business challenges and pressing human resource management issues in general; (2) the structure of the human resources function and operations in the firm; (3) current company policies, programs, practices related to retirement of professionals and managers; (4) how well these various policies and programs have worked from the firm/employee perspective; (5) informal norms and implicit expectations around when and why professionals/managers should retire; (6) kinds of changes that have occurred recently in retirement patterns of professionals and managers; and (7) objectives of any formal policy or practice changes. The only difference in the interview schedules between the two countries was that the term ‘pension’ was used in Canadian interviews, while in Australia ‘superannuation’ was used to discuss nationally mandated retirement saving systems.

Data Analysis

Data analysis involved three stages. First we concentrated on identifying common themes across interviews that could help us differentiate HR approaches to retirement across companies. We examined the interviews with HR managers using open coding across all interview transcripts. Consistent with Miles and Huberman (1994), we then identified a more focused set of themes and issues and created data summaries and illustrative quotes, which allowed us to compare and contrast the HR accounts of retirement across firms. These themes included: HR ‘culture’; labor market dynamics; types of employee leaving, staying and returning; kinds of conversations and/or retirement deals going on between employee and employer and different players/participants in these dialogues; and rationales given for current policies and practices.

The second stage of the analysis involved clustering firms according to similarities and differences in the HR manager accounts of how retirement actually happens, that is, what are the different actions taken by employees and under what kinds of circumstances with what kind of

interactions among the key stakeholders (HR managers, line managers, employees). So for

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example, with some firms, retirement was about employees *exiting* the organization, either on their own timing or with incentives to exit more according to the organization's agenda. With other firms, HR accounts of retirement focused on either *leaving* or *returning*. That is, there was description of employees leaving, but also employees coming back when there were unanticipated skills or knowledge gaps. The other kinds of actions found in the other two clusters of firms were *staying* or *leaving* and *staying*, *leaving* and *returning*. The different kinds of stakeholder interactions associated with these four types of retirement actions involved variation in *who* was involved in the actions and what kind of dialogue took place (e.g. linear and one-way vs. nonlinear, iterative and multi-directional). Using this complex dimension of retirement actions and interactions to compare and contrast HR accounts of retirement across our sample resulted in a fairly clear clustering of firms into four categories, although there were a few firms whose fit was somewhat ambiguous—that is, they could possibly be part of more than one group. There was no discernible effect of sector or country on the pattern of organizations falling into the four categories.

The third stage of the analysis was informed by organizational adaptation theory, in that we specifically interrogated the data around the theoretical constructs of *scanning* and *interpretation* in order to seek greater understanding of organizational differences in how our HR informants sought information and attempted to make sense of it in relation to talent management and retirement. We went back to our data focusing on observed differences in the HR managers' positioning, discourse, and rationales around current practices and/or HR challenges facing the organization in the future. We actively looked for additional dimensions, or differences across firms that might help clarify the distinctions between the four categories of organizations already identified on the basis of retirement actions and interactions. After additional analysis and coding

of themes related to the perspectives of the HR managers themselves, we identified two distinct dimensions on which there was clear-cut variation among the informants: HR information-gathering focus and HR posture. After careful definition of these dimensions, we proceeded to code the HR managers within each cluster of organizations to determine whether there were more similarities within group than across group and whether this additional information or perspective added clarity to our four categories of HR approaches to retirement. These dimensions were added to the typology and were intended to capture the overall gestalt of different firm approaches, while also representing unique and important features that would enable us to highlight innovation. See Table II for a summary.

Insert Table II about here

Results

A Typology of Organizational Approaches to Retirement

Through the process of comparing and contrasting how our HR manager informants conveyed what the typical retirement process was like in their organizations, and how and why it had evolved as it had, we identified three dimensions intended to capture variation in: a) how retirement-related actions and interactions play out among key stakeholders, b) what kinds of information gathering HR managers engage in to inform talent management more broadly, and c) the mindset of HR managers around the need for change in retirement processes. In examining organizational profiles on these dimensions, we found that our sample of 24 organizations clustered into four categories of HR approaches to retirement: Gatekeeping, Improvising, Orchestrating, and Partnering.

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In our initial scrutiny of our data, we focused primarily on the contrasts across firms in how the retirement process unfolds and what the interactions are between key parties. We paid attention to: a) the movement of late career employees with the emphasis on leaving, returning, or staying (and combinations thereof), and b) how the process was initiated and carried out in terms of interaction among employees, line managers, and HR managers. Thus, the first dimension was labeled *actions and interactions*.

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As we probed more deeply to understand context and rationale around retirement processes while drawing on organizational adaptation theory, it became clear that there was evidence of ‘*scanning*’ and ‘*interpretation*’ in what our HR informants described. *Scanning* was observed in the systematic variation in *HR information gathering focus*, which was defined as the main type, or content, of information the HR informants talked about accessing or using in relation to retirement and workforce changes. This became the second dimension, and we observed four types or content of information gathered: “internal workforce costs, turnover and replacement”, “workforce skills & knowledge internally and externally”, “overall workforce demographics”, and “internal workforce profile”. Finally we also observed differences across organizations in how the HR informants broadly drew conclusions about the need for change in relation to workforce and retirement-related changes, which we connected to Daft and Weick’s (1984) ‘*interpretation*’. We labeled this third dimension *HR posture*, which became the final dimension identified as important in defining the overall configurations of HR approaches to retirement. We defined HR posture as the HR informant’s mindset about the need for change in light of workforce challenges. The variation observed included: “maintaining status quo”, “reactively adapting”, “communicating/educating”, and “innovating/experimenting”. Next we describe in detail the four categories of HR approaches to retirement by focusing on the differences in (1) actions and interactions among employees, HR and line managers, (2) HR

information gathering focus, and (3) HR posture. After delineating these four approaches, we conclude the Results section with further information on how our sample of organizations fell into the categories and provide additional aggregate level data on relevant organizational characteristics.

Gatekeeping

Retirement Actions and Interactions: Leaving

In *Gatekeeping* firms the dominant theme in HR informants' description of retirement was how older employees *leave* their organizations.¹ HR managers mainly referred to either a) the simple and straightforward processing of employees leaving the organization according to transparent rules and procedures around the logistics of pension or superannuation plans, or b) the company managing workforce costs through early retirement packages.

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If you look at the pension amount somebody gets, the math, it is like a hockey stick. And it is...you go along with your amount and you hit a certain age and that stick goes right up. So for example it could be age 57 and 29 years of service and I retire. If I waited one more month, so I'm here on the graph, and I wait one more month at 58 and 30, pshooo determines a lot of the behavior of people in terms of retirement. (S13)

We have a long history of providing [early retirement packages] and in 1985 set the precedent in Canada....and since then there were probably 15-20 different plans or programs put in place to speed up the attrition or to reduce the number of employees. And this was made on a voluntary basis and was seen as a golden handshake, it was seen as very favorable. (S07)

HR managers also talked about the importance of pensions or early retirement packages in people's decisions and timing of leaving, which gave management a great deal of control over workforce costs.

The pension plan is a management tool, because on the one hand it makes them think about leaving around the time they get to the magic date; or if they have an important promotion, the increase in salary will increase the ultimate pension (based on best 36 consecutive months of salary), which is a motivator to stay.(S07)

As for the interaction among key stakeholders around retirement in *Gatekeeping* firms, the process of leaving was triggered through a simple choice or determination on the part of either employees or an HR manager and based on their eligibility for pension. Although mature workers may gain relevant information on financial planning from HR, they typically do not engage in dialogue, but act unilaterally. Alternatively, HR managers are initiating the process of leaving to control the flow of the workforce based on the company's agenda. In *Gatekeeping* firms, in contrast to other approaches identified in this study, line managers did not play a central role in the exiting process. When line managers were discussed, it tended to be in terms of the line manager being "notified" that the employee had decided to retire. The approach was "arms-length" and more punctuated than part of any on-going career dialogue. Thus the actions and interactions around leaving can be characterized as a linear and unilateral process either from HR to employee or from employee to HR.

HR Information Gathering Focus: Internal Workforce Costs, Turnover and Replacement

HR managers in *Gatekeeping* firms talked primarily about systems intended to help them control costs and map turnover and replacement. Most of these companies already had long-standing workforce planning and talent development schemes that had served them well:

And since we have people we know that, when you look at the age of people, their number of years of contribution, we can have a quite clear idea about how many people will retire. So it is easier to manage the old work force. (S07)

But some firms were looking to improve or develop in this area, especially where the company was seeking growth without headcount, which would involve shifting talent across different businesses.

How do we move people into those growth areas, taking away from what we call our foundational businesses which are very profitable, where our customers still like those products, and sort of position the businesses, mainly the human resources, so that we can

move people---still run the core businesses and move them into the growth businesses. (S13)

HR managers in *Gatekeeping* firms also expressed a desire for more information or solutions regarding the problem of some mature employees postponing retirement, especially with the disappearance of mandatory retirement age. HR managers suggested this trend was related strictly to the global financial crisis and its effects on employees' financial fortunes, but the effect was viewed as negative with respect to getting desired renewal of talent. Furthermore, mature employees were typically seen as unwilling to take on new challenges or learn new skills.

I would say the typical attitude [toward an older employee in the organization] probably reflects that of society generally and that is that they are unlikely to be willing to take on new challenges; unlikely to be willing to take their career in a different direction; unwilling or incapable of learning new skills...(S11)

We have a hangers-on problem. Right? ...a lot of blockers, people that you would have expected based on past trends to retire, right?---to move to a different job, are now staying put.(S15)

HR Posture: Maintaining the Status Quo

In *Gatekeeping* firms HR managers projected a mindset of maintaining the status quo when considering changing retirement trends and human resource challenges ahead. They were not concerned about precipitous loss of skills and knowledge with the exit of baby boomers, nor difficulties in hiring or promoting and retaining the necessary talent. On the contrary, they sometimes worried about the loss of beneficial renewal in some areas where there were many mature employees postponing retirement due to the global financial crisis. The majority of these firms had gone through one or more waves of downsizing in recent years, and in that sense they were accustomed to the challenge of trying to maintain the status quo of talent to run the business.

The nice thing about the economy dying a couple years ago is that people who might have been on track to retire have put it off ... it [retirement of Baby Boomers] is not quite as burning because we really haven't seen a lot of people go. (S11)

Comment [MD18]: Pullout 13

HR informants in *Gatekeeping* firms expressed a sense of pride in their offering of generous pension plans (e.g. Defined Benefit), which gives employees more financial stability in their retirement and earns the firms a reputation of being a good employer in a competitive labor market.

we had a good control over the turnover and replacement with the skills groups and, you know,In the future maybe we will have to think about incentive to maintain people longer. Maybe. But we are not there yet. So there is no formal design or will to review the strategy related to that yet. (S07)

These HR managers suggested that their retirement processes typically had been handled well and accomplished company objectives. Thus, the posture that is found to be prevalent in the “maintaining” mindset among HR informants in *Gatekeeping* firms was an inclination to sit back and wait before moving toward any significant changes:

Well...no one wants to be the first one to get into that. So you are waiting. And when the problem---when you are facing the problem, then you get into it. (S08)

In summary, *Gatekeeping* firms were companies where retirement was mostly about employees exiting in a ‘flash-cut’ manner, with a maintaining mindset, sometimes concerned with workforce reductions and coping with ‘hangers-on’ employees not following expected retirement patterns.

Comment [MD19]: Pullout 14

Improvising

Retirement Actions and Interactions: Leaving & Returning

In *Improvising* firms HR managers talked about *leaving*, much as it was described in the *Gatekeeping* firms; but in addition they talked about employees *returning*. With cases where employees returned after retirement, this occurred on an ad hoc basis when awareness arose of the possible need to retain a particular skill set or experience/competence *after* a specific employee had retired. Occasionally, a line manager might anticipate the situation and discuss

Comment [MD20]: Pullout 15

options with HR, but it was a very targeted, short-term approach to solving an organizational problem.

...we really need some of those senior, experienced folks, folks in specialty areas with umpteen years of experience. And there are not that many of them to go around. So that is how they have opted to go forward, is to take that pension and to supplement---and to work as contractors. (S12)

Thus, the stakeholder interaction around retirement in these firms was linear and one-direction at a time. Decisions of when to retire were very much left up to employees. Although firms wished for advance notice to help them with workforce planning, there was no real process in place to encourage this kind of communication. Employees typically simply informed HR they were retiring. The HR manager might later initiate interaction with the line manager after concluding it was going to be difficult to recruit/promote a proper replacement, or the line manager might get concerned about skill sets after an employee has left and talk with HR about the possibility of exploring some kind of contractual deal with a retiree. In either case, it was then likely that HR would actually do the deal of communicating with the former employee and negotiating some kind of return customized to suit both the retiree and the organization. Contract work post-retirement tended to be favored as a band-aid solution to the situation of older employees interested in supplementing their pension income and working at a less hectic pace and the organization needing their skills and knowledge. However, HR managers pointed out that there was a cost to this ad hoc approach, in that legally the firm cannot hire someone back on contract doing the same work at a higher rate of pay, which is generally the practice with consulting contracts. So it is tricky to work out these arrangements.

...what we'll see is that the employee will, effectively, retire, if you want, but come back as a consultant. So that is the model that we are seeing a lot of these days. Employees that cut their ties with the company from an employment point of view and will get a consultant's contract and will continue to be here two, three days....but you have to be careful because as a consultant they are paid more so it cannot be doing the same job...(S09)

Comment [MD21]: Pullout 16

HR Information Gathering Focus: Shortage of Workforce Skills & Knowledge

HR managers in *Improvising* firms talked primarily about needing information regarding ways to cope with specific workforce shortages in skills and knowledge, whether internally or in the external labor market. Most of the *Improvising* firms (8/10) belong to hi-tech manufacturing or the natural resource industry where there is a tight, highly competitive labor market. Thus, HR managers viewed retirement as being essentially about workforce/skill shortages threatening their operations. HR managers mentioned being involved in close monitoring of the external and internal labor market situation. While wanting to come up with new strategies to recruit and retain key talent, they also felt powerless and lacking information about how to influence late career employees to perhaps stay longer.

Like I don't think they are tied as much to the organization, so I think organizations need to be thinking about 'how are you going to keep some of these people if you really do want to keep them? Because otherwise they are all going to go out the door and they might not want to come back.' Because they do have choices and they want to be more active. And they might not want to stay with you. (S14)

A few HR managers articulated actual tentative initiatives aimed at getting more information about the needs and wants of late career employees. These initiatives could help them to better understand the changing wishes of over-50 employees in order to be able to offer attractive options to a 'flash cut' exit as soon as full-pension eligibility is reached.

More broadly...we created a tremendous dialogue with that group of people about not only what they want from superannuation but what they are looking for in terms of their transition and their work life into retirement...we need to figure out what are the key functional roles that are going to make us successful over those next 5 years—around selling, rolling out and network, and delivery? Then the support of those solutions are ongoing. The next piece is to identify who is in those roles and look at what they are looking for [in their long-term career and life...] (S17)

HR Posture: Reactive Adapting

In their talk about human resource challenges and their mature workers, HR managers in *Improvising* firms conveyed a “reactive adapting” mindset. They expressed that they knew things were changing with their mature workers and that the firm was operating in a tight labor market, especially for specific skill sets. But these HR managers were either not taking definitive action or moving very slowly and tentatively in recognizing and acknowledging the need for change.

I suspect some of the things that have happened and forced some of our businesses to look at, ‘Well, how do we want to react to this, because the metal price has gone down and we’re losing money? Do we want to lose people? Is this going to be a long-term thing, or do we want to try and keep people, get them to work part-time or get them to go on leave with pay, or job share’. Yeah, all those sorts of things that have never been thought of before are suddenly things that people are saying, ‘Well, we need to do some of this. (S18)

A few firms were stepping closer to more tangible action, but it seemed more thrashing and random than systematic or strategic. For example, one HR manager discussed specific skill shortages:

...we still have jobs that we haven’t got anyone backfilling or trained ...we’ve been trying to get people to be more open about retirement... because a lot of our jobs would have a 12-18 month learning curve before someone could go into those roles...It’s opening up in terms of people giving us more notice but it’s not where I would have liked it to be. (S24)

Several other HR managers appeared to be struggling with how to meet and adapt to the challenges they are facing and have been frustrated in some ways. Notably, several HR informants referred to conservative managers or organizational culture as obstacles to HR’s effort to adapt to ever-changing external and internal conditions, which may explain the reactive

Comment [MD22]: Pullout 17

adapting and ad hoc character of their decisions regarding returning employees.

...the mining industry is a sector that has been seen as a place where you can go out and work really hard for 5-10 years and make a lot of money, which doesn’t make it very adaptable to flex arrangements. (S18)

In summary, *Improvising* firms were those in which HR managers talked about retirement beyond the *leaving* aspect and described the *returning* scenario which was enacted in an

unplanned and improvised fashion. These firms had a reactive mode of adaptation, without taking action in any systematic way.

Orchestrating

Retirement Actions and Interactions: Staying or Leaving

The dominant accounts of HR managers in this category focused on entitling employees to pursue options for retirement based on formal, already implemented policy around different ways of staying or leaving (e.g., part-time or reduced load, compressed work week, job sharing, mentoring programs or phased retirement). Thus, there was a clear contrast between *Gatekeeping* and *Improvising* firms and *Orchestrating* firms. In the latter the focus was on facilitating employees leaving through standard procedures, or in the case of *Improvising*, returning in exceptional circumstances; whereas *Orchestrating* firms focused on implementing ways of retaining employees in a systematic and selective manner, when appropriate, and by offering a variety of ways of exiting when there were mutual benefits to individuals and organizations.

We actually just implemented a phased retirement program, where the individual who wants to gradually start retirement and during that time it benefits the business for the fact that we retain the skill set. (S06)

If anything, we would like to encourage people to work longer. Not everyone. We want people who are still contributing at a high level, who have specialized skill sets or just strong organizational knowledge to continue to work as long as they are happy, healthy and wanting to contribute at that level...So what we've done is we already have a flexible work arrangement policy, and so we might encourage someone who is thinking about retiring but really wants to work less—like working 3 vs. 5 days a week. So we would work with the business to help them understand how they might be able to structure work differently to retain that person [on] a three-day week basis. (S04)

In terms of stakeholder interactions, the emphasis was on dialogue between HR and employees and/or between employees and line managers -- with regard to the provisions and application of policies to facilitate retirement. Line managers played a role in this process through either career dialogue with employees or through performance review discussions with

Comment [MD23]: Pullout 18

employees, both of which were built around HR policies already in place. In other words, the conversation and dialogue between manager and employee were mostly centered on the eligibility of employees for a particular policy.

We have just implemented a program called phased retirement...so you can go from five days to four days to three to two and then to retirement. Over a year or a year and a half period. If someone wants to [do it], there is a process to go through and forms to fill out...so far there is not significant uptake. (S06)

HR Information Gathering Focus: Overall Workforce Demographics

HR managers in *Orchestrating* firms were especially focused on getting information related to the demographics of the workforce in general, the changing nature of the workforce, as well as their own internal workforce. They had carried out or paid for surveys to learn more about differences in generational cohorts, in terms of level of work engagement as well as more general values, goals and career/life plans.

We asked a whole series of questions that related to retirement to better understand what that segment is thinking so we can understand the trends ahead of the game... When we looked at our 52 plus age bracket, they were actually the group that had the highest level of engagement of our employees, which was actually phenomenal. And people do want to continue... (S04)

They saw their policies as having been designed, or at least tweaked, to be responsive to the changing nature of the workforce, and they planned to continue to gather information and monitor these trends.

HR Posture: Communicating and Educating

In *Orchestrating* firms, HR managers' mindset related to understanding the HR challenges and changing retirement trends, and as a result they focused on communicating and generating increased awareness and understanding of existing policies already in place (i.e., keeping some of their workforce longer in this case).

What we've tried to do in recent times... is impart that message that, 'we as a company don't expect you to leave simply because you are 57, 58, or 59—as long as you are happy

working, as long as you are performing well, as long as there is work to be done, by all means, we want you to stay here,' type of thing. (S04)

These HR managers were aware that employee utilization of policies providing options around the retirement process was not high and that more education needed to be done with both employees and line managers.

We really don't want [employees] to leave! We don't want them to retire...so we need to continue to try to reach out ...and we've made good progress on flexible work arrangements. But we still have a long way to go to get that manager level buy-in...so a lot of communication, education work being done. (S03)

There are all sorts of things that I think we will have to start to come to better terms with. I mean, I think we have got it all—flex programs, phased retirement and all that kind of stuff. But they don't operate on scale, and certain parts, they just don't operate at all. (S04)

Orchestrating firms were very concerned with their image, their HR 'brand', and they clearly wanted to be known as always striving for HR excellence. The HR managers in these firms emphasized the important role they played beyond talent recruitment and retention and focused on the importance of knowledge management and transfer of knowledge in regards to their mature and more experienced workforce. They mentioned drawing on expertise in other HR areas as well, such as training and development, mentoring, and job design in connection with HR challenges related to retirement trends. They sought to offer more and better policies "to leverage our more mature employees and their capability to mine information and transfer knowledge more formally and effectively."

Comment [MD24]: Pullout 19

Comment [MD25]: Pullout 20

In sum, *Orchestrating* firms were those in which HR managers talked about policies in place to facilitate options for employees considering retirement, with more emphasis on different ways of staying. They monitored changes in retirement trends and focused on the importance of doing a better job in communicating with employees and line managers about these options,

given the relatively low ‘uptake’ so far and yet their desire to remain leaders in providing cutting edge HR policies.

Partnering

Retirement Actions and Interactions: Staying/Leaving/Returning

In *Partnering* firms HR managers talked about a very comprehensive approach and creating more ways for mature employees to engage in staying, leaving, and/or returning. Their focus was on finding ways for mature employees to pass on knowledge, experience and wisdom, while also continuing to contribute, belong and learn. These HR managers were involved in or had already created new structures or processes that would result in anticipation of skills shortages and more open communication between line managers and employees in terms of mutual interests, well before retirement plans were imminent. In these firms there were efforts to empower employees to craft and negotiate ways of staying, leaving or returning to suit their idiosyncratic situations and preferences while still addressing business needs. The approach was to embed mechanisms as well as training for line managers to enable the firm to build new kinds of relationships and communication patterns. So for example, some firms introduced the concept of “career conversations”, which they trained all managers to carry out once a year with all of their direct reports. The goal was for managers to learn more about the interests and priorities of their direct reports, whether age 30 or age 50, to enable more targeted seizing of opportunities to retain specific individuals, with more forward planning rather than last-minute scrambling.

We run two HR practices and processes parallel. And at some point they link... And then we started thinking about how can we actually make this interesting for people. And we started going across the country training our leaders on being more aware and sensitive to working dynamics, team dynamics, employee-manager relationships, who works well with whom. And there are some great opportunities that you could leverage, you know, if you are thinking about it and you take the time. We’ve got people who have come back in training positions, post-retirement. We have got people who have come back to coach. We have had others say, ‘well, I think I’ll run your new hires conference’. Some don’t want to do the same thing that they’ve done in their career. So that whole exercise of

Comment [MD26]: Pullout 21

Comment [MD27]: Pullout 22

really getting to understand what they want is very profound. And then it is up to us, what are we going to do with this information? (S05)

The accounts of retirement in the *Partnering* firms also involved a multidirectional dialogue or negotiation between the employee, line manager and HR professionals--to discuss timing and mutually beneficial arrangements. Thus, the emphasis was on crafting win-win

Comment [MD28]: Pullout 23

solutions. In this pattern of interaction, it was difficult to identify who initiated or took charge of the retiring process. Rather, it appeared that the issue of retiring came up as part of on-going conversations among multiple stakeholders on broader themes, ranging from employees' career development to managing organizational knowledge systems to HR policies. Therefore, the retiring process was likely to hold multifaceted meanings for different stakeholders. It could be either part of talent management from the perspective of HR professionals or career management conversations for mature workers or retirees.

What we encourage people to do is to look at where their career is going so over the next five years or longer and to select certain roles... We need to be able to have them thinking in a way that they don't just have to go from fulltime to retirement...I would think that participation, so the way someone participates in the organisation could change... your optionality is there and I think from my perspective [our approach is] encouraging participation for as long as you wish to. *So it's not actually about retirement.* (S23)

HR Information Gathering Focus: Internal Workforce Profile and Feedback on New Processes

HR managers in *Partnering* firms seemed to be on a continuous cycle of information seeking and gathering around employees' priorities and needs, focusing on specific employees and their work units, and around utilizing data and information regarding the workforce to inform strategy and practice. They were strategic and were methodical in collecting data on various

Comment [MD29]: Pullout 24

workforce trends. These HR managers also described processes of feedback-seeking on how new processes were working and what tweaking or redesigning or new designing needed to take place. Thus, it was a continuous dialogue. These HR managers gathered information through variety of

sources, including not only surveys but focus groups and informal conversations, exit interviews, etc. The information was intended not so much to find effective programs that could be put in place to satisfy most employees, or the typical mature employee. Rather, the information gathered and support mechanisms created happened in a context of wanting to facilitate customized and individualized arrangements.

Comment [MD30]: Pullout 25

We have to listen and we have to hear what is important to them, and we have to see if we can somehow respond. (S05)

For a lot of people coming into this age bracket it may be that they're looking for more flexibility. Or they're wanting to start to scale back in terms of the work they'd like to do or do it in a remote way or all the different options we present in terms of flexible work. So I would say the conversation starts as part of that process. (L22)

HR Posture: Innovating and Experimenting

The mindset of HR managers in Partnering firms was clearly very different from the other types of organizations; it involved creating and experimenting with new retirement solutions and revising and enacting existing ones. In fact, the HR informants in these firms were excited and energized in their descriptions of recently implemented new practices around retirement. Their approaches involved consulting and empowering employees, as well as line managers. HR was operating often in a context of skills shortages and/or business growth or expansion. Based on strategic data collection, these firms were keenly aware and knowledgeable of changing demographics in the labor force. *Partnering* firms were determined to be responsive by developing innovative approaches to meeting employee needs at different stages of their careers. Compared to the previous HR postures described, *Partnering* organizations were characterized by HR managers as developing partnering relations with line managers and employees and ensuring their engagement with on-going dialogue. Thus, their accounts portrayed the role of HR as less an operational manager or a change agent, and more of an internal moderator who seeks to

Comment [MD31]: Pullout 26

balance employee and organizational interests by providing mechanisms that facilitate leaving the process to employees and line managers.

Comment [MD32]:

Comment [MD33]: Pullout 27

We created this program. Now it's up to you to our team here to educate our leaders to having these conversations. Getting the employees to feel comfortable, as well, and just making sure that we follow through and we maintain the program on a consistent basis across the enterprise and the culture. That is our biggest challenge. (S02)

Partnering organizations gave the most unique account of their approach to retirement and various human resource challenges they faced. In a sense they were re-construing retirement to be not about employees getting to a certain age or moving away from work to a different career/life stage, but rather about continuous talent management and career management. Unlike

Comment [MD34]: Pullout 28

Orchestrating firms, here the emphasis was not on creation or implementation of specific policies or programs targeted at late career employees, but rather HR mechanisms in terms of line manager training and development and guidance for employees to enable joint crafting of desirable work arrangements.

Characteristics and Categorization of Organizations by HR Approaches to Retirement

Tables III and IV provide overview information on the distribution of the 24 companies participating in the present study by HR Approach to Retirement on country, sector, size, percent of workforce professional/managerial, annual employee turnover rate, and employee age at retirement. Table III indicates that there were Australian and Canadian firms in all four approaches and that manufacturing and natural resources firms clustered more in Gatekeeping and Improvising, whereas financial firms were more likely to be found in Orchestrating or Partnering. However, given the small and non-representative nature of the sample, it is not possible to draw any conclusions about sector and HR Approach to Retirement. As for other relationships between organizational characteristics and different types of HR approaches to retirement, Table IV shows one pattern worth noting that may warrant further investigation. The

mean percent of workforce that was professional/managerial increased across the four types of HR approaches to retirement – from Gatekeeping to Partnering. While these observations suggest that sector and workforce characteristics likely influence how organizations respond to changing retirement trends, additional research is needed to examine these relationships more carefully.

Insert Tables III and IV about here

Discussion

Our research questions focused on generating greater understanding of organizations' approaches to retirement in changing times, not only to be able to articulate differences in what they are doing but differences in rationales behind their actions, or how and why they arrived at their approaches. Furthermore, our intent was to examine carefully the roles of HR and line managers around employee retirement in order to gain insight into the dynamics of these relationships and their relative importance in retirement processes. In conducting this study we also sought to build on and go beyond existing research to contribute to integration of understanding of retirement across levels of analysis, for example taking into consideration external labor market and overall demographic changes while examining organizational policies and practices.

Theoretical Implications

Typology and Dimensions

First and foremost our findings generate theory through a typology based on observations of differences across organizations in their approaches to retirement in changing times. We moved from paying attention to HR informants' concrete and mundane descriptions of how

things operate around retirement, and why, to proposing an inductively derived typology of HR approaches to retirement. The three dimensions underlying our typology emerged on the basis of first trying to capture what was being enacted in organizations regarding how retirement occurs. We wanted to represent the contrasts not in formal policy and practice, but instead in how our HR manager informants conveyed characteristic actions and interactions around retirement. We then used organizational adaptation theory and further probing of the interviews to illuminate dimensions that could represent HR managers' rationales and explanations for how things were done, that is, *information gathering focus* and *posture*. These dimensions highlight the variation in organizations in factors influencing practices, pointing out, for example, differences in attention paid to internal versus external labor market and demographic trends. Theoretically, these dimensions and the typology overall suggest the importance of researchers using multiple lenses to capture what is going on in organizations in order to gain useful insight.

We view our typology as a snapshot at a particular point in time, recognizing that HR and organizational practices are evolving. However, articulation of these four HR approaches to retirement provides insight into organizational adaptation and may also prove to be a useful framework for comparing and contrasting organizations in future studies and probing further on underlying mechanisms that might explain the drivers of differences that emerged.

Organizational Adaptation Theory

This theory informed our emergent identification of two dimensions of our typology, HR information gathering focus (i.e., as a form of scanning) and HR posture (i.e., as a form of interpretation). However, both of these followed our initial comparing and contrasting of organizations in terms of retirement actions and interactions. In the context of actions and interactions, there was clear evidence of human resource professionals playing a key role in some instances, while in others they were seen more as 'executers' and less of a strategic partner (e.g.,

Gatekeeping). We also noted that in *Partnering* organizations, the retirement process and conversations included many more actors and this was a much more inclusive process. Thus, the role human resource managers/professionals played in retirement policies and practices varied in our study and appeared to be related to HR approaches to retirement. Further, these organizations viewed themselves as 'leaders' of innovative and best practices in the domain of retirement. However, we could not make direct links to organizational effectiveness given the main goals of the study and the limitations of the data.

While adaptation theory appears to fit with our observations in terms of the overall configuration of our findings and certainly helps explain why the four approaches were distinct, our findings do not speak to the proposed progression of phenomena in the theory; that is, first comes scanning, then interpretation, followed by organizational response. It was not clear whether information gathering focus (scanning) and HR posture (interpretation) pre-dated and determined retirement actions and interactions (organizational response), as organizational adaptation theory would predict (Daft & Weick 1984), or whether other sequences of order of these dimensions apply. We can certainly see evidence that in some organizations there was *not* a rational, steady progression from scanning the environment, then making interpretations to then enacting new ways of facilitating retirement. For example in the *Improvising* group, HR managers described an ad hoc set of actions and arrangements that clearly lacked in scanning and/or preparation. Thus, there are organizations where experimental actions and interactions come first and HR information gathering and posture would be informed by those trials and experiments. However, ultimately it is possible that scanning and interpretation will lead to more informed and effective retirement practices in these firms in the future.

In contrast, our findings do support elements of organizational adaptation theory. For example, there appears to be a strong link between information gathering focus and posture; that

is, in all four HR approaches, the way that organizations framed the issues around retirement changes, i.e., mindset or HR posture, was related to their information gathering focus. This would confirm prior research findings that organizational context and some inherent characteristics of organizations (i.e., HR posture in this case, or organizational identity, values) are important influencing factors in how and where the information is gathered but also how it is interpreted and eventually acted upon (Milliken, 1990).

Furthermore, our findings highlight that patterns existed across organizations in terms of how much they focused on each stage of the process; for example, some did not act to collect any information at all (i.e., *Gatekeeping*), while others interpreted changes only sporadically and ad hoc (i.e., *Improvising*), and others were involved in constant adaptation and change (*Partnering*). However, further investigation would be required to examine whether these patterns are indeed linked to dimensions of organizational effectiveness according to appropriate responses to external environment changes. The extent of adaptation or a type of response is likely to change, if, and when these changes become more salient, thus with higher exposure to the issue (e.g., many more retirees present), or when newness or complexity of the issue increases for organizations (Matz-Costa & Pitt-Catsouphes, 2010).

Evolution of HR Roles and Relationship with Employees and Line Managers

Comparing and contrasting four different approaches also offers insights into a broader theoretical theme of redefining HR roles in terms of relationships with other organizational stakeholders. Existing studies on the evolving HR role tend to place much emphasis on its functionality in terms of the extent to which they align with strategic goals of organizations (e.g., Francis & Keegan, 2006). This tendency has created a bias in research focus toward organizational/strategic outcomes rather than the operational issue, including HR's day-to-day interactions with line managers and employees. Our findings also extend the literature on line

managers' role in HR implementation (Sikora & Ferris, 2014), shedding light on the significance of ongoing relational practices between several organizational actors (HR manager, line manager and employees), and how their interactions, dialogue and ongoing communication play a key role in implementing innovative HR practices. The findings emphasize that some organizations are innovative in their accounts of retirement processes, and much of this rests on how well HR managers in concert with line managers understand their workforce, the communicative practices they engage in and the enactment of novel and meaningful ways to retire, thus mitigating what Loretto and White (2006) describe as the 'enactment gap'.

Comment [MD35]: Pullout 29

Practical Implications

One of the implications for practice is that some HR approaches to retirement place greater emphasis on interactions between HR managers, employees and line managers in terms of jointly participating in the implementation and an ongoing conversation about the retirement processes. The extent of involvement in the process varies across our categories. HR managers in *Partnering* provide perhaps the best example of continuous career-related conversations and interactions between all actors involved, which represents one avenue for joint implementation and crafting of retirement patterns. This further confirms that involvement of mature workers in creating solutions that can be mutually beneficial can lead to innovation and improve productivity (Backes-Gellner & Veen, 2013).

Comment [MD36]: Pullout 30

We also heard many anecdotes from our HR manager informants about particular employees who benefitted greatly from customized or improvised retirement arrangements/experiences -- in terms of personal and career fulfillment and meeting family needs etc. -- while the company had extended access to unique expertise and knowledge. For example, an HR manager in a *Partnering* manufacturing organization shared the following:

We have a job share situation where we have a mature employee with two younger employees and the job share within our development lab, and that certainly, while it's a job-share situation it works for the three people...The guy in the triple-job share is an older gentleman with the experience that he's passing on to younger women who are in the early, we've had some kids, we need flexibility and they all just got together. It's a beautiful thing to watch.

This manager also noted that his firm conducted a study with all employees over 45, asking what they would like to see the company offer. Eighty-one percent indicated they wanted the opportunity to pursue phased retirement and eighty-two percent wanted flexible hours. Another HR manager in an *Orchestrating* financial firm shared an example of an employee who gave notice two years in advance that he would like a phased retirement:

And it is particularly great when someone gives us two years' notice, because then we can sort of craft a program specifically for them. We had one guy in finance...he is now working at his cabin in the mountains in BC mentoring his person who is going to succeed him. And he says, "I love this! I love this!"...So he is having fun. The person he is mentoring gets the benefit of his knowledge. And everybody is happy!

These stories provide rich examples of how employees are likely to respond to more opportunity to negotiate different kinds of exits; but of course we also observed that there was more selectivity in some types of organizations than others, in terms of which employees were likely to have access to new ways of retiring: staying, leaving, or returning.

Different HR focus of information gathering on mature employees and retirement seems to reflect two main strands of the HRM approach: a short-term operational versus long-term strategic approach (Ulrich, 1997; Hailey-Hope, Farndale, & Truss, 2005). Short-term information gathering focus reflects the more traditional view of personnel that focuses on micro issues such as individual workers' logistics of pension/superannuation plan or early retirement packages. Clearly this was the case with organizations clustering more in the *Gatekeeping* category. Long-term information gathering instead was more evident in *Partnering* firms, for example, and reflects the more future-oriented and Strategic HRM approaches (Martell & Carroll, 1995).

Among various kinds of adaptation HR managers may pursue, more innovative approaches are evidenced in *Orchestrating* and *Partnering* groups, which involve focus on communication and education as well as innovation and experimentation. Retirement issues are strongly embedded as part of other policies and procedures, such as training and development and succession management. Ideally, individual employees, line managers and HR managers could forge a partnership to pursue mutually beneficial career and organizational outcomes by collaborating throughout the process, as well as starting to plan retirement decisions early. Last, in categories where maintenance or reactive adaptation was observed, (*'Gatekeeping'* and *'Improvisation'*), HR managers would be advised to focus their efforts on greater data collection, measurement and strategic imperatives needed to understand the needs and preferences of retiring employees. Maintaining flexibility and adaptive decision-making is required as business performance and employee needs are constantly evolving (Kooij et al., 2013).

Comment [MD37]: Pullout 31

Limitations and Future Research Directions

One of the limitations of this study that should be addressed in the future is how HR approaches to retirement may change over time. We acknowledge that our investigation took place in a particular time period (2008-2010), and that even a few years later the organizations we studied are likely to have made changes in their retirement approaches. Our research focused on the HR manager as informant, but future research may be supplemented by interviewing other stakeholders – line managers and mature workers in the retiring process -- thus providing other lenses to understand HR retirement approaches. In particular, given that the extant literature on retirement lacks efforts to integrate insights from studies done at different levels of analysis, a cross-level study using multiple data sources will broaden and deepen our understanding on how organizational practices and individual workers' preferences, needs and perceptions on retirement co-evolve or are co-opted in the context of changing institutional context.

To conclude, this study provides insight into how organizations are managing and adapting to retirement, by using organizational adaptation to learn more about *how* change occurs and how organizations differ in their approaches to retirement. The findings demonstrate a much more dynamic rather than staged approach to adaptation. This is highlighted further when we reveal the patterns across each dimension that combine to produce a typology of HR approaches to retirement, thus extending existing understandings of retirement by identifying organizations as gatekeepers, improvisers, orchestrators and partners. By studying patterns in how HR managers scan and interpret information and portray retirement processes in organizations, we demonstrate the importance of examining different levels of analysis, for example what is happening in the external environment, how mature employees' priorities are changing, and organizational policies and practices. Additionally, we illustrate the value of integrative approaches to research on retirement by illuminating mechanisms for identifying mutually beneficial late career options for employees and employers, for example by articulating how some organizations are experimenting with approaches to more effective knowledge transfer coupled with customized late career work arrangements around employees staying, leaving and returning. Finally, we are able to surface the invaluable roles that can be played by HR and line managers in being tuned into both organizational and employee priorities, and in building relationships to enable forging integrative and innovative solutions and practices.

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Table I. Retirement-Related Changes

Level	
Societal	<ol style="list-style-type: none"> 1. Increased longevity and health <ul style="list-style-type: none"> ■ Delaying impact of age-related effects on employees' physical and cognitive capacity related to work (Wang & Shultz, 2010). ■ Creating a much longer period of time spent 'in retirement' in good health before death (Christensen, Doblhammer, Rau, & Vaupel, 2009). 2. Mandatory retirement age changes (for review see Kunkel, Brown & Whittington, 2014) <ul style="list-style-type: none"> ■ Countries such as Canada and the USA for the most part have abolished mandatory retirement. ■ Some European countries have default retirement ages of 65 (e.g. Ireland, Denmark and France), while Sweden and Norway have moved from 65 to 67. ■ In some countries long-standing employment protection laws, collective agreements and state pension rules create significant disincentives for those planning to stay at work beyond 65 (e.g., in France, Germany, and some Eastern European countries). ■ In the UK, legislation in 2011 means that businesses need to objectively justify any compulsory retirement age still in place to avoid legal claims of age discrimination.
Organizational	<ol style="list-style-type: none"> 1. The shift from defined benefit (DB) to defined contribution (DC) pension schemes. <ul style="list-style-type: none"> ■ Most employers in the private sector in North America have replaced DB pensions with DC plans (Wheaton & Crimmins, 2012). ■ While DB plans have traditionally meant some sort of promise from the employer in return for long-term loyal service, in the case of DC plans, employers make current contributions, the value of which at retirement will be based on market performance (Gough & Arkani, 2011). ■ DC plans are less costly for the organization. (Bureau of Labor Statistics, 2012). ■ Psychological employment contracts are shifting from more relational (founded on the sense of commitment) to transactional (Rousseau, 1995). 2. Changes in labor force composition. <ul style="list-style-type: none"> ■ Baby boomer generation exit from the labor force may create labor shortages ■ Results in work units/teams with employees of different ages and generations needing to work together (e.g. Cappelli, 2005).

	<ul style="list-style-type: none"> ■ Baby boomer exit poses dual challenges to organizations (Callanan & Greenhaus, 2008) <ul style="list-style-type: none"> • Leaving a great organizational resource (baby boomer's generation ability and experience) and loss of skills and experience without knowledge transfer. • A 'crippling force within organizations' potentially overwhelming retirement systems, and in other cases being plateaued and blocking advancement of younger employees.
Individual	<ol style="list-style-type: none"> 1. Diversity in how mature workers may envision their options after retirement. <ul style="list-style-type: none"> ■ Mature workers engage in new ways of retiring include a rich mix of some type of work, as well as social or other meaningful engagements (e.g. Moen, 2005; Phillipson, 2012; Sargent et al., 2011; Smith & Dougherty, 2012).

Table II. Typology of HR Approaches to Retirement

		Gatekeeping	Improvising	Orchestrating	Partnering
	Actions and Interactions	<p>Leaving</p> <pre> graph LR HR --> EEs EEs --> HR </pre>	<p>Leaving and Returning</p> <pre> graph LR EEs --> HR LM --> HR HR --> EEs </pre>	<p>Staying or Leaving</p> <pre> graph TD HR <--> EEs HR --> Policy EEs --> Policy LM --> Policy </pre>	<p>Staying and Leaving and Returning</p> <pre> graph TD HR <--> EEs HR --> LM EEs --> LM </pre>
	Focus of HR Information Gathering	Internal workforce costs, turnover and replacement	Workforce skills & knowledge internally and externally	Overall workforce demographics	Internal workforce profile
	HR Posture	Maintaining	Reactive Adapting	Communicating & Educating	Innovating & Experimenting

Table III. Country and Sector of Organizations by Type of HR Approach to Retirement

	Gatekeeping			Improvising			Orchestrating			Partnering			Total		
Country # Orgs	Australia		Canada	Australia		Canada	Australia		Canada	Australia		Canada	Australia		Canada
	1		5	4		6	1		3	2		2	8		16
Sector # Orgs	Fin	HT Man	NatRes	Fin	HT Man	NatRes	Fin	HT Man	NatRes	Fin	HT Man	NatRes	Fin	HT Man	NatRes
	2	2	2	2	5	3	4	0	0	3	1	0	11	8	5

Fin= Finance; HT Man= High Tech Manufacturing; NatRes= Natural Resources

Table IV. Organizational Characteristics by Type of HR Approach to Retirement

	Gatekeeping	Improvising	Orchestrating	Partnering
Organizational Size				
Mean # employees (Range)	4,083 (1,200~6,200)	6,940 (640~20,500)	39,375 (8,500~70,000)	7,235 (6,000~14,000)
Workforce Composition				
Mean % employees prof/mgrl (Range)	32.80 (4~76)	49.40 (10~89)	52.25 (40~90)	58.60 (18~95)
Employee Turnover				
Annual Mean % (Range)	6.58 (1.5~12.5)	11.25 (3~19)	10.12 (9~12)	9.1 (7~10.3)
Employee Age at Retirement				
Mean (Range)	58.88 (58~60)	62.81 (60~68)	58.7 (58~59)	59 (57~60)

Notes

¹ Although a few firms mentioned that there is an occasional arrangement made to bring retirees back on a contract basis, this was described as a rare event.

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