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THE DISCRIMINATION OF OLDER EMPLOYEES IN SLOVENIAN COMPANIES

Maja Rožman

Sonja Treven

Vesna Čančer

Faculty of Economics and Business, University of Maribor, Maribor, Slovenia

Abstract

As age diversity in the workplace is growing and older employees are staying longer in the workforce, employers should create a positive environment for older employees. The main goal of this paper is to present the discrimination of older employees in Slovenia. In the research on the management of older employees in Slovenia, 472 companies were included in the sample by random selection. The analysis is based on descriptive statistics. We found that employers on average disagreed with one statement and partly agreed with majority of the statements concerning the discrimination of older employees. Based on the results, we partly confirmed the hypothesis that the discrimination of older employees exists in Slovenia.

Key words: *Human resource management, discrimination of older employees, work engagement of older employees*

Introduction

Given the fact that human resources management refers to the management of all diverse employees, organisations are still not sufficiently aware of demographic changes and the challenge of ageing of the workforce for their future development and operation. Ilmarinen (2001) argues that the ageing of the workforce at the level of an organisation requires consideration of the age and age factors of employees in everyday management.

According to Ray and Kleiner (2001) age discrimination started becoming an issue in the workplace. It was becoming common that people were being discriminated based on their age. Not only were people being asked to leave because of their age, but also many other limitations were arising, like limited promotions, lower benefits, less rewards, and no respect due to age discrimination in the workplace. Age discrimination refers to the discrimination of people due to their age and is defined as attributing certain characteristics, that are specific for a particular age group, without considering the actual personal characteristics of an individual (see, e.g. Roscigno et al., 2007; Walker, 1999). Due to discrimination in the labour market, older people face the problem of unemployment and their retention in companies. They often have problems at workplaces since the latter are not properly arranged and thus they encounter emotional distress (Brewington & Nassar-McMillan, 2000). Many employers think that older people would cause more costs and be less productive; therefore, they prefer to employ younger people and do not implement specific measures to retain them (Conen et al., 2012).

McMullin and Marshall (2001) state that age discrimination occurs both in older and in younger people and the question arises whether some age groups are more affected by age discrimination. While Warr and Fay think that the attitude towards older



employees is more negative than towards younger employees and older people are much more deprived of better working conditions than younger employees (2001). According to Ghosheh et al. (2006), discrimination of older employees has been a major problem for a long time. There are many positive things that companies should know about older employees but, unfortunately, they are not aware of them; and there are many things that should be done and changed for a better working environment of older people but, unfortunately, they have not been implemented yet. We can say that older people are one of the most vulnerable groups in the labour market.

The article presents the importance of human resource management in reducing discrimination of older employees in companies. The main aim of the paper is to determine if there is discrimination against older employees in Slovenian companies. The purpose of the paper is to verify the following hypothesis: Discrimination of older employees exists in Slovenia.

Theoretical background

Discrimination of older employees

Discrimination is mainly reflected in older employees (Roscigno et al., 2007) and is reflected in employment, retention of older employees, in determination of salary levels, assessing the performance of an employee and working conditions (Shore et al., 2009). Taylor and Walker (1997) state that it is more likely that older people will be sooner rejected by the management than younger people and less likely that they will be employed. Sargeant (2004) also states that there is a lower probability that older employees will receive higher pay for their work than younger employees and that older workers are more likely to have worse working conditions than younger ones since managers do not pay attention to the management of older employees.

Discrimination of older people in the labour market is also evident in the case when an employer says that there is no available job post, although it is known that it exists, and when an employer prefers to employ a younger candidate with the same or even less abilities (Shen & Kleiner, 2001). Age is an important factor in finding employment and retaining employees (McVittie et al, 2008). Lahey (2005) lists some common reasons for employers' decision to employ a younger person rather than an older one. These reasons are the following: energy scarcity, obsolete skills, less time to develop a career (investments in human capital), health and life insurance costs, higher expectations of salary, health risks, less flexibility and hindering the development of the career of young workers.

The effect of age discrimination of older people is in practice reflected in the dismissal of older employees, the managers do not strive to retain them in the company, they have difficulties in accessing training and education and, especially, in the working conditions that are not adapted to the needs of older people (Cvahte, 2004). The authors Kooij et al. (2008) also think that the presence of discrimination and stereotypes has an impact on the employer's decisions and, consequently, older employees have limited opportunities for promotion, training and development. However, this does not only reduce the knowledge and development of older employees but also their success and motivation for work.

Consequences of age discrimination



The consequences of discrimination and also stereotypes are reflected in the opinion of employers about older employees. The consequences of discrimination are mainly reflected in smaller possibilities for older workers, which is reflected in training, retention of older people in the organisation or in dismissal (Posthuma and Campion, 2009). The stereotype used more often by employers is that older employees are not motivated to do their job (Chiu et al., 2001). Stereotypical beliefs about older employees lead to age discrimination which brings a number of negative consequences for both older employees and organisations (Orpen, 1995).

The consequences of discrimination and negative stereotypes, beliefs and attitudes regarding age groups include rejection in the employment of older people, dismissal, lower pay, inability for promotion, training, worse remuneration and other rejection due to age (McMullin & Marshall, 2001). For older employees, a negative attitude of employers can negatively affect their general work, the atmosphere in the company and the well-being of employees and lead to a lack of interest for work, drop of motivation, satisfaction and productivity (Harper et al, 2006).

Elimination of discrimination of older employees

Many authors such as Mermin (2007), Thornton (2002), Chiu et al. (2001), Loretto and White (2006a, 2006b, 2006c), Kooij et al. (2008), McMullin and Marshall (2001) emphasize the need to eliminate discrimination of older employees and state that even in the present times of major demographic changes, unfortunately, older employees are often subject to stereotypical prejudices and discriminatory treatment, which consequently influence the slow implementation of management of older employees at the organisational level despite the new definitions of age and life-cycle changes, which increasingly require the need to raise awareness of active ageing and active involvement of older people in economic and social life.

According to the theoretical starting points of Jorgensen (2005), Loretto and White (2006b), Bibby (2008), Kooij et al. (2008), we can summarise that age discrimination is very bad for the entire operation of all organisations since it causes dissipation of talents, skills, knowledge and experience of age-diverse employees. Important decisions in organisations are often based on age and not merely on individuals' merits, performance, experience or knowledge. Discriminatory treatment and presence of stereotypes of older people affect employers' decisions, which is reflected in limited opportunities for older employees. This also reduces the engagement of older employees at the workplace. From this aspect, the elimination of discrimination of older employees is necessary since a diverse organisation breaks down stereotypes related to older employees, does not use age as a criterion for making any personnel decisions, creates a pleasant working environment, cares for employees' engagement, builds competitive advantages on the basis of intergenerational coexistence and motivated employees of all ages, builds the reputation of a custom employer and also the reputation of an ethical employer.

Same conditions for all employees in a company

The quality of working life is at the forefront of work arranging efforts today. The quality of working life in an organisation is determined by the following (Zupan et al., 2009):



- equitable, equal and encouraging treatment of employees;
- the possibilities of all employees to use their capabilities as much as possible and achieve the self-realisation to the greatest possible extent;
- honest and trustful communication among all employees;
- active role of all employees in making important decisions concerning their work;
- appropriate and fair remuneration; and
- safe and healthy working environment.

Work in an organisation should be focused on achieving common goals since it gives the employees a feeling of being useful. People like to engage in something useful, something that makes sense and gives positive results. What means to be useful is very subjectively determined but it is related to goals and initiatives that lead individuals to achieve their usual abilities. Finding his usefulness and meaning determines the life path of an individual and, therefore, also affects the life of the organisation. This poses a challenge to the future managers: how to find the meaning or goal that will be comprehended by all individuals or employees (from different cultural backgrounds or different ages) as important and will motivate them for their work (Možina, 2002). The equality of treatment of age-diverse employees and understanding various effects or processes of ageing have become increasingly important in the working environment (Ilmarinen, 2006).

There is a need for equal conditions for all employees in companies and changed mindset about old age. Research in which the authors studied the productivity of older employees showed that older employees proved better than younger employees. Nonetheless, research shows a discriminatory and stereotyped view of older employees by employers. In the event that an equally qualified older and younger person apply for the same job, the older person will receive a less favourable answer. In most cases, the disadvantage appears immediately at the beginning, even before the older person could even demonstrate his qualifications. Interview with the older person is shorter, he gets fewer authorisations and job offers, even though positive qualities are assigned to older employees, which are important in the performance of work (Dennis and Thomas, 2007).

Methods

Sample and data collection

A quantitative method of data gathering was used in the empirical research to examine the discrimination of older employees in Slovenia. The research included 1.000 companies by random selection. Medium sized and large companies participated in this research. The response rate was 47.2% (472 employers answered the questionnaire). Respondents answered at least 85% of the questions and we did not exclude any questionnaires. Table 1 shows the profile of respondents with respect to control variables.

Table 1: Profile of respondents and control variables

Characteristic of respondents	Number of respondents	Percentage
Vocational or high school	5	1.1%



	Collage	68	14.4%
Level of achieved education	High professional or university education	297	62.9%
	Master's degree or doctorate	102	21.6%
Length of service	From 11 to 20 years	7	1.5%
	From 21 to 30 years	118	25.0%
	From 31 to 40 years	336	71.2%
	More than 41 years	11	2.3%
Company activity	Processing activities	145	30.7%
	Trade, maintenance and repair of motor vehicles	80	16.9%
	Professional, scientific and technical activities	48	10.2%
	Financial and insurance activities	47	10.0%
	Information and communication activities	37	7.8%
	Construction sector	22	4.7%
	Other diverse business activities	16	3.4%
	Real estate services	15	3.2%
	Health and social security	15	3.2%
	Catering	12	2.5%
	Supply of electricity, gas and steam	11	2.3%
	Traffic and storage	10	2.1%
	Agriculture and hunting, forestry and fishing	6	1.3%
	Water supply, sewerage and waste management, remediation activities	4	0.8%
	Mining	2	0.4%
Other activities	2	0.4%	
Size of companies	Medium-sized company	227	48.1%
	Large company	245	51.9%

Research instrument

We used various theoretical concepts and research to design the instrument for measuring the discrimination of older employees in Slovenia. Table 2 shows the statements of authors that we included in our questionnaire.

Table 2: Statements of authors in the questionnaire

Items	Source
When employing people, we prefer to choose a younger person than an older person.	Bibby,2008; Duncan and Loretto, 2004; Chiu et al., 2001
When employing or retaining an employee in a	Bennett and Gaines, 2010;



company, we focus on younger staff since older people are more prone to accidents, sick leave and poor health.	Chasteen et al., 2002; Chiu et al., 2001
In the context of education and training of older employees, we would have more costs than for younger employees.	Berger, 2006; Kooij et al., 2008; Conen et al., 2012
If we choose between an older and a younger person, we prefer to choose a younger employee to performing work tasks.	Grossman, 2005; Bibby, 2008;
If we choose between an older and a younger person to retain in the company, we will choose the younger employee.	Chiu et al., 2001; Grossman, 2005

To determine the discrimination of older employees in Slovenia, the employers indicated on a 5-point Likert scale their agreement to the listed statements, which means 1- I completely disagree, 2- I do not agree, 3 - I partially agree, 4 - I agree, 5 - I completely agree.

Statistical analysis

Descriptive statistics were used to analyze the data for the discrimination of older employees in Slovenia.

Results

Table 3 presents the results of descriptive statistics for answers about the discrimination of older employees.

Table 3: Descriptive statistics for answers about the discrimination of older employees

	N	Mean	Standard deviation	Skewness		Kurtosis	
				Statistic	Standard error	Statistic	Standard error
When employing people, we prefer to choose a younger person than an older person.	472	3.15	1.074	- 0.112	0.112	- 0.900	0.224
When employing or retaining an employee in a company, we focus on younger staff since older people are more prone to accidents, sick leave and poor health.	472	3.07	1.095	0.123	0.112	- 1.004	0.224



In the context of education and training of older employees, we would have more costs than for younger employees.	472	2.83	1.064	0.347	0.112	- 0.664	0.224
If we choose between an older and a younger person, we prefer to choose a younger employee to performing work tasks.	470	3.11	1.098	0.008	0.113	- 0.880	0.225
If we choose between an older and a younger person to retain in the company, we will choose the younger employee.	470	2.45	0.962	0.563	0.113	- 0.291	0.225

From the descriptive statistics in Table 3, it can be seen that the highest average agreement is achieved by the statement "when employing people, we prefer to choose a younger person than an older person" (mean 3.15). The highest dispersion of responses (standard deviation) is noted in the statement "if we choose between an older and a younger person, we prefer to choose a younger employee to performing work tasks." The lowest mean and the lowest value of the standard deviation is found in the statement "if we choose between an older and a younger person to retain in the company, we will choose the younger employee".

If we analyse the data from the aspect of skewness and kurtosis, we find that all values of coefficients of kurtosis and coefficients of skewness are in the interval between -1 and 1, except for the coefficient of kurtosis in the statement "when employing or retaining an employee in a company, we focus on younger staff since older people are more prone to accidents, sick leave and poor health". We see that the values of the coefficient of skewness are mostly positive; that is, the distributions are skewed to the right, which means that the density is higher at smaller values of the variable. However, this does not apply to the statement "when employing people, we prefer to choose a younger person than an older person" since its value is negative and therefore the distribution is skewed to the left (higher density at higher values of the variable). The analysis of the kurtosis coefficient values shows that these are negative, which means that the distributions are slightly flattened. Hereby, we emphasize that the most flattened distribution is in the statement "when employing or retaining an employee in a company, we focus on younger staff since older people are more prone to accidents, sick leave and poor health" and the least flattened distribution is in the statement "if we



choose between an older and a younger person to retain in the company, we will choose the younger employee."

From the results in Table 3 we can conclude that on average there is a partial agreement between employers on discrimination in companies. This is reflected in the average values that range from 2.5 to 3.5 in the statements, except for the statement "if we choose between an older and a younger person to retain in the company, we will choose the younger employee" with the average value of less than 2.5.

Based on the results, we partly confirmed the hypothesis that the discrimination of older employees exists in Slovenia.

Conclusion

Based on the results in Table 3 and partial confirmation of the set hypothesis, we have established that there is a presence of discrimination of older people in Slovenian companies. From this aspect, a changed mindset about older employees is needed in all companies. By promoting active ageing and introducing management of older employees, companies can achieve a change of generally accepted stereotypes, prejudices about older people and the reduction of discrimination of older people in the labour market. The results of our research show that older employees face a lot of problems in employment and educational opportunities since companies pay more attention to younger staff. Ilmarinen (2012) also emphasises that age-related factors need to be considered in everyday management, including working arrangements and individual work tasks, so that everyone, regardless of age, feels capable of achieving their goals and goals of the company.

This is especially important because the results of other studies have shown that age discrimination has a significant negative impact on the working environment of older employees. Older employees perceive discrimination by the organisation in various ways. Thus, they state that they receive stricter reminders for badly done work or bad results than their younger colleagues (Rupp et al., 2006) and feel that they have less access to training and promotion (Duncan & Loretto, 2004). Older job seekers perceive a higher bias than younger job seekers (Lyons et al., 2014).

A survey carried out among employers in Great Britain has shown that most employers do not develop any strategies that would allow employment or retention of older employees. Employers have indicated that their job advertisements include age as a condition of employment and that age is an important factor that needs to be considered well before employing someone (Taylor & Walker, 1997).

Discrimination and stereotypes need to be eliminated since, irrespective of the real capabilities and performance of older employees, they negatively affect employers' opinions, which further negatively affects the position of older workers in the labour market and in the company and constitutes a key obstacle to employment and retention of older people in organisations (Turek & Perek-Bialas, 2013; Munnell & Sass, 2008).



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