



Training opportunities for older workers in the Netherlands: A Vignette Study



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ABSTRACT

Demographic changes and labor market challenges highlight the importance of lifelong learning and development for all employees. The current study analyzes the factors that may influence managers' propensity to offer older workers different kinds of training (specific or general). To investigate this question, a vignette study among 153 managers in Dutch organizations was conducted. Managers were randomly assigned into one of the four experimental conditions that involve a decision regarding specific or general training (aimed at internal or external mobility). The results suggest that managers perceive training incidences as a tool to increase productivity of older workers who perform well and are highly motivated, and far less as a tool to increase productivity of workers who need updating their human capital. The implication of these results is discussed.

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1. Introduction

Training is clearly essential for workers and organizations: it helps workers maintain and increase their employability, enhances their motivation and job satisfaction, and at the same time, also benefits the organizations that employ them (Becker, 1975). Aguinis and Kraiger (2009) pointed out that “as organizations strive to compete in the global economy, differentiation on the basis of the skill, knowledge, and motivation of their workforce takes on increasing importance,” stressing the significance of updating workers' skills (Aguinis & Kraiger, 2009; p. 452).

Several surveys of working populations in the European Union have focused on worker training activities and showed that approximately 39% of European adults participated in training (Dohmen & Timmermann, 2010). The evidence suggests that the participation in training is rather voluntary, as only approximately 20% of respondents who followed training did so because it was obligatory (Dohmen & Timmermann, 2010). The exact numbers of training participation vary per country, yet it is clear that training is not equally distributed between employees (Hanson, 2008). Employer-provided training is by far the most important source of further education and training after an individual enters the labor market (Hanson, 2008), which stresses managers' role in offering training opportunities. However, it is still unclear how managers arrive at their decisions regarding to whom such opportunities should be offered.

Different domains of social sciences have accumulated insights regarding various aspects of training.

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Psychological studies focus extensively on training design and transfer, its delivery and evaluation, and improvement of performance (e.g., Brown & Sitzmann, 2011). Aguinis and Kraiger (2009) discuss comprehensively the benefits of training for individuals, teams and organizations, stressing the importance of knowledge transition and increased performance. The question of training participation is mostly framed in terms of needs assessment and workers' readiness to participate in training (defined as motivation and self-beliefs that are likely to influence willingness to attend training and learning during training) (Aguinis & Kraiger, 2009). Economists focus mostly on returns to training and report consistently positive relationships between training participation and wages (e.g., Leuven & Oosterbeek, 2004), and training and productivity (Barrett & O'Connell, 2001; De Grip & Sauermann, 2012). Lazear (1979, 1981) has put forward the argument that training activities aimed at increasing a worker's human capital require some kind of long-term employment relationship between employers and their workers, including some kind of delayed payment. Hutchens (1986, 1988, 1989) has elaborated on this idea, making a distinction between general and firm specific training. Especially firm specific training ties an employee to his/her firm and reduces older workers' mobility. The delayed payment that induces firm specific training, however, also reduces older workers' opportunities to be hired and increases the attractiveness of younger workers (Heywood, Jirjahn, & Tsertswardze, 2010). Finally, sociologists examine the patterns of participation, education and status attainment related to training (e.g., Rainbird, 2000). However, few previous studies from these research domains have focused on the distribution of training opportunities (i.e., who receives the training). Recently, Lazazzara, Karpinska, and Henkens (2013) have argued that not all older workers are offered equal opportunities when it comes to access to training and that highly qualified workers are much more likely to be offered training opportunities (also see Boehm & Dwertmann, 2015). Following this observation, the current study aims to examine factors that may affect managers' decisions to grant training opportunities to older workers.

Participation in training is especially important for older workers (van Dalen, Henkens, & Wang, 2015). An aging workforce requires older workers to prolong their working careers to assure sufficient labor market supply and the sustainability of social security systems. Training increases older workers' chances for retention: it offers older workers opportunities to maintain and enhance their employment potential and optimize their value in the labor market (Cully, VandenHeuvel, Wooden, & Curtain, 2001; Organisation for Economic Co-operation and Development (OECD), 2006; van Dalen et al., 2015). Yet, a wide body of evidence suggests that training incidences decrease with age (Armstrong-Stassen & Templer, 2005; Bishop, 1997; Zacher, 2015) and that employers' discriminatory attitudes and their perception of the productive potential of older workers form barriers to training (Cully et al., 2001). Many studies indicate that employers see older workers as inflexible, unwilling (or unable) to adapt to the changing work environment and less productive than their younger colleagues (van Dalen, Henkens, & Schippers, 2010; Wang,

Olson, & Shultz, 2012). Such discriminatory attitudes of managers can affect their decisions with respect to older workers (Chiu, Chan, Snape, & Redman, 2001; Finkelstein, King, & Voyles, 2015). The evidence suggests that managers are often not very positive in their evaluation of training for older workers (Loretto & White, 2006), and conveys an idea that older workers are excluded from training based on their age (Eurobarometer, 2012). The research question we pose in this study is: *What are the factors that affect training opportunities for older workers?*

Something that complicates a comprehensive view of the factors that might influence training opportunities is the huge variety of types of training and the investments involved. Most studies report information on formal and specific training, i.e., training that can be applied only at the company that provides it (Becker, 1975; Leuven & Oosterbeek, 1999). Yet, there is evidence suggesting that organizations frequently offer general training to their workers. Moreover, many studies on returns to training indicate that employers can choose from training that is offered within the company (i.e., free of charge) or outsource it to different organizations (Hanson, 2008). Less is known whether those differences affect managers' propensity to offer such opportunities to older workers. This study aims at examining training of older workers with a broader empirical basis by testing hypotheses on different types of training settings.

Our study contributes to the literature in three ways. Firstly, using a vignette design, this study examines which individual characteristics of older workers affect managers' decisions to offer training opportunities for older workers. Offering training is greatly affected by expected returns to that training. Human capital theory is a framework that will be applied to derive hypotheses on the impact of individual circumstances on training opportunities. Secondly, next to the effects of workers' characteristics, also restrictions present in the organizations and managers' characteristics are included in the analysis of the training opportunities. This focus offers comprehensive view on factors that affect training opportunities. Thirdly, we examine managers' propensity to offer older workers training in different training situations. These investigated conditions include whether the training is aimed at increasing skills in employees' current position or a different position, and whether the training is associated with significant financial cost. This allows us to examine training opportunities depending on their context.

2. Theoretical background

Organizations are often defined as goal-oriented systems that strive toward profit maximization, continuity, and maintaining a healthy market position (Kalleberg, Knoke, Marsden, & Spaeth, 1996). Managers in organizations are supposed to contribute to these goals through, among other things, realization of high production levels and low costs, low absenteeism, good social relations and maintenance of useful sources of knowledge and contacts, and recruitment of qualified staff (Kalleberg et al., 1996). Employees' skills and knowledge are among the most important assets of organizations, and updating and

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