The organisational perspective on the employment of early retirees

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Abstract

Purpose of the study: We study whether, from the organisational perspective, different ways of dealing with early retirees can be empirically distinguished, and how the employment of early retirees is related to the application of age-conscious human resource policies, such as demotion and offering early retirement.

Design and Methods: We perform a latent class analysis on a sample of 998 Dutch organisations to categorize them based on three dimensions of their employment of early retirees. We then perform multinomial logistic regression to relate the employment of early retirees to age-conscious human resource policies.

Results: We distinguish four types of organisations based on their employment of early retirees: non-users (52.6%); users for regular work (20.2%); users for non-regular work (10.7%); users for regular and non-regular work (16.5%). Organisations that apply demotion, offer early retirement, and allow flexible working hours are more likely to be users for regular work. Organisations that do not offer early retirement are more likely to not employ early retirees at all.

Implications: Age-conscious human resource policies, especially demotion, offering early retirement and allowing flexible working hours, are conducive to the employment of early retirees for regular work. Broader implementation of these policies may open up opportunities for a gradual transition from work to retirement.

Keywords: bridge employment; early retirement; labour market; older workers; postretirement work.

Introduction

The retirement process has changed. For many older workers, it is no longer a one-time permanent event, but rather a more gradual transitional period between full-time employment and full retirement (Wang & Shultz, 2010). Work in this transitional period is called bridge employment (Feldman, 1994; Ruhm, 1990). An increasing number of older workers partake in some form of bridge employment. For example, Cahill et al. (2006) report that between a third and half of US workers hold at least one bridge job in their lives. Research shows that bridge employment is a highly diverse phenomenon that differs on multiple dimensions. For example, employees may be able to take up part-time retirement while staying employed within the same organisation (sometimes dubbed 'phased retirement'; e.g., Hutchens & Grace-Martin, 2006), seek employment with a different employer but in a similar type of job, or pursue a career switch and seek employment in a field unrelated to the main career job (e.g., Davis, 2003; Wang et al., 2008). Also, there is evidence that bridge employment occurs in different types of employment arrangements, such as steady part-time, temporary (e.g. seasonal) and on-call arrangements (e.g., Lain, 2012; Shultz, 2001).

Most studies into the employment of (early) retirees have approached bridge employment from an individual decision making perspective, and have related the type of bridge employment to individual employee's antecedents, such as health, age and education, and consequences, such as satisfaction in retirement and with life (e.g., Kim & Feldman, 2000; Wang et al., 2008). Comparatively few studies have paid attention to the demand side of the labour market and the crucial role that organisations play in the process (Henkens & Van Dalen, 2012). Exceptions include Hirshorn and Hoyer (1994), who find that a large proportion (46%) of US organisations employed retirees in the early 1990s, although only a very small proportion had formal policies on the employment of retirees; and Karpinska et al. (2011), who show in an experimental study that managers are overall very reluctant to hire early retirees. However, it remains unclear how organisations shape the opportunities for different types of bridge employment, and how practices on the employment of early retirees are embedded in broader organisational employment practices and human resource policies.

In this study, we aim to elucidate the organisational perspective on the employment of early retirees with a large-scale empirical study into organisational practices regarding three dimensions of employment of early retirees in the Netherlands: how frequently organisations employ early retirees, for what type of work early retirees are deployed, and whether they are paid. We study the co-occurrence of organisations' practices on these three dimensions with a latent class analysis (LCA). The LCA allows us to consider these practices simultaneously in an attempt to identify different organisational approaches to the employment of early retirees. The LCA distinguishes several different types of organisations based on their way of dealing with early retirees. We then explain organisations belonging to one of these types based on their application of four age-conscious human resource policies aimed at regular staff: demotion, offering training opportunities for older workers, offering early retirement, and allowing flexible working times.

Our first research question is whether, from the organisational perspective, different ways of employing early retirees can be empirically distinguished, and if so how they differ. Our second research question is how an organisation's age-conscious human resource policies towards current staff relate to their employment practices regarding early retirees.

With this study, we contribute to the literature in three main ways. First, we analyse a large-scale survey of organisations' practices with regard to the employment of early retirees. With this, we give a unique quantitative view of the demand side of the labour market for early retirees. Second, rather than only looking at whether organisations employ early retirees, we take a broad perspective and also consider the type of work and payment dimensions of the employment of early retirees in an LCA. This novel approach allows us to view the diversity in post-retirement employment arrangements from the organisational side. Third, we study how the employment of early retirees is related to organisations' application of age-conscious human resource policies towards regular staff, and thereby relate the employment of early retirees to the broader organisational employment practices.

The present study is situated in the Netherlands. The pension system in the Netherlands is characterised by mandatory retirement and the receipt of state pension at the age of 65 (which will be

gradually raised to reach 67 in 2023). Additionally, most employees are covered by defined benefit occupational pensions. Starting in the late 1970s, early retirement schemes in the Netherlands were financed on a pay-as-you-go basis, and laws were passed that made early retirement financially attractive. These schemes did not allow for paid labour, as they were aimed at opening up jobs for younger workers. The attractive early retirement schemes lead to very low labour market participation rates of older workers. Since the late 1990s, the Dutch government has passed several laws that have made early retirement financially less attractive and that have removed the obstacles for continued employment after (early) retirement (Euwals et al., 2009; Van Dalen & Henkens, 2002). In the current system, early retirement schemes are integrated with the occupational pension system. Most occupational pension schemes, which are organised by sector, allow actuarially fair early retirement and have no restrictions for employment after early retirement (Euwals et al., 2009). From the organisational perspective, the employment of early retirees thus implies a formal (re)negotiation of a labour contract, regardless of whether the employee was employed within the organisation at the time of early retirement.

Dimensions of bridge employment from the organisational perspective

We consider organisations' practices on three dimensions that are characteristic of their way of dealing with early retirees: how frequently they employ early retirees, the type of work early retirees are deployed for, and the payment of early retirees. Though the literature indicates how organisations may differ on these dimensions, we do not know how practices on these dimensions may co-occur, and so cannot predict how many different types of organisations' way of dealing with early retirees will emerge from the LCA. Still, based on theoretical insights, we can form some expectations as to how organisations differ on these three dimensions.

First of all, we consider an organisation's *frequency of using early retirees*. Applying labour queue theory (Reskin & Roos, 1990; Thurow, 1975), we assume that organisations rank applicants on a queue, based on the match between job requirements and applicants' (estimated) productivity and preferences with respect to workload. Because early retirees receive a pension income related to their average or last-

earned wage, they are less dependent on the wage than normal employees, although they may still want to add to their pension income. This pension income provides both the employee and the organisation with flexibility in the employment relation. This, along with specific skills, experience, or willingness to work in part-time jobs, may place early retirees on top of a labour queue. On the other hand, generalized characteristics of older workers, such as their low (deemed) productivity and their inability to work with new technologies (e.g., Van Dalen et al., 2010) may lower their position on the labour queue.

Secondly, we consider whether organisations deploy early retirees in four different *types of work*: regular work, odd jobs (defined as tasks that would otherwise be neglected), on-call work, and work at irregular hours. Hirshorn and Hoyer (1994) show that in the early 1990s in the United States, almost all organisations that used retirees deployed them for 'work in regularly performed operational tasks'. However, early retirees are not only deployed for regular work within the organisation: large amounts of organisations also used early retirees for 'special irregularly occurring projects', and for 'filling in as demand for production/service increases'. In present times, the use of early retirees for work of a more flexible nature seems more common. For example, Lain (2012) shows that UK organisations predominantly use retirees in low paid jobs that require few formal qualifications but demand a high level of flexibility on the part of the employee, which can be seen as on-call work. The use of (early) retirees in non-standard employment arrangements (Kalleberg, 2000) could be part of a labour market wide development towards more precarious (or atypical, contingent) employment (De Vries & Wolbers, 2005; Kalleberg et al., 2000). Shultz (2001) argues that such contingent employment arrangements for (early) retirees may be a solution for the low level of labour participation of older workers.

Thirdly, we consider a dimension on the *payment of early retirees*. We ask whether organisations pay early retirees or whether bridge employment in their firm is a form of unwaged labour. Unwaged labour is not recognized in the traditional conceptualization of work (Taylor, 2004), but may be a realistic option for many early retirees to remain active and connected to the labour force. Research shows that formal unwaged labour is not restricted to the voluntary sector, but also occurs in the private and public sector (Rotolo & Wilson, 2006; Taylor, 2004). Note that in this study we focus strictly on the private and

public sector, and do not include organisations in the voluntary sector. From both the organisational and early retiree's perspective, unwaged labour may be acceptable because the early retiree receives pension benefits. However, because of limited research into unwaged labour of early retirees, we do not know to what extent it may co-occur with the other dimensions of the employment of early retirees.

Human resource policies

We aim to explain organisations' employment of early retirees with its application of age-conscious human resource policies towards regular staff. The application or lack of application of age-conscious human resource policies signal an organisation's strategic purposes and intentions with respect to older workers and (early) retirees (Rau & Adams, 2012). Human resource policies geared towards the retention of regular staff may influence an organisation's employment of early retirees by urging regular staff into early retirement, after which some of them may be rehired by the organisation, and by attracting external early retirees to apply for bridge employment with the organisation. For example, Armstrong-Stassen (2008) and Rau and Adams (2005) find that an organisations' human resource policies regarding flexible working options are strongly related to (early) retirees' willingness to seek bridge employment with that firm. In the present study, we examine the effect of four age-conscious human resource policies that may influence an organisation's employment practices with regard to early retirees: demotion, offering training opportunities for older workers, offering an early retirement scheme, and allowing flexible working hours.

First, *demotion* is the practice of reducing an employee's responsibilities and wage in response to a decline in productivity. Demotion is in conflict with the standard view of seniority wages and therefore considered taboo in most circumstances. It is therefore only rarely applied. For example, Henkens and Schippers (2008) find that only 6% of Dutch organisations applied demotion between 2000 and 2005. Although many more organisations consider applying demotion in the future, they are also very reluctant as demotion negatively affects job satisfaction and so can lower productivity even further (Josten & Schalk, 2010). Still, when demotion is a feasible option, organisations may use it to balance rising costs

and (perceived) declining productivity of older workers and thereby extend workers' careers. We expect that organisations that apply demotion are more committed to extending the careers of their older workers and therefore also more likely to employ early retirees in some form.

Second, we consider an organisation's policy towards *offering training opportunities for older workers*. By providing training opportunities for older workers, organisations try to balance the costs and productivity of older workers. Lazzazara et al. (2012) show that managers are generally very reluctant to offer training opportunities to older workers, mainly because there is only a limited time for a return on investment. We expect that organisations that offer training opportunities for older workers are more likely to employ early retirees in some form, because they are committed to retaining their older workers.

Third, we consider whether organisations *offer an early retirement scheme* to their employees. Though employees are essentially free to take early retirement in the Netherlands insofar as their occupational pension scheme allows this, organisations may offer extra benefits to make early retirement more attractive. According to Feldman (1994), offering an early retirement scheme reduces uncertainty for employees, which makes them more likely to retire and take subsequent bridge employment with the same organisation. From the organisational perspective, offering an attractive early retirement scheme may be seen as a means to decrease the dependency on older workers, but in combination with offering a bridge job may also be seen as a way to retain valuable older workers that would have otherwise retired completely or taken up bridge employment elsewhere (Hutchens & Grace-Martin, 2006; Vickerstaff et al., 2003).

Fourth, we consider whether organisations *allow flexible working hours*. Allowing flexible working hours allows employees to balance work with private responsibilities or leisure, which is specifically valuable for early retirees who may have caring responsibilities or want more leisure time (Frerichs et al., 2012). Of course, allowing flexible working hours is not feasible in all jobs and is dependent on the nature of the work and the job design within an organisation. For example, Hutchens and Grace-Martin (2006) find that organisations are unlikely to offer part-time retirement to their employees when work is done in teams. Allowing flexible working hours can also be a means to attract early retirees to an

organisation (Armstrong-Stassen, 2008; Rau & Adams, 2005). We therefore expect organisations that allow flexible working hours to use more early retirees.

Method

Data

The data stem from the Dutch sample of the Activating Senior Potential in Ageing Europe (ASPA) research project, a large multi-country survey among organisations concerned with organisational practices and attitudes towards older workers (see http://www.aspa-eu.org/ and Conen (2013) for more information). A set of extra questions concerning organisations' employment of early retirees were only asked to the Dutch sample. Data collection took place between March and November 2009. A hard-copy survey was sent out to a sample of 4683 Dutch organisations, stratified by sector and size, and addressed to directors, owners and human resource department managers. 1077 Dutch organisations responded for a response rate of 23%, which is comparable to other large-scale employer surveys in organisational research (Baruch & Holtom, 2008).

Respondents that did not complete the questions on their organisation's employment of early retirees (n = 79) were excluded from the analysis, leaving us with 998 cases for the LCA. Item nonresponse for the independent variables in the multinomial logistic regression analysis was low (<3.5%) so cases with missing values were deleted, leaving us with 925 cases for the multinomial logistic regression analysis.

Measures

Dependent variable. The organisation's employment of early retirees consisted of three dimensions. First, *frequency of use* was assessed with the question "Does your organisation use early retirees?", with the answering categories "No, never"; "Yes, incidentally"; "Yes, frequently". If answered affirmatively, respondents were asked to what extent early retirees were deployed for four different *types of work*, viz. regular work, odd jobs, on-call work, and work at irregular hours. For each type of work, respondents were asked to answer on a four-point scale: "Not at all"; "Incidentally"; "Regularly"; "Very regularly".

Thirdly, the *payment of early retirees* was assessed with the question "Do the early retirees you employ get paid?", with the answering categories "No"; "Just a reimbursement of expenses"; "Yes".

Independent variables. The application of the four relevant human resource policies (demotion, offering training opportunities for older workers, offering an early retirement scheme, allowing flexible working hours) was measured by asking "Which of these policies are applied in your organisation?". The answers were coded "Yes" (1) if applied at the current moment, and "No" (0) if not applied at the moment.

We also controlled for several organisational characteristics in the multinomial logistic regression analysis. We included important background characteristics such as sector and size, several workforce characteristics, and a question on whether the organisation had recently faced difficulties finding suitable employees. Table 1 provides background information on the independent variables.

Analyses

First, we performed a latent class analysis (LCA) to test whether organisations could be categorised based on their employment of early retirees. LCA is an appropriate method to discover and discern unobserved subpopulations or categories of respondents that differ on some latent construct, in this case organisations' employment of early retirees, by looking at the patterns of responses over multiple indicator variables (Collins & Lanza, 2010; Hagenaars & Halman, 1989). In an exploratory LCA, where the number of qualitatively different categories and their sizes are unknown, the customary procedure is to estimate several models with a different number of classes, and then compare model fit statistics to determine which model offers the best representation of the data (Collins & Lanza, 2010). We performed LCA with the program Latent GOLD 4.0 (Vermunt & Magidson, 2005).

Second, we performed multinomial logistic regression to analyse the relation between organisations' application of age-conscious human resource policies and organisational characteristics and the different ways of employing early retirees. The dependent variable in the multinomial logistic regression consisted of the class assignments of the LCA model that was found to best represent the data. Because LCA

produces a number of nominally different classes (i.e., the classes cannot be ordered on a continuum), multinomial logistic regression is an appropriate follow-up analysis to test the effects of the independent variables on organisations membership of one of the classes. To compare the effects of the independent variables on all classes we present marginal effects. Marginal effects indicate how the class probabilities change with one unit change in the independent variable, with all others held constant. The marginal effects of one independent variable sum to zero.

Results

Different ways of employing early retirees

Descriptive information on organisations' employment of early retirees is presented in Table 2. Approximately half of the organisations in the sample employ early retirees, with a majority of them indicating to only employ retirees incidentally. Most organisations that employ early retirees deploy them for regular work within the firm. Also, many organisations deploy early retirees for odd jobs and on-call work, but overall less frequently than for regular work. Only 15% of organisations deploy early retirees for work at irregular hours, and most of them only do this incidentally. It is noteworthy that approximately one in seven organisations that employ early retirees do not pay them, or pay only a reimbursement of expenses. This is hardly acknowledged in research outside the voluntary sector (Taylor, 2004).

Because LCA draws on the frequency of all possible response patterns in the data, it is often necessary to limit the number of indicator variables and simplify the answer possibilities (Collins & Lanza, 2010). If there are too many possible response patterns, models do not converge and interpretation of the output is not possible. It is therefore customary to dichotomise ordinal variables. We dichotomised the dimensions of *type of work* (0 for 'Not at all'; 1 for 'Incidentally', 'Regularly' and 'Very regularly') and *payment of early retirees* (0 for 'No' and 'Just a reimbursement of expenses'; 1 for 'Yes'). We decided not to dichotomise the *frequency of use* dimension because of its importance for class interpretation, but treat it as an ordinal variable.

Table 3 presents model fit statistics of the estimated models with up to 5 latent classes. The p-value and Bayesian Information Criterion (BIC) are tools to identify the ideal number of classes: the p-value should be non-significant; the BIC should be as low as possible (Collins & Lanza, 2010). The model with four latent classes satisfies both criteria and thus offers the best representation of the data. Robustness checks with slightly different operationalizations of the indicator variables consistently showed the four-class model to best represent the data, reinforcing our choice for this model.

Table 4 presents the latent class prevalence and item-response probability statistics for the four-class model. The latent class prevalence statistics indicate the occurrence of that class in the sample. The first class contains 52.6% of organisations, the second class 20.2%, the third class 10.7% and the fourth class 16.5%. The item-response probability coefficients indicate for each of the four classes separately the likelihood that organisations belonging to that class score on the underlying item. For example, for organisations in the second latent class, there is a 99% likelihood that they use early retirees for regular work. Based on the patterns of coefficients over the multiple indicators, the following labels were assigned to the different classes: (1) non-users; (2) users for regular work; (3) users for non-regular work; (4) users for regular and non-regular work.

Organisations of the first type, *non-users*, are easily identified and characterized. They simple do not employ any early retirees. Organisations that do not employ early retirees make up approximately half of the sample. The other half of the sample, organisations that do employ early retirees, are dispersed in three types.

The second type of organisations, *users for regular work*, are characterised by mostly incidental employment of early retirees (84% incidentally, 16% frequently), a very high likelihood of deploying them for regular work within the organisation (99%), and lower probabilities for the non-regular types of work: 44% for odd jobs, 39% for on-call work, and not at all (0%) for work at irregular hours. Virtually all of the organisations of the second type pay their early retirees (98%). They make up about 20% of the sample.

Organisations of the third type, *users for non-regular work*, are characterised by a similar frequency of employment as the users for regular work (89% incidentally, 11% frequently). They are much less likely to deploy early retirees for regular work (34%), but more likely to deploy them for various forms of non-regular work: 78% for odd jobs, 46% for on-call work, and 5% for work at irregular hours. Compared with other organisations that employ early retirees, users for non-regular work are very likely to employ early retirees as a form of unwaged labour (only 57% chance of paid employment of early retirees). The users for non-regular work make up about 11% of the sample.

Finally, organisations of the fourth type, *users for regular and non-regular work*, are characterised by a higher likelihood of employing early retirees on a more regular basis (65% incidentally, 35% frequently). They have a high likelihood of deploying early retirees for regular work (92%), but also have the highest likelihood for deploying early retirees for the three types of non-regular work: 79% for odd jobs, 87% for on-call work, and 39% for work at irregular hours. They are also characterised by a high likelihood of paying their early retirees (91%). They make up about 17% of the sample.

The employment of early retirees: the role of human resource policies

In Table 5 we present the results of the multinomial logistic regression, in which we try to explain organisations' way of employing early retirees with the application of four age-conscious human resource policies, and where we control for several organisational characteristics. The dependent variable consists of the class assignments of the four-class LCA model.

First off, organisations that practice demotion are more likely to fall in the 'users for regular work' class. There is no significant effect for the 'non-users', 'users for non-regular work' and 'users for regular and non-regular work' classes. Offering training for older workers does not affect the way of using early retirees at all. Offering an attractive early retirement scheme is negatively related to not employing early retirees at all, but positively related to employing early retirees and deploying them predominantly for regular work. Apparently, organisations that offer attractive early retirement schemes to their employees do not do so exclusively to dispose of older workers and are not opposed to employing early retirees.

Finally, organisations that allow flexible working hours are also more likely to employ early retirees and deploy them predominantly for regular work. There is no significant effect for the other classes.

Of the control variables, organisational size is most strongly related to the employment of early retirees. The larger an organisation, the more likely they are to employ early retirees, and either deploy them predominantly for regular work or for a combination of regular and non-regular work. Presumably, larger organisations have a better opportunity structure to incorporate early retirees with their specific characteristics and preferences, whereas smaller organisations do not have the flexibility to incorporate early retirees. With respect to sector, organisations in the services and trade sector are slightly less likely to employ early retirees predominantly for non-regular work. Furthermore, organisations with more older workers and more highly educated workers are more likely to employ early retirees predominantly for regular work. Finally, and somewhat surprisingly, organisations that have faced difficulties finding suitable employees are more likely to not employ early retirees at all. Apparently, when organisations have a hard time finding qualified workers, they do not turn to early retirees to fill the void.

Discussion

The goal of this study was to investigate whether organisational practices with regard to the employment of early retirees could be categorized, and how their practices towards early retirees were related to their application of several age-conscious human resource policies. A key strength of this study is that we considered organisations' practices on three dimensions: frequency of employment of early retirees, the type of work early retirees are deployed for, and whether early retirees get paid.

Results show that organisations can be empirically discerned into four broadly defined classes with regard to their employment of early retirees: 'non-users', 'users for regular work', 'users for non-regular work' and 'users for regular and non-regular work'. The main differences between the three classes that employ early retirees are found in the type of work early retirees are deployed for, as is reflected in the class labels. A notable result is that almost all organisations that employ but do not pay their early retirees (about one in seven of those that employ early retirees) deploy them predominantly for non-regular work.

Follow-up multinomial logistic regression analysis showed that organisations that apply demotion, offer early retirement schemes and allow flexible working hours for their regular staff are more likely to employ early retirees and deploy them for regular work. It appears that organisations that have a broad scope of age-conscious human resource policies are more open to employ early retirees and have them perform regular work. For these organisations, employing early retirees may be a way to retain valuable skills of older workers on a part-time basis. The effect of demotion is especially interesting: demotion is often seen as bad for motivation and productivity (e.g. Josten & Schalk, 2010), but firms that practice it in an appropriate way may be better able to balance costs and productivity for older workers, and may therefore be open to retaining them longer, even after their (early) retirement.

Offering early retirement was negatively associated with not employing early retirees at all, suggesting that organisations that offer attractive early retirement schemes do not do so exclusively to dispose of older workers and are not opposed to employ early retirees, but rather may use early retirement schemes as a means to retain valuable older workers through early retirement and subsequent bridge employment. Of course, it is not said that these organisations are willing to re-hire all of their older workers that take early retirement. As other research has shown (e.g., Hutchens & Grace-Martin, 2006; Vickerstaff et al., 2003), organisations often offer a bridge job informally to specifically valuable employees, but lack in formal policies that provide bridge employment opportunities for all early retirees.

This study has several limitations. First, we use rather crude measures for organisations' employment of early retirees. Future studies should, for example, allow organisations to differentiate their answers when they employ multiple early retirees for different purposes. Second, we have only studied the employment of early retirees in the Netherlands. The specifics of the Dutch context, such as almost full coverage of occupational pension systems and a minimum wage law, could have shaped our results. It would be interesting to see whether organisations from other countries differ in their employment practices with regard to early retirees. Third, we use cross-sectional data and so cannot make causal inferences about the effects of implementing human resource policies on employment practices with regard to early retirees. Next to using more specific measures and preferably using multinational and

longitudinal data, future research should focus more on unwaged labour. A considerable proportion of organisations, of all sectors and sizes, in our sample employ early retirees, but do not pay them a wage. This form of unwaged labour is hardly recognized in the traditional conceptualization of work (Taylor, 2004). Future studies should try to clarify in more detail what types of work are involved and motives drive individuals and organisations to this employment relationship.

This is among the first studies to investigate organisational practices with regard to the employment of early retirees. We have shown that employment of early retirees is relatively common, but that several different ways of dealing with early retirees should be distinguished. Our multi-dimensional approach proved valuable and clarified that organisations that employ early retirees mainly differed in the type of work the early retirees are deployed for. The application of age-conscious human resource policies, especially demotion, offering early retirement and allowing flexible working hours, was found to be related to organisations deploying early retirees for regular work.

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Table 1. Means, standard deviations and wording of the independent variables.

	Mean or %	S.D.	Wording (translated from Dutch)
Age-conscious human resource policies			
Demotion	0.09	0.28	
Offering training for older workers	0.15	0.35	
Offering early retirement	0.56	0.50	"Which of these policies are applied in your organisation?" (0 = no; 1 = yes)
Allowing flexible working hours	0.45	0.50	
Organisational characteristics			
Sector			
Industry and construction	34.97%		"In which sector does your organisation operate?" 18 answering categories broken down into three main sectors and one 'other' category.
Services and trade	32.67%		
(Semi-)public sector	30.06%		
Other	2.30%		
Size	1263.69	16711.66	
1 - 25 employees	23.45%		"How many employees are currently employed by your organisation?" Broken down into categories to facilitate interpretation.
26 - 75 employees	21.34%		
76 - 200 employees	19.04%		
> 200 employees	36.17%		
Workforce characteristics			
Proportion of older workers (aged 50+)	23.12	15.52	"What proportion of your workforce consists of older workers/highly educated workers/workers with a fixed-term contract/workers with a part-time contract?"
Proportion of highly educated	18.40	26.63	
Proportion with fixed-term contract	12.74	16.05	
Proportion with part-time contract	31.59	27.56	
Difficulty finding suitable employees			
Never	43.20%		"Has your organisation recently faced difficulties finding employees?"
For some positions	47.63%		
For relatively many positions	9.16%		

Table 2. Descriptive characteristics of organisation's employment of early retirees (N = 998).

Frequency of use				
No, never	52.61%			
Yes, incidentally	37.27%			
Yes, frequently	10.12%			
Type of work *	Regular work	Odd jobs	On-call work	Irregular hours
Not at all	18.39%	36.36%	42.71%	84.99%
Incidentally	16.28%	21.99%	18.60%	9.51%
Regularly	26.22%	27.70%	20.51%	4.86%
Very regularly	39.11%	13.95%	18.18%	0.63%
Payment of early retirees *				
No	4.44%			
Just a reimbursement of expenses	9.09%			
Yes	86.47%			

* Note: organisations that did not use early retirees excluded

Table 3. Model fit statistics for the latent class analysis (N = 998).

Classes	df	L^2	*p-value*	Bayesian Information Criterion
1	88	3263.63	0,00	7503.88
2	81	171.92	0,00	4460.50
3	74	118.70	0,00	4455.63
4	67	61.38	0,67	4446.65
5	60	46.93	0,89	4480.54

Table 4. Latent class analysis of organisations' employment of early retirees (N = 998).

	Organisation type			
	Class 1	Class 2	Class 3	Class 4
	Non-users	Users for regular work	Users for non-regular work	Users for regular and non-regular work
Item-response probabilities				
Use early retirees				
Never	1.00	0.00	0.00	0.00
Incidentally	0.00	0.84	0.89	0.65
Frequently	0.00	0.16	0.11	0.35
Regular work	0.00	0.99	0.34	0.92
Odd jobs	0.00	0.44	0.78	0.79
On-call work	0.00	0.39	0.46	0.87
Irregular hours	0.00	0.00	0.05	0.39
Paid	0.00	0.98	0.57	0.91
Latent class prevalence	52.6%	20.2%	10.7%	16.5%

* Dummy variable

Table 5. Predictors of the four types of employment of early retirees: Marginal effects of multinomial logistic regression (N = 925).

	Class 1		Class 2		Class 3		Class 4	
	Non-users		Users for regular work		Users for non-regular work		Users for regular and non-regular work	
Age-conscious human resource policies								
Demotion	-0.12		0.08	*	0.03		0.00	
Offering training for older workers	-0.02		-0.00		0.02		0.00	
Offering early retirement	-0.15	**	0.06	*	0.04		0.04	
Allowing flexible working hours	-0.05		0.06	*	0.01		-0.02	
Organisational characteristics								
Sector (reference = Industry and construction)								
Services and trade	0.00		0.03		-0.05	*	0.02	
(Semi-)Public sector	0.00		0.02		0.01		-0.03	
Other	-0.08		0.10		0.02		-0.03	
Size (reference = 1 - 25)								
26 - 75	-0.18	**	0.11	**	0.01		0.06	
76 - 200	-0.21	**	0.13	**	-0.01		0.09	*
> 200	-0.23	**	0.12	**	0.01		0.10	**
Workforce characteristics								
Proportion older workers (aged 50+)	-0.002		0.002	*	-0.001		0.001	
Proportion highly educated	0.000		0.001	*	-0.000		-0.001	
Proportion with fixed-term contract	-0.001		0.001		-0.000		-0.000	
Proportion with part-time contract	0.001		0.000		-0.000		-0.001	
Difficulty finding employees (reference = never)								
For some positions	0.11	*	-0.05		-0.01		-0.06	
For relatively many positions	0.12	*	-0.04		-0.01		-0.06	

* $p < 0.05$; ** $p < 0.01$