Key Lessons Towards Age-Friendly Organizing. The Reemployment of White-Collar workers over fifty after a Plant Closing
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# Key Lessons Towards Age-Friendly Organizing. The Reemployment of White-Collar workers over fifty after a Plant Closing.

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## 1. Introduction

Workers aged over fifty are increasingly excluded from the labour market at an age (far) below the statutory retirement age. This is often stimulated by early retirement schemes (pré-pension) that provide for attractive early-exit formulas in the name of giving opportunities to the younger generation. Also, the successive waves of corporate restructuring and plant closings have worsened the workability of older employees.

However, if we have a look at the demographic evolution, we witness a broadening at the top of the population pyramid while the basis is narrowing. The big 'baby boom generation' (born between 1950 and 1965) will soon be entitled to (early) retirement. At the same time, the group of people younger than 20 has decreased in numbers from 25% in 1990 to 20% in 2010. The challenge becomes very clear: eminent worker shortage and tremendous loss of know-how and know-why as older employees leave the organization prematurely. In response, some organizations enact innovation processes that disrupt the detrimental status quo towards sustainability.

This paper consists of three main parts. Firstly we present a theoretical framework for understanding successful innovation processes as considering and experimenting with three aspects of emerging contexts: how is continuity provided and maintained, how is novelty introduced and transformed to compelling ideas for action and how is this transition accomplished with commitment and excitement.

Secondly, with this framework in mind, we document and analyse a case study: a 'Maximum Reemployment Initiative' at Umicore Belgium. We consider this initiative as an innovation process that counteracts the dominant logic of early retirement schemes and/or layoffs after corporate restructuring and/or plant closings thus preventing a more and more increasing 'work inactive' group of people over fifty. To fully understand the case, we describe and analyse how the Belgian context, characterized by several problems, challenges and opportunities, since the seventies is socially constructed by a diversity of parties – employers, government, HR, unions and employees. Within the innovation process of Umicore nearly all white-collars over fifty are reemployed at another Umicore plant or business unit after the closing of their own R&D plant. We identify and document diverse push- and pull factors that enact the experienced quality of the reemployment process.

In the third and concluding part of the article we move beyond the specific case and we use the results of the case study to distil some key lessons intended for organizations that want to (re)organize in a more sustainable way. We focus mainly on the behavioural context which organizations will have to create to become a sustainable, age-friendly organization. By doing this we develop and enrich the proposed theoretical framework with insights from the Umicore case so that the framework is better equipped to analyse and understand similar processes in similar contexts.

## 2. Theoretical framework: the Innovation Triangle

We present a theoretical framework for understanding successful innovation processes as considering and experimenting with three aspects of emerging contexts: how is continuity provided and maintained, how is novelty introduced and transformed to compelling ideas for action and how is this transition accomplished with commitment and excitement.

Originally, this framework is developed by Bouwen and Fry (1988) in the context of organizational change and innovation. It is elaborated in such diverse contexts as managerial innovation projects in large firms, 'high tech' start ups and revitalisation projects in the entrepreneurial domain, and new product development in R&D contexts (e.g. Bouwen & Fry, 1988, 1991; Steyaert, Bouwen & Van Looy, 1996; Bouwen, Van Looy, Debackere & Fry, 1998).

## 2.1. Managing continuity

In situations of innovation actors experience a disruption of 'things as usual'. This disruption stems from the fact that the continuity with the past and with previous activities is threatened. Managing continuity means to initiate a *appreciative conversational process* in which all the parties involved converse about "what it is that currently sustains the organization's ability to function" and "what is it that provides the current members of the enterprise a sense of identity and on-goingness so that they feel safe enough to risk changes?" (Bouwen & Fry, 1988; Bouwen et al., 1998). Acknowledging what is and appreciating the past of an organization is a condition to make it possible that this same essence of the organization can be questioned. Not paying attention to what is already there can be considered as the main source for resistance to change. Paying attention to what is creates an experience of continuity, safety, trust and energy to co-author an innovation effort. Bouwen and Fry (1988, 160) emphasize, "it is the asking of the question and discussion of answers among key members of the enterprise that we believe is crucial".

## 2.2. Managing innovation

The goal of managing innovation is to facilitate a process in which all parties involved surface ideas, expectations and intentions and come to shared actions. This can be achieved by creating conditions wherein "people experience that their beliefs and passions can be melded with organizational practices and goals" (Bouwen & Fry, 1988, 164). In the beginning of a project, it is necessary to invest enough *space, time and energy in search activities towards common ground*: active searching and considering a diversity of ideas/visions before shifting to action. At a given moment in time actors should make a converging movement: getting priorities straight and taking decisions in order that people feel progression to a goal (see also Quinn, Faerman, Thompson & McGrath, 2003). A driver of a successful innovation process is often the presence of one or more 'idea champions'. Idea champions are people that have the courage to go against the flow: they express a high level of energy and involvement, and initiate an appreciative and future-oriented discourse. Important is that the organization encourages such behaviour.

## 2.3. Managing transition

Attention to transition means understanding how the organisation moves from one state to another, often unknown, one. Being aware of one's own strengths and having an idea about where to go is not enough to bring about the future. The organization must also be able to actually move, change or transform in a clear and effective way, even when the final goal is still a moving target. Several concerns have to be taken into account when managing transition (Bouwen et al., 1998). First there is the need to balance planning and articulating. A plan has to give a direction and a sequence of tasks, this creates perspective on the future. Simultaneously, it has to be open enough to be altered during the process by people's experiences of the process. Second is the need to create 'shared meaning' or 'common script'. How does one make common sense from the experience of multiple realities of those involved, so that they can move towards collective action in a committed manner? This can be achieved through dialogue: not only information exchanges but also a mutual search towards new-shared understanding and commitment. Here "frame breaking" can occur (e.g. Fry & Pasmore, 1983; Dougherty, 1992; Bouwen, 2000): "the reconceptualization of one's view of the situation caused by mutual inquiry into some experience of being with others" (Bouwen & Fry, 1988, 171). Third there is the need that learning takes place: learning lessons for this and future innovation processes.

These three aspects are all necessary. Neglecting one of the three aspects might give rise to 'deficiencies' (Table 1).

**Table 1.** Consequences of neglecting one of the three processes (based on Bouwen & Fry, 1988; Van Looy, 2000).

| Situation of change | Consequences as perceived by the actors involved |
|---|---|
| Continuity without transition | Stagnation; rule-deadened interactions (routine), lack of learning possibilities |
| Continuity without innovation | Little hope, few expectancies or visions; a sense of pointlessness and impersonality on the work floor |
| Innovation without continuity | Little or no trust in leadership; insecurity; lack of experience or frames of reference to which new ideas, values and visions can be tested |
| Innovation without transition | Empty promises: experience of 'non-can-do' attitudes; local activities not embedded into a broader framework; sense of inequality |
| Transition without innovation | Change in order to change; actors comply but are no co-authors of the script; no relational basis |
| Transition without continuity | Change is perceived as a threatening and pervasive force; the sense that the changing force unleashed cannot be reined in anymore: lack of identification with the (new) working situation/organisation |

## 2.4. Transition strategies

Bouwen and Fry (1991) mention four transition strategies: the strategy of power/compulsion, the strategy of selling/persuasion, the strategy of expertise and the strategy of learning/developing. We shall briefly discuss these strategies together with a fifth strategy: the strategy of reform (Quinn et al., 2003).

The *strategy of compulsion/power* uses the power of punishment, reward and reference. The change manager, in pursuit of change, decrees and passes orders down all levels of the organisation without space for participation. This top-down or command management will either met with invincible resistance ('win-lose') or with compliance ('Yes Sir').

The *strategy of selling/persuasion* uses the power of charisma. Actors are to be persuaded by the charismatic presence of a dashing manager who inspires and motivates by communicating 'commercially': people are coaxed into following the will of management, often with promises of future benefits. Often, this strategy leads people to follow in an uninvolved fashion.

The *strategy of expertise* uses the power of know-how and information. The manager uses well-founded arguments, defends his viewpoints with scientific evidence and explains why people should follow his advice. This leads to insightfulness.

The *strategy of learning/development* uses the power of connection. This strategy focuses on participative learning, increasing commitment and developing the collective aspiration to change. People can only be committed to a change output when they are involved in the process of developing it. Managers are sensitive to the needs of workers, they co-inquire, show empathy, listen actively… . This often leads to commitment, co-ownership and engagement.

The *strategy of reform* aims to realise change on the basis of values (often included in the company's vision statement). The manager wins the support of the workforce by highlighting the guiding values by which management and workers try to live. The manager subscribes wholeheartedly to these values and emphasises the importance of change within the framework that the guiding values provide.

With this framework in mind, we document and analyse a case study: a 'Maximum Reemployment Initiative' at Umicore Belgium.

### 3. Case study: a 'Maximum Reemployment Initiative' at Umicore Belgium

We consider the 'Maximum Reemployment Initiative' at Umicore Belgium as an innovation process that counteracts the dominant logic of early retirement schemes and/or layoffs after corporate restructuring and/or plant closings, thus preventing a more and more increasing 'work inactive' group of people over fifty. Within the innovation process of Umicore nearly all white-collars over fifty are reemployed at another Umicore plant or business unit after the closing of their own R&D plant.

We use a single-case study approach (e.g. Stake, 2000; Yin, 2003) because the "opportunity to learn is of primary importance" (Stake, 1994, 244) and because the Umicore case has a 'revelatory' character. We identify and document diverse push- and pull factors that enact the experienced quality of the reemployment process. We believe that the processes, problems and opportunities discovered will be informative, inspiring and helpful to understand and intervene in other similar cases in similar contexts (e.g. Yin, 2003).

The Umicore case also offers us the opportunity to develop and refine the proposed theoretical framework (e.g. Eisenhardt, 1989; Yin, 2003) with insights from the case so that the framework is better equipped to analyse and understand similar complex processes of reemployment in similar contexts of corporate restructuring and/or plant closings.

In order to document the case, we organised narrative interviews (Boje, 2001; Hosking, 2004) with the HR-manager of Umicore[1] and the executives who were older than 57[2]. These interviews were half-open, and included an interview protocol with general questions and central themes, in a relaxed and informal atmosphere, which allows the interviewee to recount his stories without restraint. These stories give us an indication of the quality of the reemployment process. The interviews were recorded and later transcribed and analysed with the assistance of Nvivo[3]. It is noteworthy that the interview is always the product of the interaction between interviewer and interviewee in a specific place at a specific time (cf. Hosking, 2004). Thus, these interviews are already an important intervention that generates reflection on the past geared towards the future.

To fully understand the case we start with describing how the Belgian context, characterized by several problems, challenges and opportunities, since the seventies is socially constructed by a diversity of parties – employers, government, HR, unions and employees.

### 3.1. The social construction of the Belgian Situation

One of the greatest challenges is the low activity level of the older professional population (OECD, European Commission, European Social Fund). For the 55 to 64 group, the activity level in Belgium is a dramatically low 25.7%. This is one in four and 14.1% lower than the EU average! Today, the Belgian works until the age of 57 on average. This is below the statutory pensionable age of 65. Our social security and pension systems, which are based on repartition, cannot survive in view of such a long post active period, which is only worsened by the rapidly increased aging of the population. In some member-countries of the EU, some strategies have been developed to keep elderly people working longer (cf. Jepsen, Foden & Hutsebaut, 2002, 2003). Developing an age-conscious personnel management within Belgian organisations is a change that entails learning and recognition.

While many western countries face the challenge of a rapidly ageing workforce, the majority of Asian economies, with the exception of Japan, have yet to confront the full implications of an ageing population and its potential impact on human resource management. All have relatively young workforces with the exception of Japan, whose demographic and economic history has been more akin to that of Western Europe and the United States (Patrickson, 2001). We describe the Belgian situation.

Since the seventies, Belgian government has actually encouraged people to choose for early retirement, without any personal offers to be made. It has become a commonplace idea that elderly employees should retire prematurely. Employers, unions and employees espoused this idea. This 'elegant solution' disposes of expensive elderly employees (in Belgium, the cost of one elderly employee equals 1,5 to 1,8 younger employees) and means that those who retire prematurely can keep 75% of their income (dole plus extra benefits). Early retirement has been used as a tool to put reforms into effect, rather than solve youth unemployment. Since the

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[1] Three interviews
[2] Fourteen interviews from Juli till August 2004 at different Umicore sites. The age of the white-collars varies between 57 and 64
[3] Nvivo is software for qualitatative data-analyses.

seventies, it has been a medicine for strained industrial relations and social unrest since each and every party gains advantage. However, a dark shadow lies beyond the horizon. Today, the baby boomers of the post-war period are ageing and too few young people enter the labour market. Many pay lip service to the idea that people should be working longer, but in spite of a few limited measures, a sound strategy has not been developed yet. Today, the reality of early retirement still contradicts the imperative to keep working longer (European Social Fund). We can only conclude that we will all have to work longer and differently if we want to preclude the shortage in labour supply and ensure the future existence of social security and pensions in an affordable way.

## 3.2. A 'Maximum Reemployment Initiative' at Umicore Belgium

Within this flawed and contradictory framework provided by the government, we still witness individual organisations like Umicore that do their utmost to develop an age-conscious personnel management: a HR policy which aims to keep *all* employees – not only elderly – working longer, efficiently and enthusiastically (Martens, Lambrechts, De Weerdt & Vandenberk, 2005; Martens, Manshoven, Vandenberk, De Weerdt & Lambrechts, 2005). The 'Maximum Reemployment Initiative' at Umicore is an innovation effort towards a sustainable, age-friendly organization. Umicore serves as a precedent and sets an example when it comes to increasing flexibility and internal/external transfer. We describe the initiative.

The engineering-activities of the Umicore group were decentralised into the autonomous organisation UME (Umicore Engineering) in the early nineties. They continued to deal with the engineering of various Umicore sites but also paid service to extern foreign clients. Ten years later, these latter activities ceased and an exclusive focus on engineering activities for the Umicore group remained. As a consequence, engineering units were again hinged on the various business units on the extended sites of Umicore. In the midst of September 2003 the closure of UME was announced. A procedure for collective redundancy was launched. In agreement with unions, 30 employees who could not be transferred internally were laid off in the orthodox way.

42 executives (75% of them older than 55), however, were reemployed within Umicore: a new job in a new environment. A HR-manager of Umicore between September and December 2003, involving the executives themselves by means of individual conversations, carried out this process of maximum reemployment.

8 persons chose for reemployment elsewhere by means of outplacement while the remaining 90% executives were relocated within Umicore. Half of these functions were structural, namely those functions having a vacancy. The other half were new functions that were created with subsidies derived from an internal 'Silver' fund within the different business units of the group.

### 3.2.1. Push-and-pull factors that determine the perceived quality of the reemployment process

With regard to the job transfer or reemployment, the actors involved recognise four different stages: (1) the closure of UME and the consequent collective layoff, (2) conversations with the HR-manager in order to find a new job within Umicore, (3) the moment the new job is offered, resulting in (4) the fresh start with the new job. Moreover, various precedents have to be taken into account, since they determine the perception of the whole process as well.

Throughout the different stages of the process, various 'critical' push-and-pull-factors can be recognised, which determine the (positive or negative) evaluation of the reemployment process. These factors can best be described as positive, facilitating factors (pull-factors) or as negative, hindering elements (push-factors), the combination of which depends on the particular situation of the individual with a view to making a positive or negative evaluation. Some of these factors can be attributed to the individual; others are more related to the context. The extent to which various executives share particular perceptions is indicated by the order in which they are treated.

#### 3.2.1.1. Phase 0: before the closure

In the period leading up to the closure, certain events took place, which certainly did not contribute favourably to the process of reemployment. Six months before the closure, two executives had been made redundant and they had received a unemployment package. The remaining colleagues would expect the same benefits in similar circumstances. In hindsight, it was argued that these two executives had been given a preferential

treatment. In addition, negotiations about early retirement concerning four executives had taken place a few months before the closure, the outcome of which had been uncertain at the time since these executives had not made the mental switch already and agreement on financial compensation had not been reached yet. These negotiations came to an end when the news came in September 2003 that UME would close down and the four executives were eventually reemployed. HR Umicore ascribes these unfortunate precedents to the fact that the closure of UME was far from obvious at the time of the two layoffs and early retirement negotiations. This disadvantageous previous history carries a burden and management will have to manage existing expectations constructively.

### 3.2.1.2. Phase 1: closure of UME and collective layoff

In this stage, pull-factors are all related to a reduction of the level of anxiety and stress generated by the closure of the company. In this respect, a written statement assures some executives who were involved in the foundation of UME prompt reemployment within the group under the same labour conditions. Others have a constructive attitude towards the events, and continue to show confidence in a positive outcome or in their own possibilities to handle crisis situations. Some are even attracted by the unpredictable and the unknown: new challenges and new career prospects! Of course, it is also a matter of being able to keep a distance, which is easier for executives working elsewhere who were only virtually dependent upon UME. Their social network lay elsewhere.

The hard confrontation with the closure of UME, however, leads to a surge in push-factors with respect to the process of reemployment. Feelings of anxiety, uncertainty and even panic often get the upper hand; especially among executives who did not foresee the closure. Disruption of professional identity and with the 'old' is experienced as too dramatic. Many executives do not know what the future will look like. People have the need to find confirmation of what they have achieved so far in Umicore and want appreciation and recognition of their good qualities. The closure of 'their' department, however, instils in them a feeling of depreciation.

Referring to Bouwen and colleagues we emphasise the need to manage continuity and innovation by developing an *appreciative conversational process* that centres around 'the good' and the strengths that constitute professional identity. It is furthermore desirable to invest enough *time and space* in the search activities so that people know what their future looks like. This leads to 'mental rest' because it offers a perspective on the future. The HR manager did develop a conversational process geared towards search activities, but it was not appreciative and time/space was, unfortunately, very limited.

### 3.2.1.3. Phase 2: conversation, negotiation with HRM

This phase, in which the HR manager converses with executives, creates an important pull-factor within the process of reemployment. It offers an opportunity for both parties to find a solution through negotiation and dialogue. Executives are given the opportunity to clarify their own aspirations and conditions with respect to the new job, which gives them the feeling of involvement and worthiness: the feeling that management is sensitive to their needs and worries, appreciate their competencies so that their capabilities can be channelled into a new job description. The conversations also clarify: early retirement is not an option, reemployment within Umicore is.

However, these conversations were not advantageous for everyone and sometimes even proved to entail push-effects with respect to reemployment. Some executives denounce these conversations as a diversion: the decisions have already been taken in advance. Some are suspicious of the open character of these conversations since they are not used to them. In this respect, the importance of behavioural context will be discussed later. For some, the dramatic impact of the closure begins to dawn on them during these conversations, thereby reducing the conversation to a mere catalyst of lamentation. These persons are unable to make the mental switch from layoff (or early retirement) to the new social environment. These executives miss the psychological support and feel that the 'human resources' are not humane after all. Fear of the future and of 'empty' new job descriptions prevents these people from thinking positively. One executive pointed out that there was insufficient attention for the transfer of capabilities: "Providing appropriate relocations for 50 executives during the span of three months is not realistic".

Against the backdrop of the framework provided by Bouwen and colleagues we conclude that the conversations with the HR manager were insufficiently appreciative: *maintaining the strengths and capabilities in the new*

*function is of vital importance when managing continuity*. Managing innovation demands time and space with a view to developing a search process. The HR manager does his utmost within the period of three months but in view of the extent of this period, many executives think too little is done. Bouwen and colleagues tell us that managing transition entails the construction of a *sound dialogue* in order to get a grip on both parties' perspectives. In the Umicore case the conversations were merely geared towards finding solutions quickly (appropriate to the individual cases) without achieving a clear understanding of both parties' viewpoints and perspectives what leads to a lot of 'negative' stories of the process.

### 3.2.1.4. Phase 3: offering a new job

When individual conversations have come to a close, the HR manager of Umicore comes up with a proposal that sparks new push-and-pull-factors. Correspondence between the old and the new job proves to be a pull-factor. Similarity between the jobs is of prime importance. Managing continuity is a key word here: *how to continue professional identity in an acceptable way?* Setting up a conversation on this aspect is of vital importance, as emphasised in Bouwen and colleagues. Within Umicore, however, this concern remained somewhat in the background. Another important pull-factor is the fact that personal preferences and aspirations formulated during the conversations are taken into account as well when allocating new jobs: anxiety fades away.

A new push-factor arises when elderly executives who had hoped for early retirement face the reality of reemployment. The new policy is felt to be out of touch with tradition, something unheard of. The 'old' behavioural context isn't ready for such an innovation and the policy is developed 'independent' of the actors affected by it. Some refer to the precedents: two were made redundant, 50 are relocated. Some are annoyed by the message that the proposal is the only alternative.

Therefore, in hindsight, many executives denounce the atmosphere of openness and honesty 'pro choice' during the conversations as an illusion. If executives do not get the job they had wished or the conditions they had asked for, they tend to dismiss the decisions as unilateral ones: the explicit mentioning of retirement age and new job level without hope for extra benefits and future career prospects encounters criticism and generates feelings of scorn and mistrust. Some executives deplore the long term of the decision process, which left many in uncertainty.

### 3.2.1.5. Phase 4: start of the new job

Also taking up the new job entails push- and pull-factors. A challenging and rewarding job in a good environment is a pull-factor. Since the work pressure is somewhat lower, the tasks can be carried out in a different way: "As work pressure is lower, I feel more relaxed and rarely get worked up". The idea of edging towards retirement without having to worry about financial setbacks (due to early retirement) is perceived as a 'liberating' factor.

Experiencing the new job, however, as a demotion, is another push-factor. The idea of idling away the day in the waiting room of retirement with a high salary disproportionate to the provided output is loathsome to some. Moreover, missing the old environment and failing to see congruence between the two jobs are constituents of other push-factors. For some executives, more assistance and counselling in the new job would have been desirable. Here again, we notice the importance of *managing continuity* in order to develop professional identity further in a new context.

Table 2 shows us the different push- and pull-factors regarding the process of reemployment. They are mentioned chronologically for every phase.

**Table 2.** Push- and pull-factors regarding the process of reemployment.

| Pull-factors ⇨ | PROCESS OF REEMPLOYMENT ⇨ Push-factors |
|---|---|
| *FASE 0: Before the closure* | |
| | - favourable lay-off package for two executives<br>- negotiations about possible pension |
| *FASE 1: Closure of UME and collective lay-off* | |
| - job security elsewhere within the group<br>- external reemployment<br>- confidence in the situation, optimism<br>- opportunity to change | - anxiety and doubts<br>- no early retirement option<br>- unjustified closure<br>- no appreciation of past efforts |
| *FASE 2: Conversation and negotiation with HRM* | |
| - opportunity to clarify wishes and aspirations<br>- willingness to take up a new job<br>- appreciation and transfer of competencies to new job<br>- reemployment versus early retirement | - feigned manoeuvre<br>- mental switch from layoff to new job is to large<br>- strong emotional connection with UME<br>- anxiety and doubts about new job<br>- lack of psychological support<br>- uncertainty about the purpose of the conversations<br>- rash reemployment procedure |
| *FASE 3: Offering a new job* | |
| - real/perceived correspondence between old and new job<br>- quick reemployment procedure<br>- new job in conformity with expectations and aspirations | - bad policy<br>- unilateral approach concerning terms employment<br>- contract for a certain time<br>- decision process is too long<br>- job is too similar with the previous one<br>- no alternatives for labour reduction |
| *FASE 4: Starting the new job* | |
| - feeling good, happiness, satisfaction<br>- lower work pressure<br>- 'decent' retirement in prospect<br>- eagerness to keep on learning | - feeling of demotion<br>- different atmosphere on the work floor between colleagues<br>- job is 'far away' from home<br>- no congruence between the two jobs<br>- less commitment to the job<br>- not enough support or assistance in the new job (from HR) |

We asked the 'happy' executives, i.e. those who made the mental switch and who resigned themselves to the new situation, about the determining factors that brought about their current state of satisfaction. Some mentioned the flexibility and opportunity for life long learning, others spoke about the 'innate' competence to adapt and learn new things but also highlighted the importance of practice. Jobs should not make people rest on their laurels too easily. Some have suggested that people should change job descriptions every ten or fifteen years in order to stay alert and nimble. Management should stimulate life long learning. Umicore has not inscribed itself to this behavioural context but is currently working on it.

Other elements indicate mere acceptance: pension is not far away and this phase is regarded as a transition period which is far from ideal but which does not prevent some from aspiring to a more suitable job. Still, adaptation to a new job can lead to identity confusion as well: some people want to be as inconspicuous as possible, retreat into the background and make themselves scarce. They do not expand great and belligerent personalities anymore and switch off the computer at 5 P.M.
They do their duties without anything more.

It becomes clear that diverse members of the group experience the process of reemployment differently. Although many often share the same push-and-pull-factors, their unique combinations and different impacts depend on the individual cases, which determine the pendulum to swing into the positive or the negative direction. Some executives welcome their new situation and even regret not having made the career switch earlier while others lament their new situation.

It strikes us that some executives speak for the whole group, so that they qualify their own evaluation of the reemployment process or put their situation into a broader perspective, which provides us with important information concerning the behavioural context in which changes took place.


**4. Towards a behavioural context for sustainable, age-friendly, organizations: enriching the framework**

We have discovered that the proposed framework helps to understand the process of reemployment in the context of restructuring/closure. Especially managing continuity appears to be crucial. We elaborate the framework with insights from the UME case. We order these additional insights with the help of Gratton (2000) who speaks of three fundamental characteristics of human capital: 'we operate in time', 'we search for meaning'

and 'we have soul'. In particular, we underline the importance of a behavioural context where change processes are embedded: "rich soil produces a lot of high-quality fruits…".

## 4.1. We operate in time

People try to give sense to their lives by connecting past to present into a 'narrative unity' (discussed later in 'we have soul'). Such processes take time and occur only gradually. The transition process involving 40 executives took three months, which was felt to be a very short period in view of the dramatic changes that had to be made at different levels with respect to the transfer of competences, i.e. knowledge, skills and attitudes (cf. Spencer & Spencer, 1996). Many executives did not have enough psychological support and counselling throughout the process. A certain 'sense of urgency', however, made it possible to take concrete steps and measures.

## 4.2. We search for meaning

People also give meaning to changes in their life, and this sense making is both an individual and a collective enterprise. Although the transition strategy used by management is promoted as a learning strategy – maintaining competences that can seamlessly be further developed in the new job – many people experience this strategy as a selling and power tactic in which free choice and joint management are illusions, voiced as follows: "The closure of UME and the way it was done is an example of what age-conscious personnel management should not be. Its policy is completely new and was brought about by economic interests. Continuity was only given to those who were transferred to engineering-entities. Others were just kept silent with empty functions that will disappear once the person has retired. An organisation cannot absorb 50 people at once". We notice that each party uses its own strategies (cf. Bouwen & Fry, 1991), and that executives too divert from the espoused learning strategy.

Nevertheless, according to the executives, there seems to be a discrepancy between what is said (espoused theory – the way the transition is presented by management) and what is actually done (theory-in-use – the concrete realisation of that transition), creating suspicion, which jeopardizes a positive construction of meaning with respect to the transition process. People prefer consistency, hard facts and want a clear outlook for the future so that they know what they can expect.

A second element, that is hindering positive meaning making, is the feeling that the executives who are touched by the reforms have not been co-authors of the script regarding the transition process. This feeling of being shut out of the decision-making process makes the construction of shared positive meanings rather difficult.

## 4.3. We have soul

People 'situate' the transition process within their professional narrative: there has to be some degree of coherence and continuity between the old and the new function. The experience of continuity within the transition process is paramount: to what extent can people frame the change as 'meaningful' given past and future? The experience of continuity relates to a positive evaluation of the transition process.

We distinguish between two types of continuity: *continuity of job content* and *relational continuity*. Continuity regarding job content deals with the similarity between the old and the new function. The differences can be horizontal or vertical. 'Horizontal' deals with the extent to which new competences are demanded, 'vertical' concerns the increase or decrease of responsibility and autonomy. Both differences address people's dignity. The interviewed executives often regard themselves as 'builders of cathedrals' who contribute their part to the realisation of a lager system. To large leaps to other competences and loss of self-determination and responsibility can undermine their professional self-image and dignity.

It strikes us that executives who had functions entailing great flexibility in the past, often find it difficult to feel at ease in the new function: development and supervision of important projects entails extensive competences but these competences were more or less similar for all of these projects (more of the same). New functions, however, often mean vertical as well as horizontal reorientation. The transition from autonomous functions to new functions in which one depends more on other people's expertise, is frequently perceived as a demotion.

*Relational continuity* concerns the overlap between social contexts when comparing the old and the new function. This continuity also facilitates the transition process. Employees who were involved in broader, intra-organisational networks (e.g. through job rotation) and are included in multiple communities (Van Dongen et al., 1996) are better equipped to make constructive career transitions.

### 4.4. The role of behavioural context

Organisational change relates to behavioural change. However, behavioural change fails when focussing only on the behaviour. The focus has to be on changing the internal environment or the behavioural context (Ghoshal & Bartlett, 1999; Corthouts, 1999). This behavioural context is referred to as "the smell of the place" (Ghoshal & Bartlett, 1999, p.142).

Executives working in UME have built up a stronger and more pervasive network than their colleagues who were only virtually connected to UME (external projects). As this network was often restricted to UME only, change proves to be difficult. UME offered a safe and known behavioural context that allowed the freedom in which one could maximise own competences and construct a social identity. However, relocation means starting from scratch as far as social identity is concerned. A context where everything is cut and dried does allow for the creation of a strong but inflexible social identity. Executives that were required to adjust regularly have a less pronounced but a more flexible social identity and are more change oriented.

UME had a tradition of 'settlement' rather than 'rotation'. People tended to stay in the same function where they felt most comfortable. Rotation, however, means leaving this comfort zone. The latter approach demands flexibility and effort from the actors involved: discomfort makes people more resilient and trains them into coping with reforms, closures and change. Lack of resilience sometimes led to extreme anxiety and even depression in times of upheaval, crisis and change. These people are advised to take follow-up actions. Some people, however, faced the storm and are happy with their present situation. For those whose social identity was less linked to UME, the disruption of the social network was only a relative one and the transition to the new network was mostly an easy one.

Furthermore, the behavioural context of UME is also determined by the 'smell of the place' of the Umicore group, which insists on continuity and stability (resulting in the neglecting of innovation and transition, see Table 1). The organisational culture is paternalistic, the comfort zone is commonplace and employees feel that they are well protected. Umicore is not accustomed to rotation and change and has therefore ignored the possibility of extending professional identity in view of dramatic changes. Business units become more and more autonomous in order to increase both involvement and identity formation *per* unit. From the moment people have acquired certain skills and competences, the unit leaders tend to keep them in place. There is multi-skilling *within* the departments but there are no rotations *beyond* the units. The argument of high education costs is prevalent. However, one of the main essentials of a constructive final career policy is the ability to cope with change and its discomforts. Organisations thereby are challenged to strengthen the autonomy of their departments as well as to found an organisation wide change culture.

The task of HRM consists of stimulating these new behavioural contexts (e.g. Vloeberghs, 2005) that invite people to change, rotate, and learn beyond the restraints of units or departments in an age-friendly way. The road towards this goal is difficult in view of routine customs and expectations. HR will have to stimulate career changes and learn people how to cope with transitions and discomfort. Today though, unions and employees associate these changes with negative stress and try to avoid it as much as possible. Management, HR, unions and employees will have to converse on this core duality.

### 5. Conclusion

The analysis of the maximal reemployment process shows us that attention should be paid to managing the commonplace expectations of employees: early retirement at the age of 55. Umicore chose otherwise by enacting reemployment programs for its executives in view of the current problem of an increasingly aging population. In spite of the good intentions and efforts made by management, most employees involved denounce these measures as an 'out of the blue' policy. Depending upon the particular expectations of each and every employee, this process of reemployment has been evaluated either positively or negatively, indicating that managing expectations demands time and effort.

Dialogue on the sensitive issue of final stage careers is urgent, not only in companies but also between stakeholders within society. Government asks companies to develop an age-friendly personnel management and companies ask the government to provide the necessary framework and pass adequate legislation. Both parties rely on each other and are sitting on the fence. We need open dialogue urgently, not by means of public forums, which merely reinforce the power games between different interest groups, but in 'local' meetings that include managers, unions and government, all operating with mutual respect and understanding in order to introduce action proposals that aim to develop an age-friendly organisation and society.

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