The Significance of HRD for Young and Older Employees

A Psychological Contract Perspective

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Abstract

This paper explores the significance of human resource development (HRD) practices and opportunities for young (under 35 years) and older (over 50 years) employees. The aim is to clarify how HRD contributes to establishing a positive psychological contract between the employee and organisation and what the benefits of investing in HRD are for organisations. Until recently, most of the HR literature has devoted little empirical attention to the way in which employee perceptions and attitudes influence HRD effectiveness (Santos & Stuart 2003; Rainbird & Munro 2003). In this paper a psychological contract perspective is used to conceptualise the employment relationship between employee and organisation by using notions of expectations and perceptions in terms of HRD as its determinants (see e.g. Garavan. et al. 2000, 66). The article begins by constructing a theoretical framework for clarifying the role and contribution of HRD in the context of a psychological contract. After this the key findings of a qualitative study conducted in four large Finnish companies are reported and discussed in relation to the theoretical framework.

Keywords: age, human resource development, psychological contract
Introduction

In Finland the workforce is ageing rapidly. As a consequence of that ageing employees will become increasingly prevalent in Finnish workplaces, while young employees will become more rare. In this paper the distinction between young and older employees rests on a definition based on chronological age (cf. Sterns & Miklos 1995, 250). In principle anyone in the workforce (15-64) can be considered an ageing employee, but the ages of 45 or 50 years have often been used as the criterion for the term ‘ageing worker’. The main reason for this “early” definition of ageing employees is that it gives better possibilities for preventive actions. The need for these early preventive actions have been emphasised by the low participation rates of employees whose age is 55 years or older in working life and by the early retirement age of this group in Finland. (Ilmarinen 2001, 546) Thus, based on this concept of preventive action the term ‘older employee’ is used here to refer to employees who are over 50 years old, whereas the term ‘young employee’ is used for employees under 35.

In spite of the early retirement of ageing employees in Finland, few Finnish organisations have taken serious measures to prevent the early exit from working life. In terms of HRD opportunities, in particular, older employees are often neglected. However, in order to stay in active working life until the retirement age older employees also need HRD opportunities. (Ilmarinen 1999) This paper focuses on the HRD opportunities offered to young and older employees in organisations and their impact on a positive psychological contract in terms of employees’ job satisfaction, commitment and motivation. The research explores answers to the following questions:

1. What is the significance of HRD for the young and the older employees?
2. What are the supervisors’ and HR managers’ conceptions of the HRD opportunities offered to young and older employees?
3. How do the HRD opportunities offered to young and older employees express the psychological contract?

The theoretical part of this article begins by investigating HRD from a psychological contract perspective. In particular, HRD is studied both from the employee’s and from the organisation’s point of view. This theoretical review is used in analysing the empirical findings presented later in this paper.

Investigating HRD from a psychological contract perspective

The multidisciplinary nature of HRD makes precise definitions difficult. Usually HRD is presented as separate from training and development, with its focus on learning and development for the employee and the organisation. Additionally, there is often a futuristic focus with prescribed contingent outcomes. (McGoldrick et al. 2001, 347) The concept of HRD can be said to include training and development, career development and organisational development. However, in recent years, the importance of informal learning in the workplace has been acknowledged. (Mankin 2001, 66) The debate concerning the purpose of HRD focuses on the learning versus performance perspectives. In other words,
it concerns the question, whether HRD practices should focus on the well-being of the individual or whether the interests of the shareholders should predominate. However, there is no consensus over the conceptual-theoretical identity of HRD and related purpose. Therefore the purpose is contingent upon both philosophical and theoretical perspectives. (McGoldrick et al. 2001, 346-348)

Because of this lack of a dominant paradigm in HRD research, it can be said that there is no single lens for viewing HRD research (McGoldrick et al. 2001, 346). For instance, investigating the relationship between investment in HRD and positive organisational outcomes, at least four different theoretical approaches can be identified. These are the resource-based theories of the firm (e.g. Pfeffer 1994), the learning organisation literature (e.g. Senge 1990; Moilanen 2001), the knowledge management literature (e.g. Nonaka & Takeuchi 1995) and the psychological contract literature (e.g. Guest 1999). Although these approaches vary in the emphasis they place on HRD, the common theme is the positive relationship between investment in HRD - careers and knowledge creation on the one hand and competitive success on the other hand. (McGoldrick et al. 2002, 46)

The concept of psychological contract is relatively new in HRD research and it is adapted in this paper to investigate the returns on HRD for employees and organisations. A psychological contract comprises subjective beliefs regarding an exchange agreement between an individual and an organisation (Rousseau 1995). However, writers are not unanimous in their definition of this concept. Some writers emphasise expectations, others perceptions and some emphasise promises and obligations. The central idea in this perspective is that the goals and expectations of employees and organisation may differ. However, the contribution of HRD is that it can be used to shape and manage that relationship. (Garavan et al. 2000) HRD practices can be seen as an important element in the make-up of the psychological contract, because for employees, access to training and development activities act as inducements to maintain commitment to the organisation. In turn, for organisation, the development of highly-trained employees with firm-specific skills is a major factor for securing competitive advantage. (Stiles et al.1997, 62)

To manage the employee-organisation-relationship would be easier in stable conditions. The truth is, however, that organisations are now facing considerable changes in the business environment and because of these changes the psychological contracts are also said to be in transition. (Stiles et al. 1997, 57) One of the most important changes has been the vast drop in job security offered to employees. Under the old psychological contract the employee had job security and the employer in turn had a stable workforce. Under the “new deal” organisations can no longer offer job security to their employees. They can only offer opportunities for development so that the employees would remain employable. Employees are also encouraged to take greater responsibility for their own development. In other words, the new psychological contract is more situational and driven by market forces than the old one. (Hiltrop 1995, 287; Sullivan et al. 1998, 165; Garavan et al. 1999, 76)

Let us now take a closer look at the challenges that the changing psychological contract presents to both employees and organisations. We start with the employee perspective and investigate the significance of human resource development for young and older employees in the context of the changing psychological contract. This is followed by investigating from the psychological contract perspective the pay-off of investing in HRD for organisations.
Employee perspective on HRD

From the employee point of view the core concept in the new psychological contract is employability. It means that, because companies can no longer guarantee lifelong careers within the organisation, they offer HRD opportunities to employees so that these can remain employable (Baruch 2001, 545). Some writers are even seeing a shift from the traditional organisational career to what has been called the ‘protean career’ (Hall & Moss, 1998). The protean career can be defined as a process which the individual, not the organisation, is managing. In additional, the criterion of success is internal, psychological success, not external, for example promotion. (Hiltrop 1999, 423) In other words, according to this view, it is seen that employees need to take greater responsibility of their learning and development.

However, gaining employability also depends on employees’ own ability to acquire competencies that are required in the labour market. Much is also said to be subject to the occupational group an employee belongs to, the industrial sector and even geographical location. (Baruch 2001, 545) It can also be questioned whether the idea of employability applies in the same way to young and older employees, because young employees differ from older employees in many ways in terms of HRD. For example, young employees are said to prefer working in teams, to demand an exciting and stimulating work environment and value autonomy in their careers. (Hiltrop 1999, 423; Gratton & Ghoshal 2003, 1) Young employees are also far more interested in where a job might lead, especially in the long term. Older employees, on the other hand, have a shorter time horizon simply because they have fewer years ahead and probably fewer promotions and job changes in front of them. (Patrickson & Hartmann 1995, 41)

For these reasons, human resource development has a different meaning and significance for young and older employees, and the age aspect in HRD is important and worth considering. Examples of age-aware HRD practices and policies are the creation of a learning environment at the workplace, ensuring that training is available regardless of age, and making training ‘older employee friendly’ by tailoring the learning methods to suit older employees. (Walker & Taylor 1998, 3-4; Doering et al. 1983, 191) Also the use of familiar elements in training allows older employees to build on past knowledge. These actions are important, because older employees may take longer to learn a new task. When given sufficient time, they usually perform as well as young employees. (Sterns & Miklos 1995, 263)

What is the pay-off for organisations of investing in HRD?

From the organisation’s point of view, the new psychological contract creates challenges for HR managers and line managers. For example, they have to find out how to encourage older employees to take more responsibility for their own personal and professional development. Motivation is particularly important for older employees, who may need to overcome fear of failure or fear of inability to compete against better educated young employees (Sterns & Miklos 1995, 263). Older employees also need encouragement from managers to see that their efforts are appreciated and that appropriate incentives will be offered for satisfactory completion. Thus, supervisors play an important role in supporting
older employees and in carrying out the adjustments needed at work. (Patrickson & Hartmann 1995, 39; Walker & Taylor 1998, 3-4)

Managers need also consider how to meet the career expectations of young employees, who expect rapid promotions in an organisation that is becoming flatter and leaner. Therefore, organisations should consider how to maintain the loyalty and commitment of employees when job security and promotion opportunities are declining. (Hiltrop 1995, 288) In particular, managers have a key role in providing information and encouraging employees to undertake HRD activities. They can either facilitate or block access to learning possibilities. (Rainbird & Munro 2003, 42).

Many organisations, however, seem to be unable to clearly articulate the new values they are operating with, and following from this, they give a mixed message of the psychological contract to the employees. (Hendry & Jenkins 1997, 41) It can be possible that the different representatives of the organisation, such as supervisors and HR managers, send different and even incompatible messages regarding what the organisation expects from their employees. The consequence of this is that the employees receive unclear signals from the organisation in this respect. (Herriot & Pemberton 1997, 46)

There is also evidence that older employees are not treated equally in terms of HRD possibilities. For example, training and career development can be seen as one of the key areas where employees have been reported to feel let down by their employers. These feelings can be seen to be in part a consequence and cause of organisations thinking with respect to the pay-offs they might receive from training and development. (Martin et al. 1998, 23) Negative stereotypes concerning older employees might be one reason for neglecting them in organisations. Older employees are often perceived as slow, hard to train and unwilling for changes. But, organisations often forget to consider, whether they are able to retain the young employees in their company long enough for the HRD investments to pay off. This is a fact that should be taken into consideration, because some earlier studies have shown that young employees change jobs more often than older ones. Older employees are, in general, seen to be more committed to the organisation. They are also more selective in terms of HRD activities than young employees. Therefore, older employees’ willingness to stay and develop in their current position is usually more beneficial than harmful for the organisations. (Ilmarinen et al. 2003, 102; Doering et al. 1983, 187)

From the organisations’ point of view the psychological contract perspective can be used as a measure to investigate the pay-off of HRD practices (McGoldrick et al. 2002, 47). For example, Guest (1999) has investigated the HR practices and their influence on the positive psychological contract. He has studied employees’ perceptions concerning HR practices and the ‘delivery of the deal’, and argues that at the individual level HR practices can be considered to have an impact on employees’ evaluation of management policies and practices, which in turn will affect employees behaviour and their personal feelings of job satisfaction and well-being. (Guest 1999, 12)

In this paper Guest’s (1999) model of psychological contract (Figure 1) is used to illustrate the link between HRD practices and psychological contract and possible positive outcomes. Guest’s model is a conceptual model which is a formation of inputs, processes and outcomes. In this model human resource practices form one key input, but also the involvement climate in the organisation, employees’ experiences, expectations and beliefs about possible alternatives in the labour market can be seen as inputs. In addition to that, a
range of background organisational and personal factors can have an influence on the psychological contract. Examples of the organisational factors are the size of the organisation and its business area, whereas examples of the personal factor are age, salary and education. (Guest 1999, 18)

![Diagram of HR practices, the psychological contract and employee outcomes](image)

Figure1. HR practices, the psychological contract and employee outcomes (Guest 1999, 19)

Guest’s model suggests that when the employees’ expectations concerning HR practices are in line with what the organisation is offering, the result should include such positive outcomes as job satisfaction, employment security, lower pressure at work and motivation. In more detail, the positive psychological contracts can be expected to have both attitudinal and behavioural consequences. In this paper the focus is on HRD opportunities offered to young and older employees. In other words, we are examining one of the key inputs which can promote a positive psychological contract between the employee and organisation. The reason for this is that access to training and development activities can be seen as one means by which the organisation communicates the value it places on employees’ contribution, which in turn can enhance their motivation and commitment to the organisation (Patrickson & Hartmann 1995, 40; Santos & Stuart 2003, 30).

This theoretical review proposes that the significance of HRD for employees links with the employability thesis. From the organisations’ point of view HRD can contribute to a positive psychological contract. As Hiltrop (1995, 287) has pointed out, the psychological contract accomplishes two tasks. On one hand, it defines the employment relationship and on the other hand, it manages mutual expectations.

**The research setting and methodology**

The empirical part of this article is based on a qualitative research conducted in four large Finnish companies between May and September 2003. The reason for choosing large organisations for this study is that some previous studies have indicated that negative
stereotypes towards older employees are more strongly held by large employers than by smaller ones (Kouvonen, 1999; Patrickson & Hartmann 1995). On the other hand, these large organisations have sophisticated HRD practices and therefore they can offer more opportunities for training and development than smaller ones (Rosen & Jerdee 1990, 66). The following table presents a summary of the background information of the organisations where the interviews were carried out.

Table 1. Background information of the organisations

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Sector</th>
<th>Employees approximately</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keskimaa</td>
<td>Trade</td>
<td>1 500</td>
</tr>
<tr>
<td>Metso Paper</td>
<td>Paper machine industry</td>
<td>9 600</td>
</tr>
<tr>
<td>Schauman Wood</td>
<td>Plywood industry</td>
<td>7 500</td>
</tr>
<tr>
<td>Kesko</td>
<td>Trade</td>
<td>12 200</td>
</tr>
</tbody>
</table>

Two of the companies represent trade (Osuuskauppa Keskimaa and Kesko) and two of them represent industry (Metso Paper and Schauman Wood). The number of employees depends on the viewpoint taken. For instance, Keskimaa is part of the larger S Group, whereas Metso is part of the larger Metso Corporation and Schauman Wood is part of the UPM-Kymmene Corporation. Thus, the number of employees presented in the Table 1 refers only to the employees in the units in question.

A total of 17 semi-structured interviews were conducted, four interviews in each one of the organisations. In every organisation one young (26-31-years old) and one older employee (51-57 –years old) and their supervisor as well as one HR manager were interviewed. An exception to this was Schauman Wood where two HR managers were interviewed. The purpose of the interviews was to investigate the young and older employees’ expectations and perceptions concerning HRD. In addition to that, the supervisors and the HR managers were interviewed in order to capture the organisations’ perspective. The nature of these interviews was tentative and the main purpose was to explore and discover some central elements concerning further research. We therefore fully acknowledge the limitations of this study in terms of generalizability. However, these findings lay ground for a further survey to be conducted in the beginning of year 2004. The taped interviews were transcribed and read very carefully. After this the data were coded by the QSR N5 – programme. The codes were constructed in line with the theoretical context and the research questions. The final stage was to interpret and analyse the coded data in relation to the theoretical framework.

**Empirical findings**

We will now turn to the empirical part of this paper and present the main findings from the interviews as they relate to the research questions. Starting with exploring the significance that the young and older employees gave to HRD and the supervisors’ and HR managers’ conceptions concerning the HRD opportunities offered to young and older employees are presented. Finally, taking these findings together, we will analyse how the HRD opportunities offered to young and older employees express the psychological contract, to be followed by a discussion on the issues revealed.

*The significance of HRD for young and older employees*
The findings of the study suggest that the expectations related to work and the significance of HRD varied among young and older employees. Table 2 presents the young and older employees’ work expectations as well as the significance they gave to HRD. The employees expressed their conceptions in different ways, but the themes showed in Table 2 emerged in almost every interview. The themes that mentioned by both young and older employees are marked with the *-symbol.

Table 2. Young and older employees’ expectations of work and the significance of HRD

<table>
<thead>
<tr>
<th>Work expectations</th>
<th>Young employees</th>
<th>Older employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>- career opportunities</td>
<td>- being able to do the present job</td>
<td></td>
</tr>
<tr>
<td>- challenging job</td>
<td>- meaningful job</td>
<td></td>
</tr>
<tr>
<td>- learning new things*</td>
<td>- learning new things*</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The significance of HRD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- career progress</td>
<td>- being able to stay at work</td>
<td></td>
</tr>
<tr>
<td>- updating own work skills</td>
<td>- keeping up with constant change*</td>
<td></td>
</tr>
<tr>
<td>- keeping up with constant change*</td>
<td>- outcomes for organisation</td>
<td></td>
</tr>
<tr>
<td>- changes in daily work</td>
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</tbody>
</table>

In terms of work expectations both young and older employees’ expectations concerned the learning of new things. In this, the young employees’ expectations were more long-term-oriented, including such issues as career opportunities and having a challenging job, whereas the older employees were more short-term-oriented concerning the present job assignments and the ability to do the same meaningful job. The significance of HRD was seen by both young and older employees as a way of keeping up with constant change. However, the significance of HRD was linked by the young employees with career progress opportunities. For example, one of the young employees argued that she could change the companies if she was not offered any kind of development possibilities. HRD was also seen by this group as a way to qualifying further in their work as well as a pleasant change to daily work routine. The significance of HRD for the older employees was linked more closely to the ability to remain at work. In addition to that, two of the older employees argued that their development is important for the company’s success and for customer satisfaction.

In particular, all the young employees interviewed found learning and development very important, and the HRD possibilities offered by the companies were appreciated. Three of them were also interested in studying alongside with their job. For example, one young employee was studying alongside with her job for a degree in business and another young employee was starting a mastery training programme. All four of the young employees interviewed felt that their company offered them good training and career development opportunities. The young employees also felt that they themselves have the responsibility for their development. For example, one young employee told that she does not wait for training courses to be offered to her, but actually makes suggestions to her supervisor about the courses she is interested in participating. From the company and especially from their supervisors, the young employees expected encouragement and possibilities for continuous development. Among the reasons for being committed to their work were challenging work, pay, co-workers and career prospects.
When investigating the older employees’ conceptions of HRD opportunities, three older employees felt that the company has given them good HRD opportunities. However, one older employee felt that the young employees have been favoured in their company particularly in the past. This person also argued that she has no chances for development in her career because of her age. She felt that she would not be trained for new assignments at that age and therefore she felt that she has no motivation to actively develop herself. She also felt that she is not so much responsible for her own development. The other three older employees had not experienced age discrimination and they felt that both the employee and the company are responsible for the development. They were also committed to their work and to the development because they felt that their job was rewarding.

**Supervisors’ and HR managers’ conceptions of the HRD opportunities offered to young and older employees**

We start by presenting the supervisors’ and HR managers’ age-based conceptions, and follow with how the young and older employees are managed differently in terms of HRD. The main findings are collected in Table 3.

Table 3. Supervisors’ and HR managers’ age-based conceptions and HRD practices regarding young and older employees

<table>
<thead>
<tr>
<th>Supervisors’ and HR managers’</th>
<th>Young employees</th>
<th>Older employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age-based conceptions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- enthusiastic</td>
<td>- responsible</td>
<td></td>
</tr>
<tr>
<td>- open-minded</td>
<td>- committed to work</td>
<td></td>
</tr>
<tr>
<td>- flexible</td>
<td>- have tacit knowledge</td>
<td></td>
</tr>
<tr>
<td>- energetic</td>
<td>- wide vision</td>
<td></td>
</tr>
<tr>
<td>- well educated</td>
<td>- deliberation</td>
<td></td>
</tr>
<tr>
<td>- critical vision</td>
<td>- reluctant to make changes</td>
<td></td>
</tr>
<tr>
<td>- less experienced</td>
<td>- have prejudices</td>
<td></td>
</tr>
<tr>
<td>- more willing to participate in HRD</td>
<td>- lacking in IT skills</td>
<td></td>
</tr>
<tr>
<td>- easy to give unpleasant assignments</td>
<td>- need good justifications to participate in HRD activities</td>
<td></td>
</tr>
<tr>
<td>Age-based HRD practices</td>
<td>- offered more HRD practices</td>
<td></td>
</tr>
<tr>
<td>- guidance and support in terms of HRD</td>
<td>- offered some HRD practices</td>
<td></td>
</tr>
<tr>
<td>- not recognised as a special group in terms of HRD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- “negotiation” in terms of HRD</td>
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</table>

Young employees were perceived by the supervisors and HR managers to be enthusiastic, open-minded, flexible, energetic and well educated but naturally less experienced than older employees. In addition to that, they were seen to be more critical and wanting to question the old ways of doing things. Older employees, on the other hand, were perceived as more responsible and committed to their work than the younger ones. Older employees were also seen to have tacit knowledge, wider vision and deliberation. On the other hand, older employees were perceived as more reluctant to make changes, having more
prejudices than the younger ones. Older employees were also perceived as lacking for example in their IT skills.

The supervisors and HR managers stated that both young and older employees are appreciated and that they do not have age discrimination in their company. Yet, the supervisors perceived that employees are not discriminated because of their age, they argued for managing the employees differently depending on their age. For example, young employees were guided and encouraged to develop, whereas with the older employees the supervisor used to “negotiate”. It was also felt that it was easier to give unpleasant assignments to the young employees than to the older ones. The supervisors further felt that older employees needed good justifications in order to take part in HRD activities. For example, one of the supervisors pointed out that unless the older employees see the benefits of HRD activities, they do not participate in them.

In general, learning and development of employees was perceived as extremely important by the supervisors and HR managers. Both argued that good HRD opportunities are offered to employees. In addition to training and development activities, workplace learning was seen as a significant way of learning. Learning outside the company was also supported, for example the companies paid for some of the course fees. The ultimate responsibility for development was seen to belong to the employees, but the responsibility of the company was to support and provide learning opportunities. The supervisors also felt that as managers it was their duty to encourage their employees for learning and development. While the supervisors felt that good career opportunities are available, because inner recruiting was favoured in the companies, the HR managers stressed that career development should be seen more as a horizontal than a vertical development.

According to the supervisors and the HR managers the young employees were more willing to participate in HRD activities and therefore HRD possibilities were also offered more often to them. It was also noted that those employees who would need the training and development most are those who are the most reluctant to participate in these activities. Further, it was argued that there is a risk for those who do not take their own initiative to participate in HRD activities to be disregarded. Flexible employees with multiple skills and competencies were preferred by the supervisors and the HR managers, because these employees are easily transferred to various job assignments whenever needed. However, none of the companies studied had recognised the older employees as a special group in terms of HRD activities. For example IT-training was not designed differently for the older employees.

**How do the HRD opportunities offered to young and older employees express the psychological contract?**

There seems to be two reasons for treating the young and older employees differently in terms of HRD in these four companies. Firstly, stereotypes concerning older employees’ lack of motivation to development and doubts about their ability to learn new things were prevalent. For example, one HR manager admitted that some managers in their company may have prejudices concerning older employees’ abilities to learn new things. She also argued that “natural selection” in terms of job assignments is bound to happen.
Secondly, investing in the training and development of older employees was not seen as beneficial as investing in young employees. Supporting young employees instead of older ones in their development was seen as a natural way of managing by the HR managers and supervisors. One HR manager, for example, argued that previously the older employees were easily transferred to retirement, but now they are trying to consciously change that kind of a pattern. He also felt that it is natural that training possibilities are offered more often to young employees. However, he argued that they also want to make an effort to involve the older employees, because they have tacit knowledge and competence. Further, he stated that it is up to the managers’ willingness to train and develop older employees instead of promoting retirement. He argued that managers tend to think that it is expensive to train older employees, but they do not recognise how expensive it is to retire them.

The findings seems to indicate that the companies cannot clearly articulate the value they place on older employees, and for this reason they give a mixed message of the psychological contract they are operating with. For example, one HR manager admitted that there is a clear imbalance between the older employees’ expectations and what their organisation can offer to them. There is also a danger that the older employees feel betrayed when they have invested their whole career to one company and then during their last working years they can even be fired. Another HR manager argued that it is not worth speaking about respecting older employees if the company’s HR policies do not match with the speech: “then it is fake and no one believes in it”.

Some HR managers recognised that meaningful job and career development opportunities are among the reasons for the employees in their companies to be motivated in developing themselves and committing to their work. Access to training and development opportunities was also seen as a reward for the company employees. In addition to that it was mentioned that older employees need to be more respected and that they have to feel that their efforts are essential for the company. According to the HR managers, small steps had already been taken in order to improve the circumstances of the older employees and to prevent their early retirement. For example, at Schauman Wood the issue of age management has been discussed and actions such as training managers in terms of age management have been taken. Metso Paper has also launched a new program called Metso Human Care, which aims at keeping employees at work until retirement age.

Discussion

The findings from the empirical study suggest that contrary to the prevailing stereotypes the older employees expected from their work new learning opportunities in the similar way as did the younger employees. However, the reasons why the young and the older employees were willing to learn and develop differed. HRD was important for the young employees because of the career development prospects and because they wanted to qualify further in their professions. Two older employees also saw the link between their development and the benefit of their company, whereas the young employees only mentioned the significance of HRD for themselves. However, one older employee was not satisfied with the HRD policies applied in the company and had a passive attitude towards HRD, while the other three older employees were satisfied with the HRD possibilities in their companies and they were motivated and committed to their work. All the young employees, on the other hand, were satisfied with the HRD practices.
and possibilities offered to them and took an active approach towards their personal development. The conclusion that can be drawn from this is that the employability thesis applies better to the young employees than to the older ones.

Another conclusion that can be drawn from the study is that ageist attitudes seem to sit tight among such organisational representatives as supervisors and HR managers. There also seems to be an association between the age-related attitudes held by the supervisors and the HR managers and the HRD practices of the companies. (cf. Taylor & Walker 1998, 653) It also appears that the supervisors and the HR managers interviewed here, were not fully aware of these age-based ways of managing employees, and when they realised it they justified their actions as a natural law. Some of the HR managers, however, have noticed that the older employees’ expectations in terms of HRD are not totally fulfilled, while more effort has been made to meet the expectations of young employees in terms HRD. Overall, these findings provide empirical support for the assumption that organisations give a mixed message to their older employees and that attitudes towards older employees are, in fact, ambivalent (Sterns & Miklos 1995, 265). On the one hand, the tacit knowledge and wisdom of older employees is well appreciated, but on the other hand, more HRD possibilities and encouragement are given to young employees.

In the future it will be crucial to find ways of convincing organisations that it is beneficial to train and develop both young and older employees. The psychological contract perspective can be used to illustrate the benefits of investing in the training and development of all employees regardless of their age. Positive outcomes can be found in terms of motivation, commitment to work and willingness to proceed in work as well as in terms of organisational success and customer satisfaction. It seems that organisations have not fully realised that HRD can be used by organisations to manage psychological contracts between employees and organisations. Whether older employees continue to work until retirement age or not is dependent on the opportunities for development that they are offered. Both young and older employees need motivation and encouragement to stay motivated in their work. This article argues on theoretical and empirical grounds that supervisors and HR managers should be more sensitive in terms of the HRD possibilities offered to young and older employees. More effort is also needed to make supervisors and HR managers more aware of the contribution of HRD opportunities in managing the psychological contract. There is also need for wider survey research to investigate the link between HRD practices and a positive psychological contract in order to obtain more generalizable insights of the issues involved.

References


