

Organizational Climates and Age

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Synonyms

Age configurations; Age structures; Organizational age processes and outcomes

Definition

To discuss and describe organizational climates, they have to be conceptually distinguished from the related construct of organizational cultures. In multiple disciplines, such as anthropology, sociology, and psychology, there are many definitions of the term culture (Baldwin et al. 2006). In the field of organizational behavior research, organizational culture is most commonly defined as a deep underlying system of shared meaning, i.e., collective patterns of cognition and behavior, held by the organization's members, which distinguishes the organization from other organizations (Schein 1990). An organizational culture is a stable property of an organization. It defines the inherent rules and thus favored and rewarded behaviors within an organization and therefore provides employees with a framework and guidance.

Closely related to organizational culture is the construct of organizational climate, which depicts organizational members' shared perceptions about their organization's rather observable aspects, such as the work environment, organizational practices, and processes (Schneider et al. 2011). In contrast to organizational culture, organizational climates describe rather apparent and temporary organizational artifacts of underlying values and can thus be more consciously perceived by organizational members as well as controlled, e.g., by human resource practices. With the rise of an older and thus more age-diverse workforce, employees' perceptions about an organization's treatment of different age groups become more significant. Consequently, employees are likely to identify an age-diversity climate, i.e., the shared perception about the extent to which an organization implicitly and explicitly, e.g., through its policies, practices, and procedures, fosters and encourages age diversity and eliminates age-based discrimination (Boehm and Kunze 2015; Gelfand et al. 2005). If employees perceive their organization's actions and procedures to be unfair toward specific age groups – including older as well as younger age groups – a negative age-discrimination climate can arise (Kunze et al. 2011).

In the following sections, the underlying processes will be explained that are induced by an increasing workforce and its effects on organizational climate will be presented. Furthermore, this chapter presents recent empirical findings of the antecedents and outcomes of different age-related climates will be presented and points actions organizations can initiate to benefit from an age-diverse workforce will be pointed out.

Age in Organizations

The main source for the evolvement of age-related climates in organizations is the ongoing demographic change in almost all Western-industrialized countries (OECD 2006). Longer life expectancies and decreasing birth rates do not only result in changing and shrinking overall population figures but also

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impact the workforces' compositions in many countries. Based on these developments, organizations have to deal with two main consequences: a rising age diversity and average age of their employees. From research on different levels of analyses, it is known that the individual age of employees is mostly unrelated to individual work performance (Ng and Feldman 2008), and team-based age diversity has only a slightly negative relationship to team performance (Joshi and Roh 2009; see Boehm and Kunze 2015 for a recent review of the research field). The conceptual knowledge that exists of age diversity as well as mean age and related climates on the organizational level of analysis will be summarized in the following sections.

Organizational-Level Age Diversity and Organizational Climates

Research on organizational-level age diversity has been done from two perspectives so far: an economic and an organizational behavior perspective. While the economic perspective (e.g., Grund and Westergaard-Nielsen 2008; Ilmakunnas and Ilmakunnas 2011) has used large-scale secondary data to test the relationships between distal measures of age-diversity structures of the workforces and organizational performance, organizational behavior researchers (e.g., Kunze et al. 2011) have moreover considered processes and/or context conditions, such as organizational climates that explain the link between age diversity and organizational performance. As the focus of this entry is on these inner-organizational age-based processes, the following sections it will focus on the organizational behavior findings in the following.

In line with the age-diversity findings from the team level of analysis, also the two recent organizational-level studies report negative relations between age diversity and organizational performance (Kunze et al. 2011, 2013). Both studies conceptualize a mediation model in which age diversity leads to a shared perception of a negative age-discrimination climate, defined as a shared perception of an unfair and discriminatory treatment based on age subgroup membership (i.e., being a young or older employee), which in turn negatively impacts organizational performance. The argumentation for a positive relationship between age diversity and a negative age-discrimination climate is based on two main theoretical rationales. First, social identity and social categorization arguments (Turner 1987) might help to explain age-diversity processes on the organizational level of analysis. Based on these classical and well-validated theories from social psychology, individuals perceive and categorize themselves as well as others into social entities (subgroups) that are characterized by at least one common attribute (e.g., age). Due to its immediate visibility and high salience for many organizational processes and decisions, demographic attributes (e.g., gender, age, ethnicity) are often used for these categorization processes. As the amount of older workers within organizations increases and employees vary across different ages and generations, age becomes an especially salient attribute for employees for within-organization differentiation. In contrast, in an organization where all employees are more or less the same age, other attributes such as gender or nationality are more likely to be relevant to categorize oneself and others according to social groups. Additionally, age subgrouping processes are also spurred by the similarity-attraction paradigm (Byrne 1971) which states that individuals are most attracted by similar others. This seems to be especially relevant for age, as individuals who are alike in regard to chronological age share comparable experience from critical and historical events in their childhood and youth and thus developed like values and attitudes. In addition, same-aged employees often encounter similar life stages (e.g., having little children or being close to retirement). The resulting congruence of experience, values, and attitudes leads to higher liking, communication, and cooperation within age subgroups compared to between subgroup relations. Ultimately these mechanisms lead to a fragmented workforce, as same-aged employees across the organization are likely to group together and enhance their own group identity by undermining other age groups. As a result, stereotypes and discriminatory behavior against dissimilar-aged workers can evolve throughout the organization which leads to a constant perception of age-based

discrimination (Kunze et al. 2011, 2013). Older employees may, for example, perceive their younger supervisor's task assignments and performance ratings to be age discriminatory toward older subordinates. Additionally, younger members of the organization may evaluate human resource policies and promotional opportunities to be age discriminatory as certain career stages are required to be fulfilled with a minimum chronological age or as seniors might prefer their own age group in regard to promotions and resource allocation. If such individual experience with the organization consists over time, the individual employee forms a general perception about the organization as a whole (i.e., an age-discrimination climate).

A second conceptual argument for the evolvment of a negative age-discrimination climate in age-diverse companies can be made based on the concept of organizational timetables (Lawrence 1988). This concept suggests that in all organizations, implicit norms exist, when an employee should reach a certain career. For example, to get in a first leadership role, an employee often has to reach his 30th birthday, and to become a member of the executive board, an employee has to be at least 45 years old. Increasing age diversity can be assumed to be a potential source of violation of these organizational career timetables for both younger and older employees. Older employees might, for example, perceive it as clear violation of organizational career norms if they have a younger supervisor, as classical status and hierarchy norms suggest that more experienced and older employees always possess the leading position. In contrast, younger employees might perceive a violation of age-based career norms, if usual career paths are blocked by seniors, who stay longer in the workforce due to the limited early retirement possibilities. As a result employees form the perception that promotion decisions are not based on merit and performance, but rather on seniority-based status norms. Again, such experience can manifest in general perceptions about the organization and can spread throughout the organization, resulting in a negative age-discrimination climate, which in the end negatively affects organizational performance (Kunze et al. 2011, 2013).

What Companies Can Do to Prevent Negative Age-Diversity Climates in Organizations

Fortunately for practitioners and executives in organizations, the negative linkage between age diversity and organizational performance, through an evolvment of a negative age-discrimination climate, does not necessarily happen in all organizations. In fact Kunze and colleagues (2013) have identified two contextual factors that can at least help to prevent negative consequences of age diversity for organizational climates and performance outcomes. The first tested context factor are the so-called diversity-friendly HR policies that focus on actively managing diversity and promoting diversity as an eligible organizational asset and value (Triana and García 2009), e.g., by offering trainings and leadership development programs for all age groups, fostering awareness for diversity management on executive levels. It is crucial that organizations not only adopt single HR practices aiming for a positive age-diversity climate but a bundle of aligned practices that foster all employees' (regardless of their age) skills, knowledge, motivation, effort, and opportunities to contribute to the organizational goals. This might imply age-neutral recruiting strategies as well as equal opportunities for training, promotion, and participation for all age groups – including younger as well as older workers. Such HR policies lead to employees' perception that the organization supports their employees regardless of age or other demographic attributes and that discriminatory behavior is not desired. Thus, employees are more likely to behave in line with the company's goal to foster age inclusion, which reduces the likelihood of age-based discrimination and group formation within the organization. A second factor Kunze and colleagues (2013) identified is the role of top management's attitudes to be crucial for the evolvment of an

age-discrimination climate in organizations. They report that a positive relationship between age diversity and an organizational age-discrimination climate can only be found if the top managers have negative age stereotypes, whereas an absence of such stereotypes brings also the relation between age diversity and an organizational age-discrimination climate to zero. As explanation they theorize that the top executives have a focal role-modeling position to label age-discriminatory behavior as an acceptable or non-acceptable behavior in organizations. Therefore top managers should be sensitized through trainings, seminars, and coaching for their own age stereotypes and their potential impact on organizational processes.

Yet these currently validated context factors can only help to prevent negative consequences from age diversity on organizational climates and performance. In particular from a practitioner perspective, it is relevant to gain knowledge on context factors that might even turn the relationship between age diversity and an organizational age-discrimination climate into something positive to reap the benefits of age diversity. One promising factor for such a reversal of the current age-diversity effects is a positive age-diversity climate, as introduced and validated by Boehm and colleagues (Boehm et al. 2014). Defined as “organizational members’ shared perceptions of the fair and nondiscriminatory treatment of employees of all age groups with regard to all relevant organizational practices, policies, procedures, and rewards” (Boehm et al. 2014, p. 671), such a climate has been shown to relate positively to collectively perceived social exchange relationships with an organization, which in turn affect company performance and collective turnover behavior (Boehm et al. 2014). Additionally from an antecedent perspective, age-inclusive human resource practices (i.e., all HR practices that create an age-inclusive workforce) were reported to shape the pro-age-diversity perceptions within organizations. It can be speculated that in organizations with an age-diverse workforce, such a pro age-diversity climate can be particularly useful to create a workplace in which employees from multiple age groups do not form age-based subgroups to increase mutual age-based discrimination, but rather combine their joint experience and knowledge for the joint benefit of the organization.

The Emerging Role of Subjective Age for Organizations

The second trend that has been identified in the introduction is the rising mean age and its relation to organizational climates and outcome. Compared to age diversity even fewer research exists on the organizational level of analysis. Again some economists have considered and tested direct linkages between mean age and organizational performance (e.g., Backes-Gellner and Veen 2013), but almost no study has researched the evolvement of organizational climates based on the average age of the workforce. However, recent research has shown that not the chronological mean age of the employees but subjectively perceived age identities (i.e., how old the employees perceive to be) shape the collective behaviors and processes in organizations (Kunze et al. 2015). In a large-scale multicompany sample, the authors are able to show that what they label as relative subjective age (i.e., how on average the employees perceive their age in comparison to their chronological age) is the focal predictor of company performance, whereas the chronological age per se does not show any statistically relevant interrelation with organizational performance. These findings are in particular relevant from a practical perspective. While currently many organizations are focused on the chronological age structure of their workforces and can only react on their drastic transformation (i.e., a steady rise of the average ages), the subjective age identities of their employees are something that they can actively influence. For example, the study by Kunze and colleagues (2015) identified the average perception of whether the organizational members perceived their job as meaningful and purposeful as a statistical relevant antecedent of the average relative subjective age in organizations (i.e., employees felt on average younger, when they perceived to have a meaningful job). Beyond meaningfulness, numerous factors, including the pro age-diversity climate and

human resource management practices discussed above, might also function as factors that create an organizational environment for a lower relative subjective age in organizations. In consequence the research on subjective age identities in organizations is a very promising future avenue for research on aging in organizations.

Cross-References

- ▶ [Age Diversity at Work](#)
- ▶ [Age Stereotypes in the Workplace](#)
- ▶ [Age Stereotyping and Discrimination](#)
- ▶ [Human Resource Management and Aging](#)
- ▶ [Leadership and Aging](#)
- ▶ [Older Workers](#)
- ▶ [Organizational Strategies for Attracting, Utilizing, and Retaining Older Workers](#)
- ▶ [Theories of Age Stereotyping and Views of Aging](#)

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