

# The Impact of Adequate Working Conditions for Older Employees on Work Engagement of Older Employees in Financial Services Companies

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**Abstract** The main objective of the paper is to determine the impact of adequate working conditions for older employees on work engagement of older employees in financial services companies in Slovenia. The research is based on the implementation of a factor analysis by which we wanted to reduce the large number of variables into a smaller number of factors. With those factors, we performed a regression analysis. Based on the results, we confirmed the hypothesis that adequate working conditions for older employees have a significant positive impact on work engagement of older employees in financial services companies in Slovenia. From this point of view, financial services companies should apply appropriate measures to reduce workload as well as to contribute to employees' well-being and better workplace performance, which is reflected in work engagement of older employees.

**Keywords** Older Employees, Adequate Working Conditions, Work Engagement, Factors Analysis, Regression Analysis

which companies can prove that they value and appreciate older employees is by implementing human resources policies and practices intended to deal with the needs and improvement of work conditions for older employees (Vasconcelos, 2015). Effectively managing workforce diversity is an issue that financial executives generally are addressing with increasing frequency (Zacher and Rudolph, 2017). Companies will have to look for new and better ways of management of older employees (Baltzell, 2000) and achieve greater engagement at work, better performance and well-being of older employees at work (Moyers and Coleman, 2004), especially in financial services companies (Frith, 2017). According to Frith (2017), financial services companies are placed under the most stressful job. Indeed, it is becoming critical to understand how to design jobs to keep employees of different ages engaged in their work (Truxillo et al., 2012). Zaniboni et al. (2014) found out that relationship between certain job characteristics and job attitudes may differ across the life span. The creation of a unified approach to diversity and inclusion, which is embedded in the business ethics of the company, can have a sustainable positive impact on the health and well-being of individuals, business and society (Sanyal et al., 2015).

Older employees present an increasingly important source of labour for companies. Irrespective of age, an employee needs the appropriate skills and knowledge to be productive and to help the company achieve its strategic objectives. However, in many companies, older employees are less likely to be offered training opportunities than their younger compatriots. A person is able to learn at any age and the older employee is capable of adjusting to changes in work. Many people assume that older employees are homogeneous but this is not the case. There are significant differences between older employees and these differences need to be acknowledged and understood (Davies et al., 2017). Training is an important component of retention and

## 1. Introduction

The aging of the European population is a demographic trend that is expected to continue in the coming decades, and is reflected in the ever growing number of older employees (Principi et al., 2015). As the workforce is aging and becoming increasingly age diverse, successful aging at work has been proclaimed to be a desirable process and outcome, as well as a responsibility of both employees and their companies (Zacher and Rudolph, 2017). Therefore, ageing of the workforce presents a big challenge to all companies which differ by sectors. One of the ways with

increasing the availability of training is critical for retaining older employees. However, it is well documented that employers have been largely remissed in providing training for older employees. Thus, older employees are less likely to be offered training opportunities and to participate in training (Armstrong-Stassen and Templer, 2005).

Fuertes et al. (2013) summarize that companies should consider age appropriate job design, ensure that employees are kept flexible, support lifelong learning and better enable the intergenerational transfer of knowledge. The demographics of the global workforce are changing, specifically with a more age diverse workforce bringing new research questions. It becomes more important to find ways for people to stay satisfied and engaged in their work at different life stages (Zaniboni et al., 2014). Research has shown that job characteristics can lead both positive and negative work outcomes (e.g. Slattery et al., 2010). For example, the research showed that task variety was related to positive outcomes like job satisfaction but also to negative outcomes like job overload (Humphrey et al., 2007). Based on research, authors Rumbles and Rees (2013) summarize that managers are aware that employees are experiencing high stress, but managers do not do anything to alleviate employee stress. According to Rune and Stener (2006) there is high stress level in financial services. Therefore, companies, especially financial services companies should be aware of the importance of reducing the workload of their employees.

The first step towards the adequate management of older employees is to create an appropriate working environment that dictates the successful result of ageing for employees and thus the achievement of goals, performance and competitiveness of the company. The main objective of this article is to establish the impact of an adequate working condition for older employees on work engagement of older employees in financial services companies in Slovenia. Our research is the first research in Slovenia that analyses the impact of adequate working conditions for older employees on work engagement of older employees in financial services companies. There is not much literature and research that is comprehensively and systematically based on theoretical knowledge nor studies about older employees and their work engagement in financial services companies. With this research we wanted to fill that gap. The research is based on the application of a factor analysis to reduce the large number of variables to a smaller number of factors with which we conducted a simple regression and multiple regression analysis.

In the following sections, we firstly present the review of the literature. It is followed by a description of methodology used in our empirical research and the obtained results. The article concludes with the discussion of the main findings, limitations and further research possibilities.

## 2. Literature Review

### 2.1. Conceptualizing Age

The term “older worker” has been used to refer to workers from the age of 40 to those aged over 75 depending on the purpose and field of study (Tew, 2004; Warr and Fay, 2001). In studies concerning labor market participation, the term “older worker” usually refers to workers aged 50 or 55 and above (Kooij et al., 2008). Zacher and Rudolph (2015) state that as age is a continuous variable, no cut-off exists when a worker becomes an »older worker«, but, for practical reasons, organizations and governments often use cut-offs such as 40, 45, or 50 years.

Aging refers to changes that occur in biological, psychological, and social functioning over time and, therefore, affects each individual on the personal, organizational, and societal levels (Lange et al., 2006). Kooij et al. (2008) summarize that individuals with the same chronological age may differ in terms of health, career stage, and family status. Chronological or calendar age may serve as a proxy for age-related processes that can influence work outcomes directly or indirectly and, therefore, cannot be captured within one single definition or conceptualization.

### 2.2. Older Employees

The nature of the work itself may serve to encourage employees to either leave or remain in employment. Work which is overly physically or mentally demanding may lead employees to leave, at the same time, a job which lacks variety of challenges may also provide little incentive to remain in work (Principi et al., 2015). Existing evidence has suggested that there is high demand for more flexible work among older employees which may help employees to better manage the demands of their work as they age (Dworschak et al., 2006). Older employees face a lack of support and negative stereotyping in the workplace in financial services companies (see, e.g. Kooij et al., 2008; Frith, 2017). Wade (2003) explains that discrimination against the older people has been a big problem for a long time. Spencer (2018) summarizes that age discrimination is explicitly reflected in financial services companies. Wade (2003) emphasizes that there are many positive things which companies should know about older employees, but unfortunately are not informed about, and there are many things which should be done and changed for a better working environment for the older workers, but unfortunately they have not been implemented yet.

Financial services companies must find ways to retain older employees while embracing a multi-generational workforce. Older employees can provide extensive value in the workplace due to their decades-long experience, worth ethic and stability. For example, without this

generation of employees, companies could risk losing potential customers who prefer speaking to older, “more experienced” employees about financial matters (Spencer, 2018).

Older employees will become increasingly crucial for the retention of competitive advantage on labour market (AARP, 2005). They present the educated, reliable, experienced and stable workforce (Kooij et al., 2008). Their advantages are also greater reliability, stability, honesty, trust, loyalty and dedication to their work (Chasteen et al., 2002).

### **2.3. Creating Suitable Working Conditions for Older Employees**

Many older employees are more likely to carry on working if there is flexibility of working arrangements, such as the opportunity to work from home, working part-time and flexible working hours. Flexible working policies are found to bring several benefits for employees. Unfortunately, older employees often face negative attitudes in the labour market – from employers, colleagues or from the in-work. It is likely that employers’ negative attitudes have a direct impact on their intentions to hire someone older or to allow workplace adjustments or access to training to facilitate older employee to carry on working (Koc-Menard, 2009). Therefore, employers have to be aware of the importance of management of older employees and new approaches in the field of human resources management which enable older employees a friendly working environment (Albrecht, 2001) and well-being in the workplace (Haymes, 2013). According to Frith (2017) financial services companies are renowned for being a particularly stressful job. Also, the financial services sector has the highest percentage of employee absences due to mental ill health. Frith (2017) summarizes that analysis of AdviserPlus’ records of more than a quarter of a million employees shows that since 2013 33.9% of absence days in the financial services sector have been due to mental ill health. This compares to 24% of absence days in the retail sector and 22% in utilities. Therefore, financial services companies should create suitable working conditions for older employees.

Ilmarinen (2006) states that employers affect the successful ageing of all employees with adequate workplaces which include adequate solutions and measures. Employers have to ensure adequate flexibility at work and establish an appropriate working environment for older employees. The emphasis should be directed to decreasing workload in workplaces. According to OECD (2006), older employees have a higher interest in working time flexibility than younger employees because they frequently have to care for their elderly parents or need time for regeneration. Dworschak et al. (2006) emphasise that organisations have to ensure age appropriate forming of workplaces and a flexible workday, support for lifelong learning and an intergenerational transfer of knowledge

for older employees. The objectives of management of older employees have to be in harmony with the strategic priorities in connection with human resources planning (Ilmarinen, 2006, Fraccaroli et al., 2017).

To have employees of all ages satisfied and engaged at work, we need to understand which working conditions are the best for them. Indeed, some characteristics may have more beneficial effects in younger employees but less in older employees (e.g. task variety). For example, it may be important for employers to challenge younger employees with different tasks, in particular during the organizational socialization phase when they are learning their jobs. In contrast, providing more tasks may actually be detrimental to older employees. Furthermore, considering the aging working population, it is important for organizations to develop jobs that enable people to continue to work successfully. It seems that older employees may not benefit from simply doing more tasks, but rather from opportunities to use their wide range of accumulated skills (Zaniboni et al., 2013).

Human resources management programs create opportunities for older employees to use their skills, avoiding (or reducing) requirements to perform more tasks, which may be helpful in keeping older employees satisfied and engaged at work. For example, it may be a competitive gain for organizations to utilize the experience and competencies of older workers, and to promote the transfer of knowledge and skills to younger colleagues (e.g. mentoring and coaching programs), by having younger employees perform a wide range of tasks (Zaniboni et al., 2014). Therefore, in order to design and implement efficient and effective age-differentiated interventions, it is necessary to gain a better knowledge of differences between workers of different age.

Magnavita (2017) emphasizes that older employees need flexible work arrangements and ergonomic changes in the working environment to facilitate their prolonged working lives. However, even in more developed countries, less than one-third of companies offer some form of flexible working arrangement, due to concerns about costs, productivity, and fairness. European governments should promote such workplace policies, so that employers see the profitable results of flexible arrangements for older employees. Furthermore, they should support educational efforts aimed at changing ageist attitudes.

Better health and life expectancy of older employees improve their opportunities to enhance an age-friendly society. However, a good working life is an important prerequisite for older employees to remain active and ensure that society benefits from their strengths and talents. In doing so, they participate actively in building up a sustainable and caring society, where solidarity exists between the generations and productive working life is an important platform for active ageing. Satisfactory employment can help people avoid sickness and physical or mental deterioration, secure good cognitive and physical capacity, and promote positive and active attitudes towards

life. The quality of working life has a big impact on all workers, because we spend so much of our time at work. Therefore, investments in active ageing need to be secured during the working years. The investments in occupational health and safety in workplaces are also investments for the rest of our lives (Ilmarinen, 2012).

#### 2.4. Work Engagement of Older Employees

The aging of population and the growth of older employees' percentage in organizations are interrelated with the integration of older employees at the labor market (Bejtkovský, 2016). Thus, from the human resource management perspective, it is important to understand the factors facilitating work engagement of older employees. Older employees continue working if they are successfully convinced to remain with the organization. Meanwhile, early retirement is seen as the outcome of poor work engagement. Notably, work engagement of older employees is determined by the factors related to employee, work and organization (Korsakienė et al., 2017).

Banihani et al. (2013) claim that work engagement has positive consequences for employees and companies. The benefits of being engaged range from positive emotional outcomes to improving organisational performance. Banihani et al. (2013) summarize that at the individual level, engaged employees perform better than non-engaged employees from the following four reasons: (1) engaged employees experience positive emotions such as happiness, enthusiasm, and joys; (2) they have better health; (3) they are able to create their own job and personal resources and (4) they often transfer their engagement to others. Moreover, work engagement influences the well-being and performance of employees. Also, lack of employee engagement may ruin a company's productivity. Sadly, many leaders still can't keep their employees engaged (see, e.g. Lu et al., 2016; Bakker and Demerouti, 2009).

Based on the literature review, we formulated a hypothesis H1: Adequate working conditions for older employees have a significant positive impact on work engagement of older employees in financial services companies in Slovenia.

### 3. Methodology

#### 3.1. Data and Sample

We gathered the data with quantitative research on the final sample. In the first step we first defined the population of companies, which presented the basis for acquisition of units in the final sample. We limited our research to medium and large financial services companies in Slovenia. Based on the assumption, many companies with a smaller number of employees have not developed systematic human resources management. The assumption stated above is based on the results of the research study of

Hornsby and Kuratko (2003): they suggest that the majority of small companies do not have a human resources professional and that the owner of a small company performs this function; authors also state that the percentage of companies that have a human resources department grows with the size of the company. Based on random selection we included 1.000 companies of all industries, but in this research we limited on financial services companies. Data collecting was performed with the method of electronic and written questioning. We asked the employer to distribute a questionnaire among older employees – up to 3 employees (as there are different theoretical principles, we decided to use 50 years old as the boundary for employees).

The main survey involved 237 large- and medium-sized financial services companies. Thus, 704 older employees and 237 employers responded to the questionnaire.

The structure of employers was as follows:

- Regarding the achieved education level of employers who participated in the research, 49.8% of the respondents have high professional or university degree, 31.3% of them have a master's degree or doctorate, 18.1% of them finished college, and the smallest percentage presents the respondents with finished vocational or high school (0.8%).
- According to the length of service of the respondents, 54.4% of respondents with the length of service from 31 to 40 years were included in the research. In the second place were respondents with the length of service from 21 to 30 years (41.3%). A low percentage present respondents with the length of service of more than 41 years (3%) and respondents with the length of service from 11 to 20 years (1.3%).
- The biggest share in the research presented large companies (56.5%). Medium-sized companies comprised 43.5%.

The structure of older employees was as follows:

- 44.7 % of older employees involved in the survey aged from 56 to 61 years, 40.2% employees aged from 50 to 55 years and 14.7 % employees aged from 62 to 67 years. The lowest percentage is presented by older employees aged over 68 (0.4%) years.
- Regarding the achieved education level of employees who participated in the research, 37.5% of the respondents have high professional or university degree, 31.7% of them have a master's degree or doctorate, 24.4% of them finished college, and the smallest percentage presents the respondents with finished vocational or high school (6.4%).
- According to the length of service of the respondents, 57.0% of older employees have the length of service from 31 to 40 years. In the second place were respondents with the length of service from 21 to 30 years (30.5%). A low percentage of present

respondents with the length of service of more than 41 years (12.5%).

**3.2. Research Instrument**

As a research instrument we used a survey questionnaire with which we gained the width of insight in the field in question. The questionnaire includes

questions of a closed type. The respondents indicated on a 5-point Likert-type scale their agreement to the listed statements, where 1 = strongly disagree and 5 = completely agree (1 -I completely disagree, 2 -I do not agree, 3 -I partially agree, 4 -I agree, 5 -I completely agree).

Table 1 shows the statements of several authors that we included in our questionnaire.

**Table 1.** Statements of several authors in the Questionnaire

Dimension	Items	Source	
Adequate working conditions for older employees	Q1a: In the company we take care for reduction of workload of an older employee in the workplace by work transformation.	Beck (2013)	
	Q1b: Obligation for management of older employees on all levels of the company prevails in the company. Q1c: In the company we encourage changes in connection with older employees. Q1d: We take care for the improvement of working conditions for older employees.	Ilmarinen (2006)	
	Q1e: We enable older employees a condensed workday (meaning performance of full number of hours, but within a tight period). Q1f: We offer older employees work flexible benefits (e.g. additional free days). Q1g: We offer older employees the choice of workspace (work from home or from a remote location). Q1h: We offer older employees a flexible workday (we leave it to the employees to choose for themselves within the given frames the time for start and end of work). Q1i: We enable older employees to job share (two or more employees share the tasks and responsibilities of one full-time post). Q1j: We enable the implementation of programs for managing stress and programs for well-being for older employees. Q1k: Older employees have the chance of group self-rostering to work. Q1l: We enable older employees' variable working hours (similar to a flexible workday, only that in this case there is no main workday or defined number of hours that need to be performed in a report period). Q1m: Older employees have the chance to go from a full-time workday to a shorter workday (this form of work enables the employees to have more free time instead of higher income). Q1n: In the company we enable introduction of mentoring. Q1o: In the company we integrate older employees in strategy planning and initiatives for management of older employees. Q1p: In the company age diversity has to be connected with the company strategy for equality and diversity. Q1r: In the whole company there is communication and informing on the management of older employees. Q1s: We organize education and training programs which are specifically tailored for older employees.	Dworschak et al. (2006), Ilmarinen, (2006), Naegele and Walker (2006), Brown (2005)	
	Q2a: I perform/do my work with passion. Q2b: I am engaged to the quality of my work. Q2d: I feel connection with the company in which I worked. Q2e: I am aware of the importance of innovation for our company and I am helping to develop the company. Q2g: I feel that my work and job are important. Q2h: I am proud to be employed in this company.	Macey and Schneider (2008)	
	Q2c: I am engaged to achieving successful business results.	Wagner and Harter (2006)	
	Q2f: I trust in my colleagues and the manager.	Gruman and Saks (2011)	
	Q2i: I believe in the successful development and operation of our company.	Xu and Thomas (2011)	
	Q2j: I would not leave the company, even if I could offer another job opportunity. Q2k: I feel very good at my workplace. Q2l: I feel like a "part of the family" in the company.	Robertson and Cooper (2010)	
	Work engagement		

### 3.3. Statistical Analysis

Within the empirical part we wanted to establish if the use of a factor analysis is reasonable based on the Kaiser-Meyer-Olkin measure of sampling adequacy ( $KMO \geq 0.5$ ) (Kaiser, 1974) and Bartlett's test of sphericity. We used a factor analysis to reduce a large number of variables into a fewer number of factors and to describe the factor with certain variables. To determine which variables best describe each factor, we considered the value of communalities and factor loadings. Costello and Osborne (2005) suggested that we eliminate those variables whose communalities were smaller than 0.40. To get a clear factor structure, in the case of several factors, we eliminated those variables where factor loadings were greater than 0.40 on more than one factor (Field, 2013). In this way, we came to the final solution of formed factors with variables.

We used the rectangular rotation Varimax with the characteristic that the rotated factors are independent from each other (Manly, 2005). We saved the derived factor points and created new variables (factors).

Based on the gained new variables (factors) we performed a regression analysis. We checked the quality

of the obtained regression model using correlation coefficient, determination coefficient, F-test, and t-test.

## 4. Results

### 4.1. Results of Factor Analysis for Adequate Working Conditions for Older Employees in Financial Services Companies

Value of Kaiser-Meyer-Olkin measure of sampling adequacy ( $KMO = 0.919$ ) and the results of Bartlett's test of sphericity (Approx. Chi-Square = 2705,872;  $df = 136$ ;  $p < 0.001$ ) suggested the use of factor analysis. In the initial result we got three factors. We successively eliminated the variables with factor loadings greater than 0.4 for two of three factors and after each step checked the clarity of the structure of factors. The order of variables elimination was the following: Q1g, Q1k, Q1m, Q1n and Q1e. That way we came to the final solution of formed factors with 13 variables (Table 2). Table 2 presents the results of factor analysis for the construct adequate working conditions for older employees.

**Table 2.** The final results of factor analysis for the construct adequate working conditions for older employees

Statement	Communalities	Factor loadings	
		1	2
Q1a: In the company we take care for reduction of workload of an older employee in the workplace by work transformation.	0.815	0.846	0.314
Q1b: Obligation for management of older employees on all levels of the company prevails in the company.	0.907	0.856	0.417
Q1c: In the company we encourage changes in connection with older employees.	0.937	0.907	0.337
Q1d: We take care for the improvement of working conditions for older employees.	0.876	0.829	0.435
Q1f: We offer older employees work flexible benefits (e.g. additional free days).	0.652	0.728	0.348
Q1h: We offer older employees a flexible workday (we leave it to the employees to choose for themselves within the given frames the time for start and end of work).	0.871	0.372	0.856
Q1i: We enable older employees to job share (two or more employees share the tasks and responsibilities of one full-time post).	0.827	0.151	0.897
Q1j: We enable the implementation of programs for managing stress and programs for well-being for older employees.	0.628	0.642	0.381
Q1l: We enable older employees variable working hours (similar to a flexible workday, only that in this case there is no main workday or defined number of hours that need to be performed in a report period).	0.682	0.381	0.732
Q1o: In the company we integrate older employees in strategy planning and initiatives for management of older employees.	0.916	0.893	0.346
Q1p: In the company age diversity has to be connected with the company strategy for equality and diversity.	0.936	0.859	0.445
Q1r: In the whole company there is communication and informing on the management of older employees	0.926	0.893	0.359
Q1s: We organize education and training programs which are specifically tailored to older employees.	0.622	0.619	0.489
Kaiser-Meyer-Olkin measure: 0.908			
Bartlett's Test of Sphericity: Approx. Chi-Square = 2136.915; $df = 78$ ; $p < 0.001$			
Cumulative percentage of explained variance (first factor): 71.044 %			
Cumulative percentage of explained variance (second factor): 9.123 %			

The values of the communalities for the adequate working conditions for older employees are higher than 0.60 (Table 2). In Table 2, it is visible that from 13 variables we got two factors which together explain 80.1% variability, namely: first factor 71.0%, second factor 9.1%.

We named both factors for construct of adequate working conditions for older employees regarding the variables that were included in each factor and present it, namely:

- Factor 1: Friendly working environment for older employees
- Factor 2: Suitable working conditions for older employees

The value of factor loadings presents the importance of each individual variable in a factor and higher the loadings, the more important the variable for the factor is. In our case, the most important role in friendly working environment for older employees (factor 1) is “In the company we encourage changes in connection with older employees.” In suitable working conditions for older employees (factor 2) the most important factor is “We enable older employees to job share (two or more employees share the tasks and responsibilities of one full-time post).”

**4.2. Results of Factor Analysis for Work Engagement of Older Employees in Financial Services Companies**

Value of Kaiser-Meyer-Olkin measure of sampling adequacy (KMO = 0.931) and results of Bartlett’s test of sphericity (Approx. Chi-Square = 2605,356; *df* = 66; *p* < 0.001) suggest the use of factor analysis. Table 3 presents the results of factor analysis for the construct work engagement of older employees.

The values of all communalities in Table 3 for work engagement of older employees are higher than 0.80, therefore we have not eliminated any variable. Table 3 also shows that total variance explained is 87.8 %. All factor loadings are higher than 0.90. In our case, the most important role in work engagement of older employees is “I am engaged to the quality of my work.”

**4.3. The Impact of Adequate Working Conditions for Older Employees on Work Engagement of Older Employees in Financial Services Companies**

In the continuation we present the results of testing of the hypothesis H1. Table 4 shows regression analysis results.

**Table 3.** The results of factor analysis for the construct work engagement of older employees

Statement	Communalities	Factor loadings
Q2a: I do my work with passion.	0.911	0.954
Q2b: I am engaged to the quality of my work.	0.914	0.959
Q2c: I am engaged to achieve successful business results.	0.849	0.956
Q2d: I feel connection with the company in which I worked.	0.897	0.952
Q2e: I am aware of the importance of innovation for our company and I am helping to develop the company.	0.908	0.953
Q2f: I trust in my colleagues and the manager.	0.867	0.931
Q2g: I feel that my work and job are important.	0.888	0.942
Q2h: I am proud to be employed in this company.	0.919	0.921
Q2i: I believe in the successful development and operation of our company.	0.883	0.940
Q2j: I would not leave the company, even if I could get another opportunity for job.	0.905	0.951
Q2k: I feel very good at my workplace.	0.821	0.906
Q2l: I feel like a "part of the family" in the company.	0.818	0.904
Kaiser-Meyer-Olkin measure: 0.931		
Bartlett's Test of Sphericity: Approx. Chi-Square =2605.356; <i>df</i> = 66; <i>p</i> < 0.001		
Cumulative percentage of explained variance: 87.765 %		

Table 4. Regression analysis results

Dependent variable	Independent variable	Unstandardized coefficients		Standardized coefficients	t	Significance
		B	Standard error	Beta		
Work engagement of older employees	Adequate working conditions for older employees – Factor 1: Friendly working environment for older employees	0.676	0.053	0.676	12.687	0.000
Work engagement of older employees	Adequate working conditions for older employees – Factor 2: Suitable working conditions for older employees	0.475	0.053	0.475	8.907	0.000

The value of the multiple correlation coefficient between dependent variable (work engagement of older employees) and independent variables (Factor 1: Friendly working environment for older employees 1 and Factor 2: Friendly working environment for older employees 2) for the hypothesis H1 is  $r = 0.826$  which indicates that there is a strong connection between the variables. The value of the adjusted determination coefficient is 0.676. The adjusted determination coefficient explains that 67.6% of the variance of the dependent variable (work engagement of older employees) is explained with the variance of the independent variables (Factor 1: Friendly working environment for older employees 1 and Factor 2: Friendly working environment for older employees 2). We have established the reliability of the derived regression function with the F-test:  $F = 120.138$ ,  $p < 0.001$ . The results of the regression (Table no. 4) indicated that the regression coefficient of Adequate working conditions for older employees – factor 1: Friendly working environment for older employees 1 was 0.676 ( $\beta = 0.676$ ) and was significantly different from 0 ( $p < 0.001$ ). The regression coefficient of adequate working conditions for older employees – factor 2: Friendly working environment for older employees 2 was 0.475 ( $\beta = 0.475$ ) and was significantly different from 0 ( $p < 0.001$ ). On the basis of conducted multiple regression analysis we confirmed the hypothesis: H1: Adequate working conditions for older employees have a significant positive impact on work engagement of older employees in financial services companies in Slovenia.

## 5. Conclusions

Based on the results we found that adequate working conditions for older employees have a significant positive impact on work engagement of older employees in financial services companies in Slovenia (Table 4). Results in Table 2 let us draw the conclusion that for adequate working conditions for older employees in

financial services companies the following approaches play a big part: “In the company we encourage changes in connection with older employees” (factor 1: friendly working environment for older employees) and also, “We enable older employees to job share (two or more employees share the tasks and responsibilities of one full-time post)” (Factor 2: Suitable working conditions for older employees for older employees). Friendly working environment has an important effect on the health of older employees in financial services companies. Employees are healthier, feeling better, more motivated, satisfied and most importantly, they have greater enthusiasm for work in a friendly working environment. Therefore, it is important to encourage changes in connection with older employees. Also, poor health leads to early retirement or absenteeism therefore, adequate/suitable working conditions for older employees contribute to reducing the workload of older employees (for example, job share) and increasing work engagement.

Engaged employees are a vital prerequisite for a healthy company, because stressful and dissatisfied employees would not be able to deliver the same quality of work and productivity as those employees with lower stress levels and higher engagement. Therefore, it is important that employers create a safe and friendly work environment for older employees in financial services companies in Slovenia. The first step is to encourage changes in connection with older employees and create suitable working conditions for older employees. Also, the appropriate working condition with which financial services companies can reduce the workload of older employees is job-sharing. Job-sharing can be appealing for employees who are looking to reduce their hours. This type of flexible work can help employers retain experienced workers and reduce the workload.

The proportion of older employees will increase during the next few decades, therefore the new approaches to managing older employees are necessary. It becomes important to find ways for people to stay satisfied and engaged in their work at different life stages. The quality of

working life has a big impact on employees because they spend so much of their time at work. Therefore, investments in active ageing need to be secured during the working years. In this regard, it is recommended to promote the quality of life and well-being of the population, especially older people, and to promote solidarity between the generations. According to Ilmarinen (2012) a good working life is an important platform to promote active ageing in companies. Therefore, occupational health and safety play a crucial role in securing active ageing through a better and longer work life.

Financial services companies should thus consider age appropriate job design, ensure adequate flexibility in work, support lifelong learning and better enable the intergenerational transfer of knowledge, for example mentoring. Recommendations for better managing older employees are also, redesign of the workplace (re-designing individual work tasks according to the needs and capabilities of employees) or job simplification, job rotation, redistribution in the company (coordinating job requirements with the capabilities and skills of employees) and more frequent short breaks at work. Also, companies should provide training for their older employees. Learning is not dependent on age but, instead, on the organization of learning. Therefore, special attention should be paid to the selection of learning strategies and environments suitable for ageing employees.

According to Eurofound (2015), poor working conditions have a negative impact on sustainable work outcomes for employees. Employees who are exposed to physical risks and quantitative demands (working at high speed and to tight deadlines) are more likely to experience worse health and poorer work-life balance. It is precisely at the age of 55 that participation in work strongly declines. Conditions of work such as good physical environment, lower quantitative demands and working time autonomy increase the likelihood of workers continuing working when they are aged 55 and over.

It is important to know that job characteristics are not experienced in the same way by all employees. From this perspective, our research shows the importance of friendly work environment for older employees in Slovenian companies, especially in financial services companies.

Our study is limited to the focus of older employees in Slovenia in medium-sized and large financial services companies. For further research we propose the examination of differences in working conditions for older employees and work engagement of older employees between different sectors. As an opportunity for future research, we see an upgrade of the measurement instrument with new constructs in the field of older employees. Also, our further research refers to analysing different constructs (for example, stress, job burnout and work engagement) with structural equation modelling (SEM).

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