

Understanding employment participation of older workers

Swenneke van den Heuvel/TNO

MORE YEARS

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Outline

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Understanding employment participation of older workers

- Background of the project
- Results - what is already known
- Research needs

Consequences of an ageing population

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- Pension contributions from fewer workers
- Greater number of pensioners need support
- Increasing numbers of pensioners may have significant health burdens, increasing the spending needed on long-term care



Extended working life

Understanding employment participation of older workers

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Objective

- To define research needs with regard to the employment participation at higher working age by critically reviewing research findings, approaches and methodologies across the participating countries.

Approach

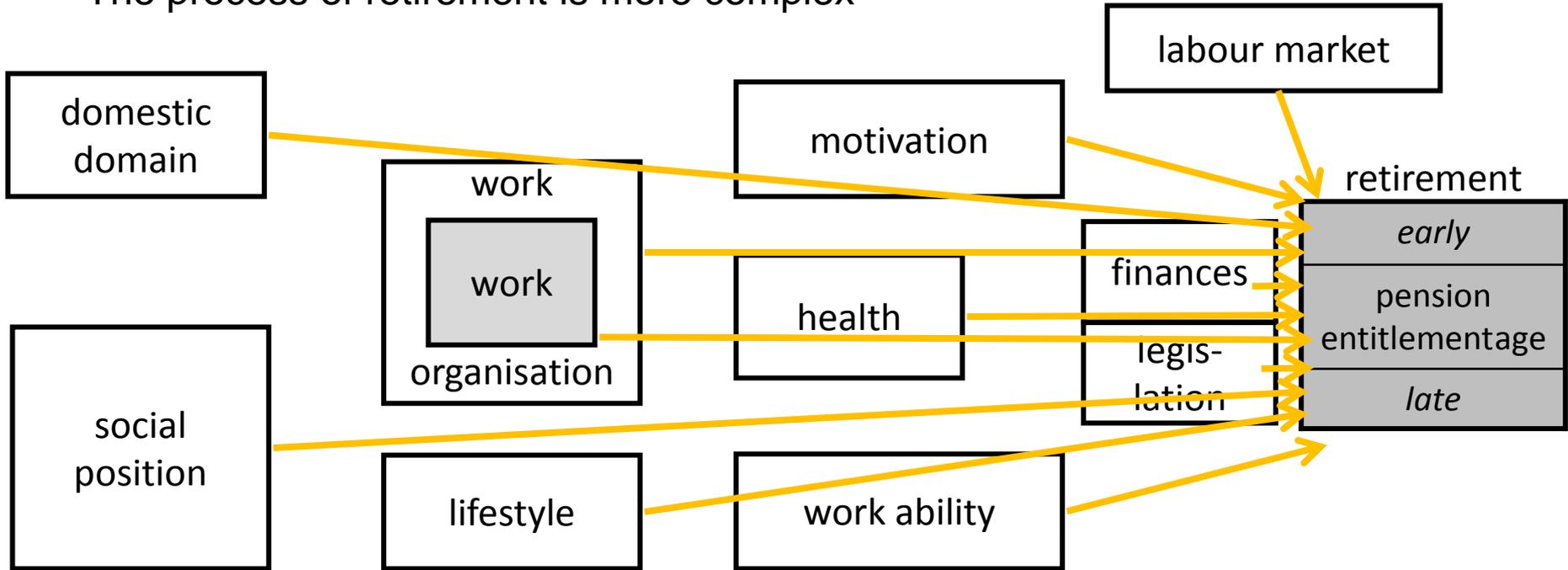
- Evidence collection
 - European level
 - National level
- Interdisciplinary broad view
- Guidance by the lidA conceptual framework

lidA conceptual framework

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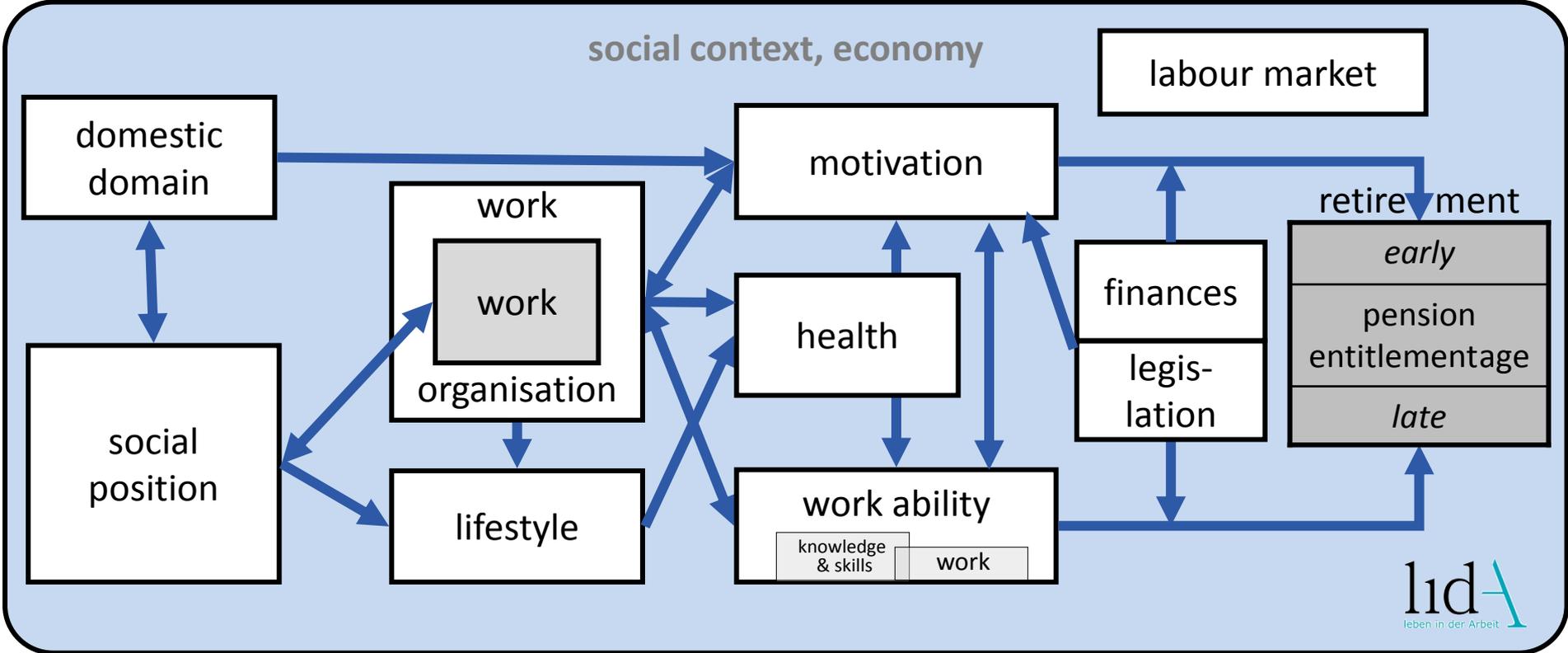
Determinants of employment at higher working age

- Many factors contribute to retirement
- Traditionally, in all domains, the relation with retirement is examined separately
- The process of retirement is more complex



lidA conceptual framework

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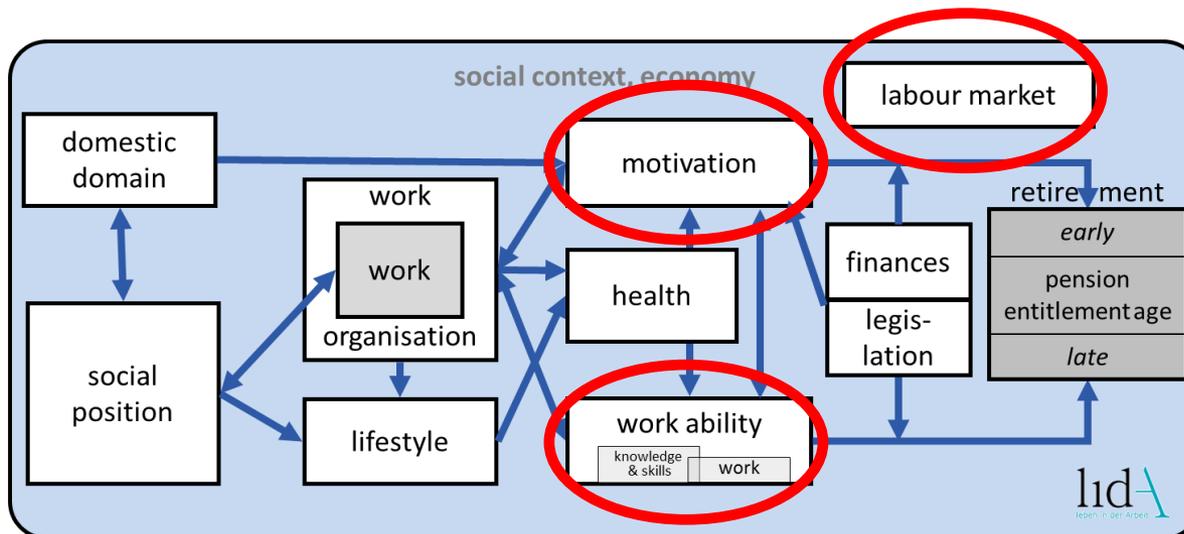


Influences on work participation

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- The ability to work
- The motivation to work
- The opportunity to work



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Focus on

- people aged 50+ years
- Paid work
- Statutory pension age
- Scientific findings in peer reviewed journals and “grey literature”; published in past 10 years

Understanding employment participation of older workers

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Labour market



Legislation



Financial factors



Social position



Domestic factors



HRM interventions



Work factors



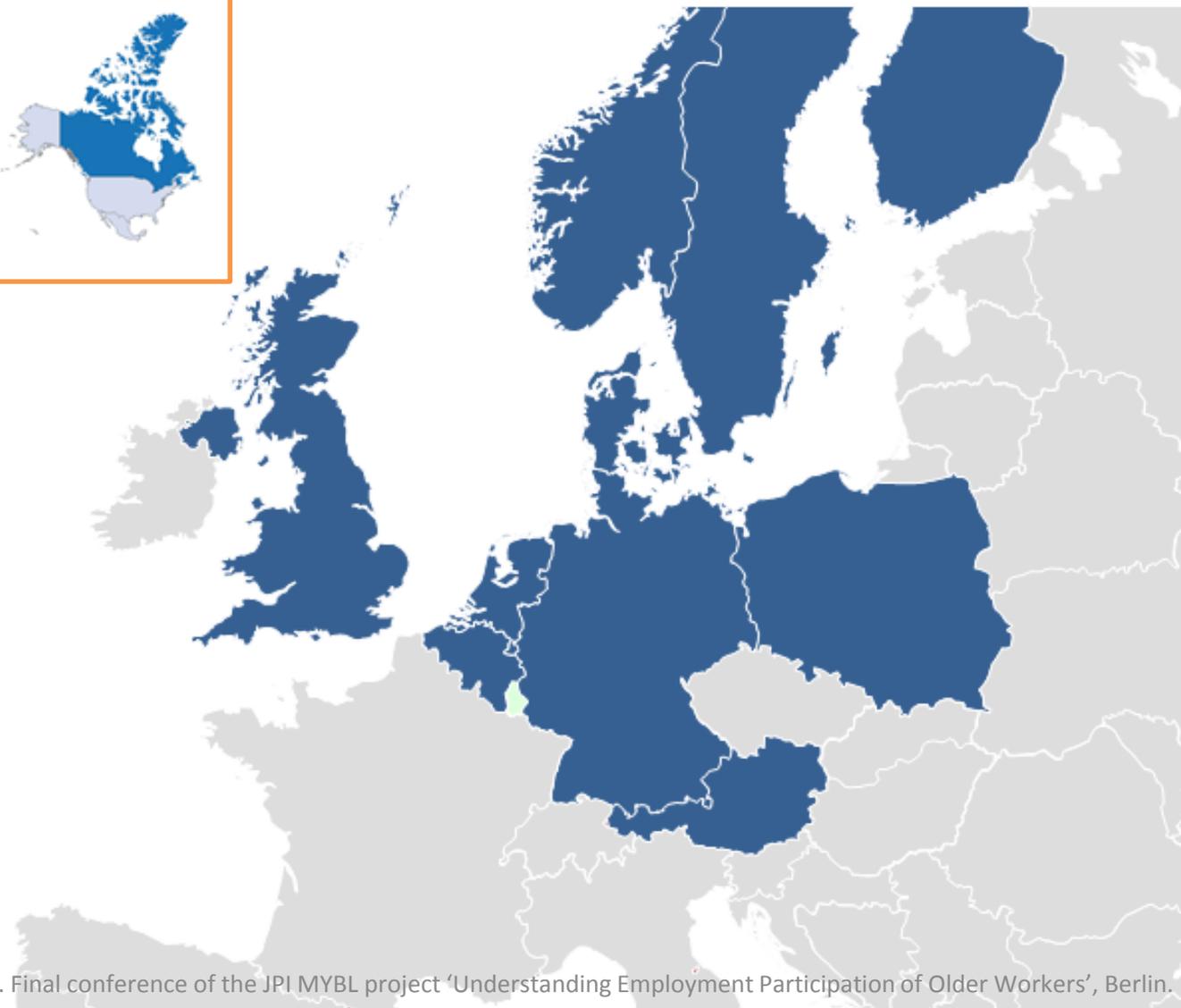
Health



Work ability



Motivation



Results

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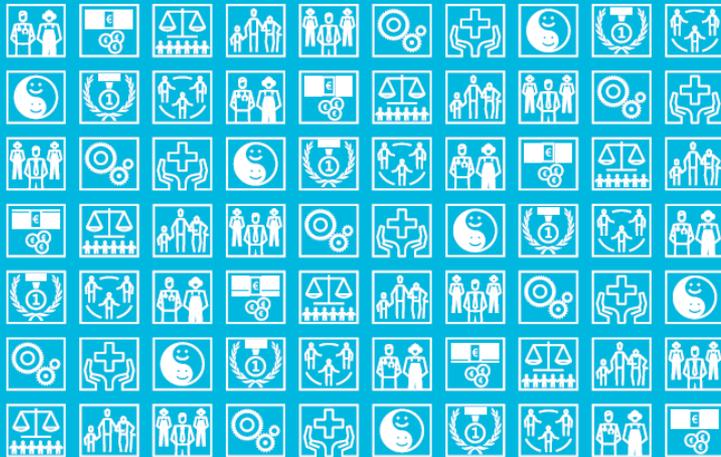
Federal Ministry of Labour and Social Affairs

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Understanding employment participation of older workers:

Creating a knowledge base for future labour market challenges

Hans Martin Hasselhorn, Wenke Apt (Editors)



National Report: Netherlands

Recommended Citation: van den Heuvel, Swenke, Astrid de Wind, Dagmar Brudek and Jaap Oude T...
 (2015) "National Report Netherlands" is the full report of the respective chapter in: Hasselhorn H, Apt W (2015) Understanding employment participation of older workers: Creating a knowledge base for future labour market challenges. Research Report: Federal Ministry of Labour and Social Affairs (BMAS) and Federal Institute for Occupational Safety and Health (BfArh). BfArh/ BMAS, Berlin, 120 pages. Online available at: <http://www-public.bfai.de/2015/01/track-projects/understanding-employment/>

Introduction¹

Demographic characteristics
 As in many other European countries, the population in the Netherlands is ageing. It shows the proportion of older age groups in the Netherlands and in the EU 28. The percentage of people in older age groups has increased over the years. The percentage of people increased from 29.9% in 1998 to 37.3% in 2013. Dutch figures are comparable to 28.

AGE	EU 28	2008	2013	
50 years or over	EU 28	29.9	31.1	35.9
50 years or over	Netherlands	29.9	27.7	30.9
55-54 years	EU 28	6.8	6.9	7.0
55-54 years	Netherlands	6.8	6.8	6.6
55-54 years	EU 28	5.1	5.4	6.6
55-54 years	Netherlands	5.1	5.3	6.0
60-64 years	EU 28	4.4	4.9	5.5
60-64 years	Netherlands	4.4	4.4	4.9
65-69 years	EU 28	4.1	4.1	4.1
65-69 years	Netherlands	3.5	3.5	3.5
70-74 years	EU 28	2.7	2.8	2.8
70-74 years	Netherlands	2.7	2.7	2.8
75-79 years	EU 28	3.2	3.2	3.2
75-79 years	Netherlands	3.2	3.2	3.2
80 years or over	EU 28	3.2	3.4	3.4
80 years or over	Netherlands	3.2	3.2	3.4

Labour market

The authors of this report are Swenke van den Heuvel, Jaap Oude Mulder of the University of Utrecht in the Netherlands... working group "Understanding employment participation of older workers" of the German Federal Ministry of Education and Research (BMBWF).

Domain: Health and health-related behaviour

Recommended Citation: van den Heuvel, Swenke and Astrid de Wind (2015). "Domain: Health and health-related behaviour" is the full report of the respective chapter in: Hasselhorn H, Apt W (2015) Understanding employment participation of older workers: Creating a knowledge base for future labour market challenges. Research Report: Federal Ministry of Labour and Social Affairs (BMAS) and Federal Institute for Occupational Safety and Health (BfArh). BfArh/ BMAS, Berlin, 120 pages. Online available at: <http://www.bfai.de/2015/01/track-projects/understanding-employment/>

Introduction¹

The predominant conclusion is that poor health is one of the main predictive determinants for exit from work. Partly, this conclusion is obvious as one of the main predictors is disability pension and health problems are a requirement for receiving a disability pension. However, the relation between health and employment participation appears to be more complicated. The context plays an important role, not only in the relation of health with employment but also in the relation between unemployment and in situational arrangements, such as the pension system and the availability of disability benefits. In different arrangements, such as the pension system and the availability of domestic domain and at work. For example, work participation is dependent on the use of micro routes. Finally, individual factors are important in the relation. A healthy lifestyle may have an effect on health and thus on employment participation. But also intervention to work and financial resources are important factors that may moderate the relationship. Furthermore, many of these factors are interdependent.

The complexity of the relation between health and employment participation is also illustrated by the figure below, which is derived from the "lid" study. The figure shows the multitude of factors influencing employment participation, as well as the complexity of the relations. For this reason, research into the role of health should not be limited to the single relation between a health factor and employment participation, but should adopt a multifactorial interdisciplinary approach. Studies should illustrate how health plays a role in the complex process of the extent of employment participation of ageing workers.

¹ The authors of this report are Swenke van den Heuvel and Astrid de Wind of TNO in the Netherlands. They were national representatives in the working group "Understanding employment participation of older workers" of the German Federal Ministry of Education and Research (BMBWF). The authors of this report are Swenke van den Heuvel, Jaap Oude Mulder of the University of Utrecht in the Netherlands... working group "Understanding employment participation of older workers" of the German Federal Ministry of Education and Research (BMBWF).

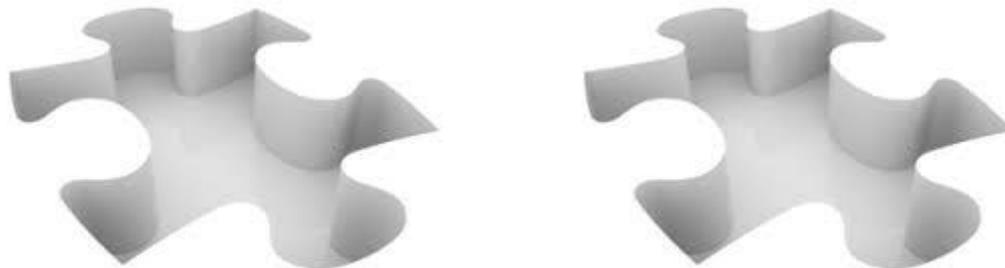
Results

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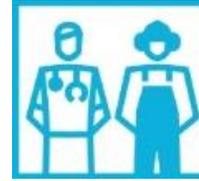
By domain



Research gaps



Labour market



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Older workers are less likely to lose their job than younger workers, but when they do, they are much less likely to find reemployment

Why?

Employers hire fewer older people because:

- *They are uncertain about their productivity*
- *They do not want to invest in older workers*
- *Older workers are too expensive*

Age discrimination?

Most countries have age discrimination laws, but their effectiveness is unsure

Legislation



MORE YEARS

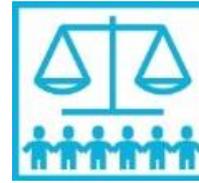
BETTER LIVES

- Pension insurance
- Conditions of early or statutory retirement
- Disability benefits
- Unemployment benefits
- Tax benefits

- Anti discrimination laws

Cutting off exit routes from work had a large effect on employment participation of older workers

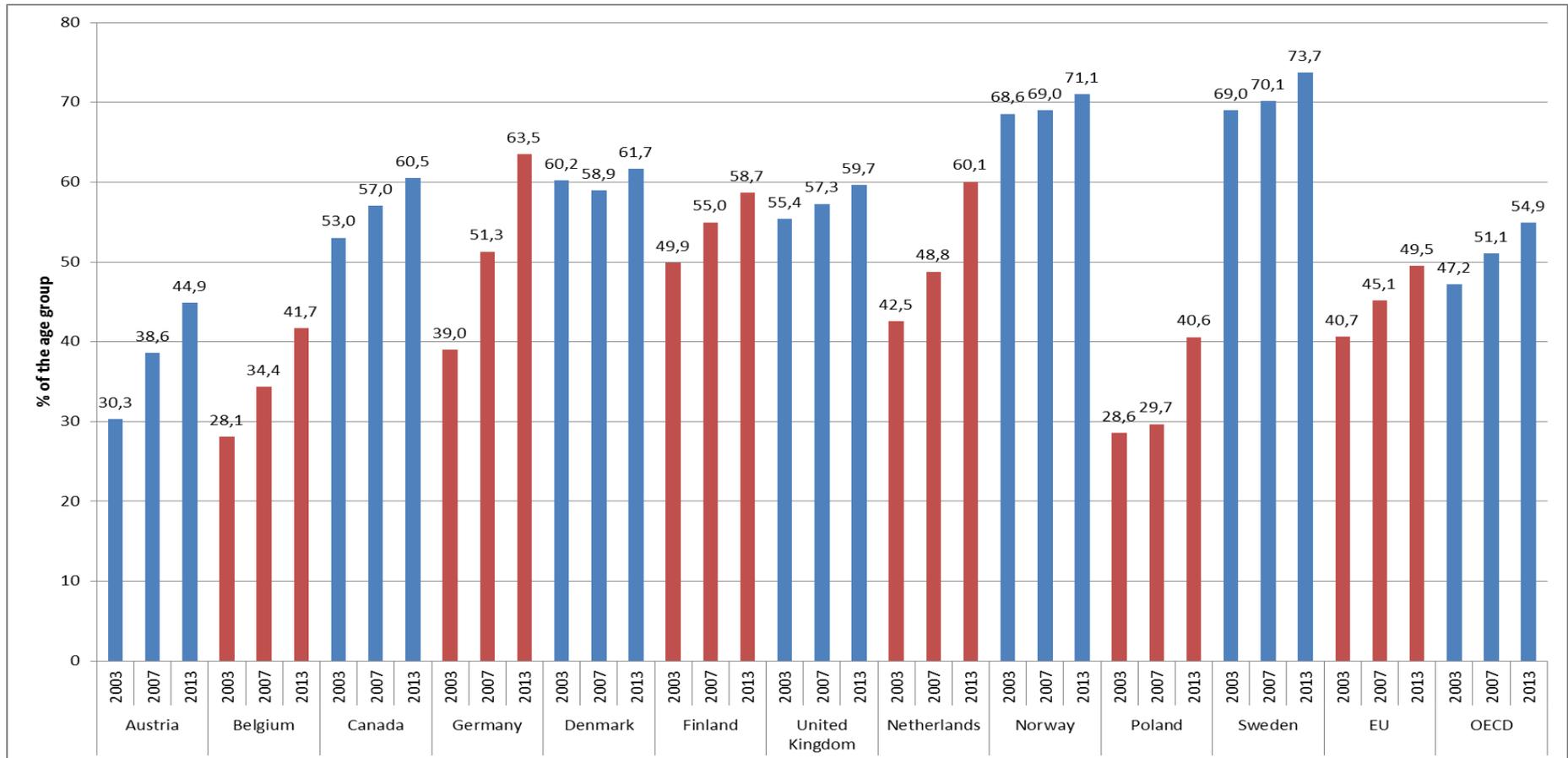
Legislation



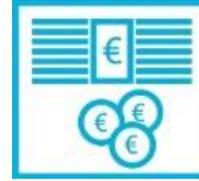
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Employment rate | 55-64 years (% of the age group)



Financial factors



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Is it all about money?

Financial incentives do affect retirement behaviour of older workers. However, this influence is complicated by the individual's health, gender and household context, as well as their financial understanding and awareness.

- Financial responsibilities (mortgage or dependent children) increase employment likelihood.
- Many older workers do not seem to fully understand the financial details of their pensions.
- In some countries people can take their state pension in full and continue working. Many of them do.

Social position

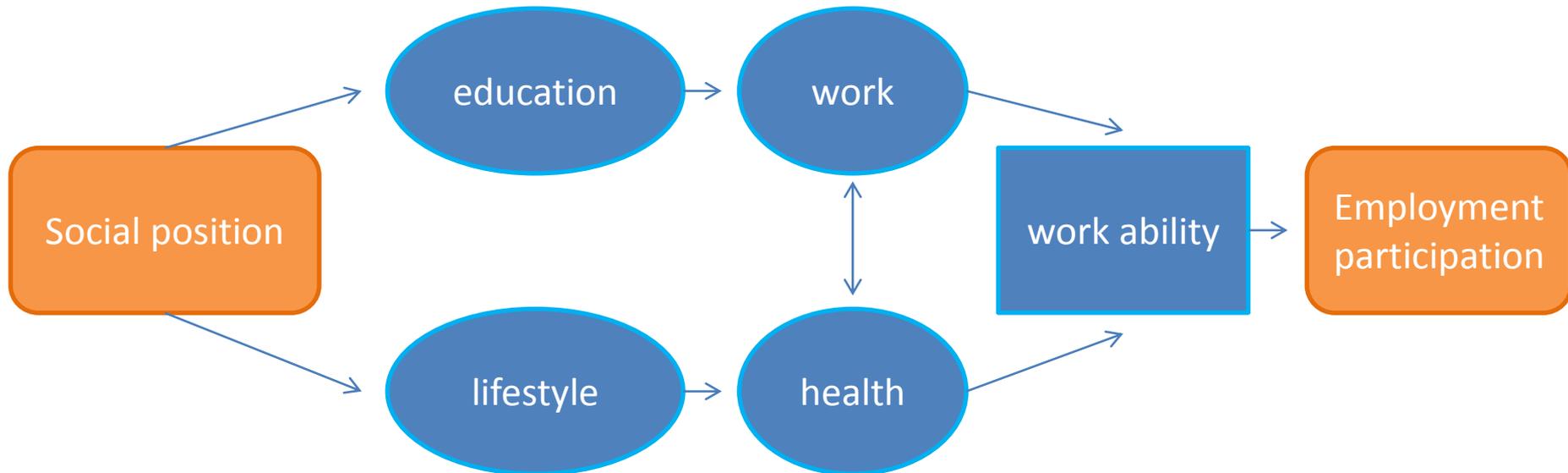


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Considerable social variation in employment participation among older workers both across and within European countries

Social position is a complex topic because it is linked to many other domains, e.g.:



Domestic and household factors



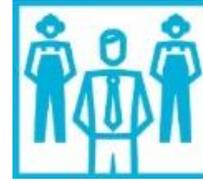
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There is an increasing agreement that people's aspirations for extending working life or retirement are rooted in households and immediate social networks

- Women's retirement paths follow their male partners (needs testing)
- The health of a partner influences employment
- caring responsibilities for different generations of the family have an important impact upon people's ability to continue working in older age

HRM and interventions



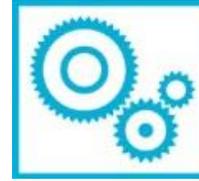
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A lack of research in the field of HRM in the field of employment participation of older workers

- Managers' attitudes towards older workers are important given that unappreciated workers tend to leave the work force earlier
- Many studies find little or no effect

Work factors



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High physical work demands and low job control are associated with disability retirement

- Only few studies on other exit routes (unemployment, early retirement without disability).
- New and emerging work factors, like the permanent availability, required flexibility and arising conflicts between work and family obligations, have not been adequately considered.
- Many studies from the Scandinavian countries, while less research evidence from central and southern Europe.

Health



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➤ Effects of health

- Poor health is a risk factor for employment participation
- Relation between health and early retirement is more complicated (good health may be a reason for early retirement)

➤ Effects of health-related behaviour

- Excessive alcohol intake is a risk factor for employment participation
- For other lifestyle factors mixed results were found; in most studies smoking, lack of physical activity and overweight/obesity were identified as risk factors for disability or unemployment but not for voluntary retirement

Work ability



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Work ability together with motivation and opportunity to work can be seen as intermediate steps to early retirement/work participation

- Research on work ability is mainly done in in Scandinavian countries
- Work ability is a strong determinant of work participation
- Many factors affects work ability, in particular health has a strong influence

Motivation



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Motivation is a key determinant in the decision-making process towards early retirement

Important motivators:

- Meaningful work
- Enjoyment of work
- A certain level of autonomy
- Social support and appreciation

However:

- Retirement intentions \neq retirement behaviour
- How do we measure motivation in scientific research?
- Decision-making? Do we have a choice?

Motivation



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Shattered Dreams: The Effects of Changing the Pension System Late in the Game

Andries de Grip**
Maarten Lindeboom***
Raymond Montizaan*

February 2009

How do employees and employers deal with the reality of longer working lives?

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The NIDI Pension Panel shows:

40%

taken by surprise by reforms

:-O

44%

extremely or very angry about raising retirement age

:-((

Moving target

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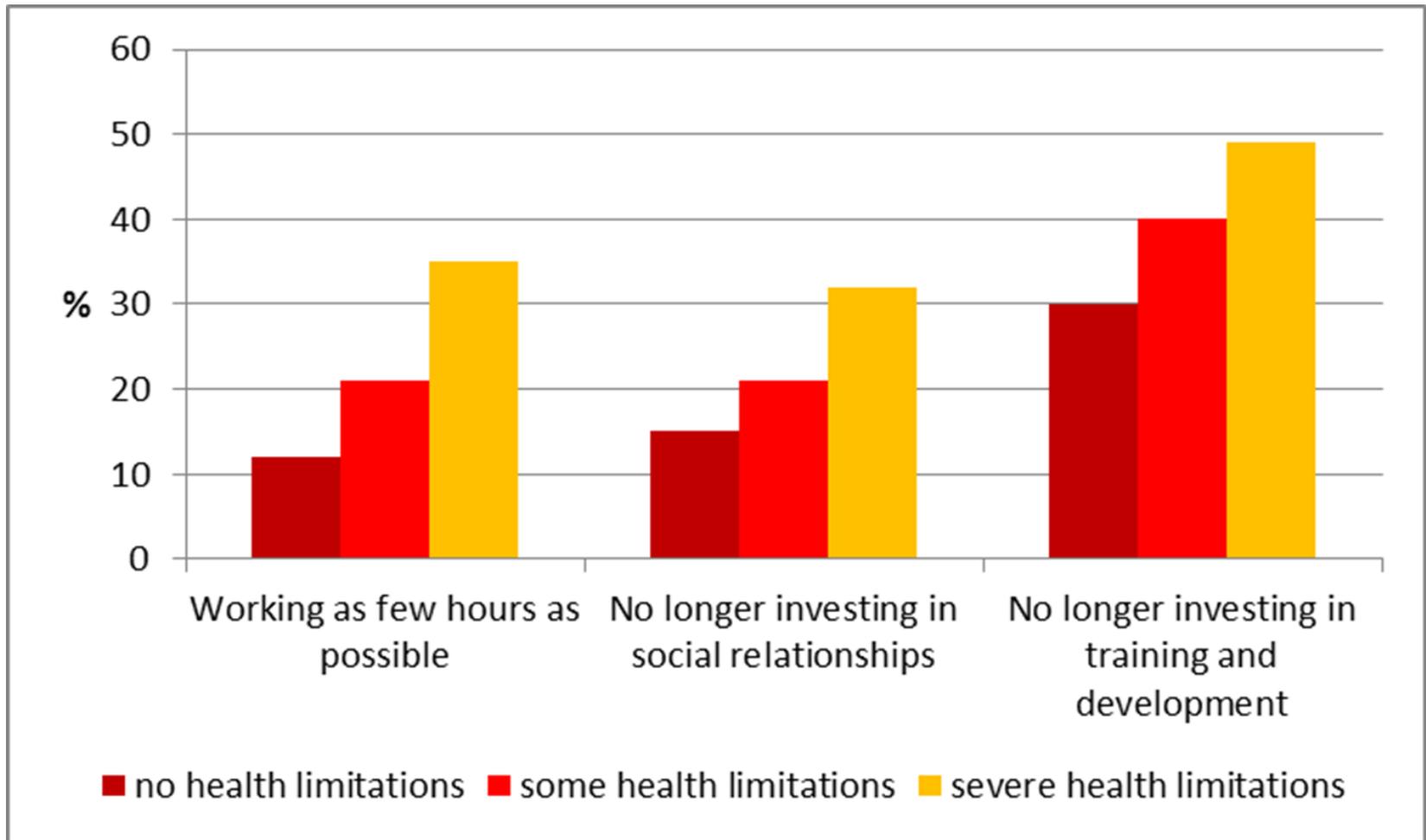
“I have been working from age 17 onwards. Initially, I could retire at age 61. That has been increased to 62, then to 65, and now to 66 years. To be honest, I am fed up with this. When does it stop?”

Male worker, born in 1953.

How do workers deal with the reality of longer working lives?

MORE YEARS

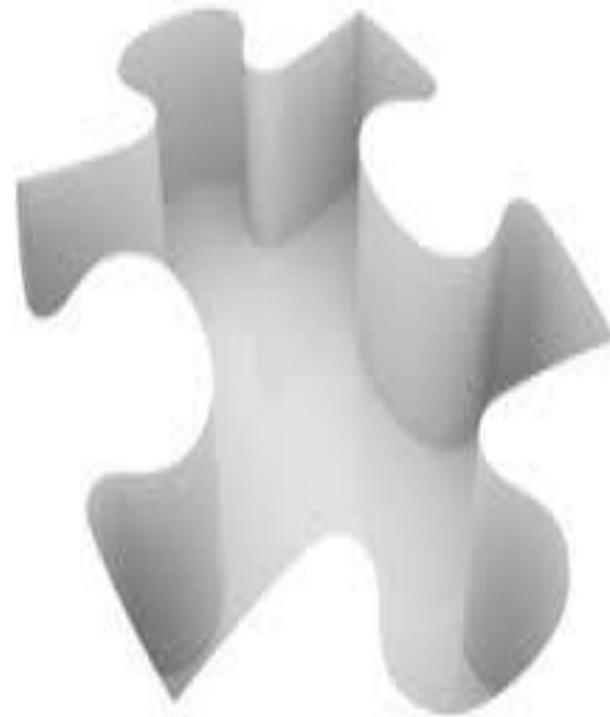
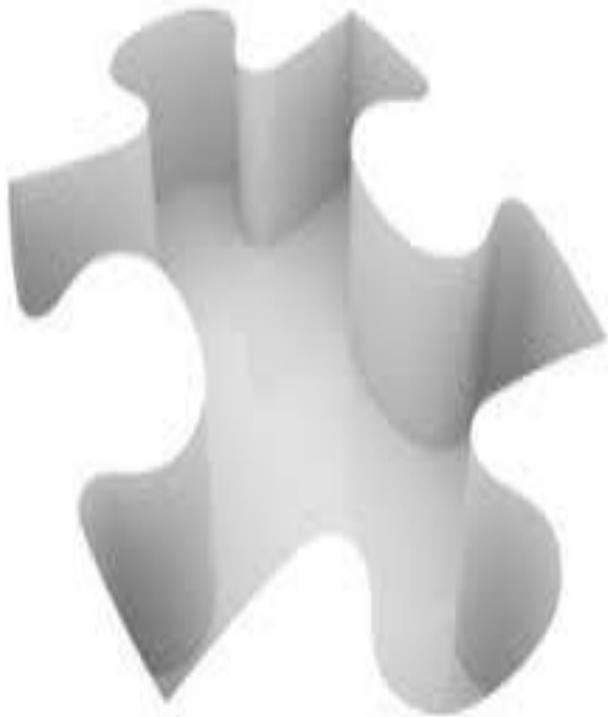
BETTER LIVES



Research gaps

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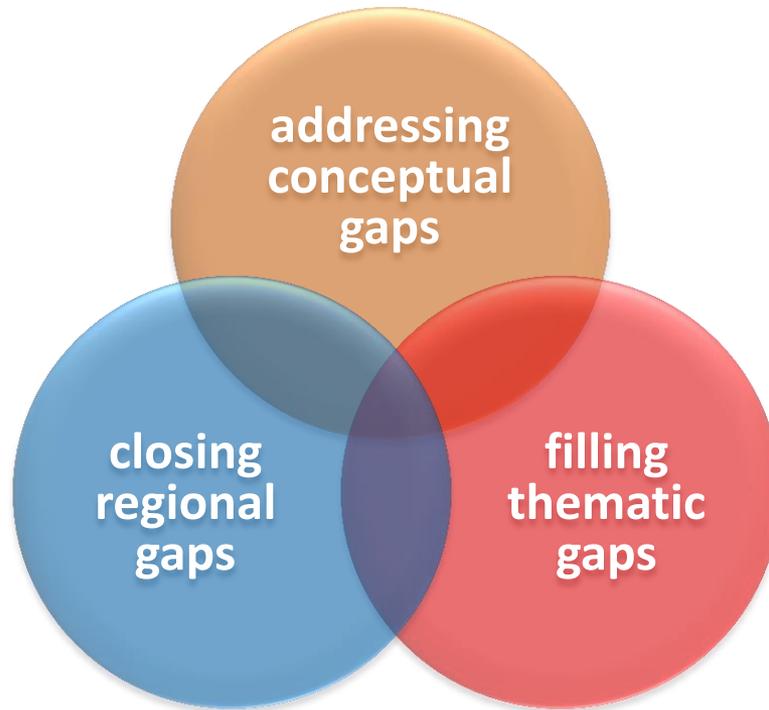


Research gaps

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Three priority areas identified:



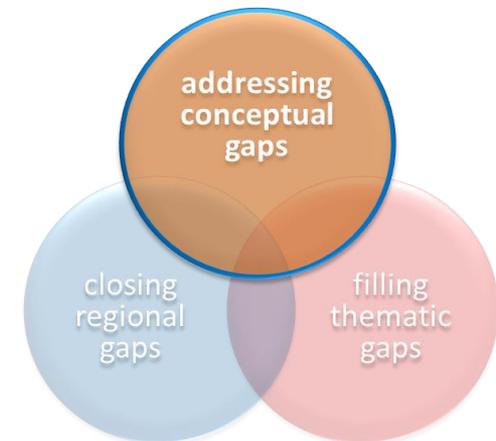
Addressing conceptual gaps

MORE YEARS

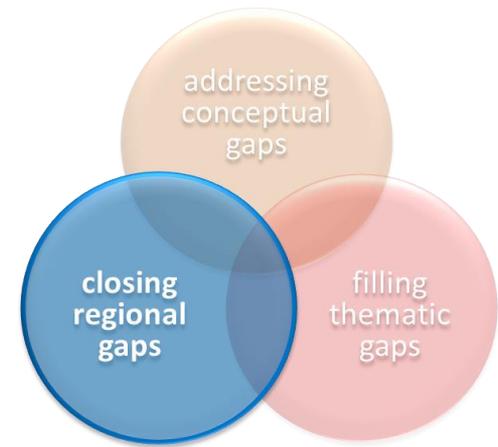
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The complexity of employment participation needs to be mirrored by research

- **Research approaches and methodology**
 - Applying a broad view
 - Cross-national research
 - Life course perspective
 - Qualitative approaches and mixed methods
 - Questioning “historical generalizability”
 - Linking register data
 - Need for valid indicators
 - Large longitudinal studies
- **Retirement and non-retirement**
 - Fragmentation of retirement
 - The issue of “non-retirement”



Closing regional gaps



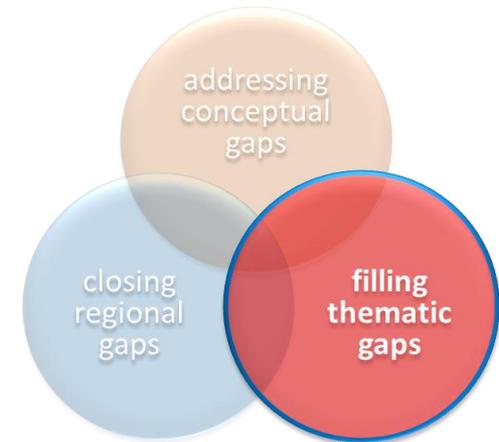
Domain	AUT	BE	CAN	DK	FIN	GER	NL	NOR	POL	SWE	UK	# by domain
Labour market												5
Legislation												4
Financial factors												11
Social position												7
Domestic factors												6
HRM interventions												7
Work factors												7
Health												5
Work ability												4
Motivation												6
# by country	2	3	4	7	9	5	8	8	2	7	7	

Filling thematic gaps

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- **Specific domains**
 - The health domain
 - The domestic domain
 - New work exposures
- **Specific groups**
 - Older women
 - Migrants
 - Social position
- **Policy-related aspects**
 - The employers' perspective
 - Organisational intervention
 - Societal costs and gains of extending working life policies



Are all gaps addressed?

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How about these themes?

New work exposures?

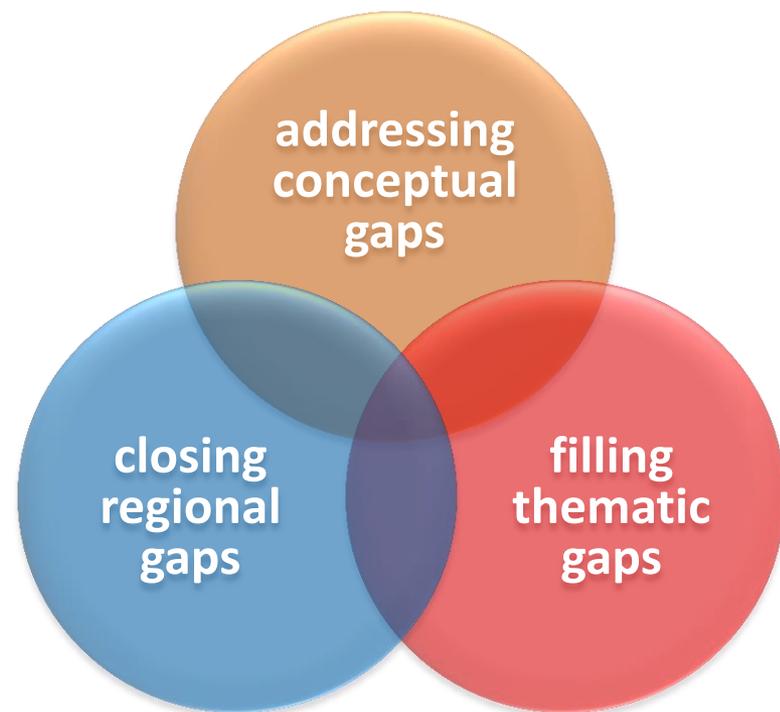
- *Technological changes, jobs at automation risk*
- *Organisational changes, availability, flexibility*

Specific groups?

- *Older women*
- *Migrants*

The employers' perspective?

- *Recruitment of older workers*
- *Interventions to a) retain older workers b) adapt work to workers with functional limitations*





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Thank you!