Employment preferences for Australia's ageing workforce: Do individual and workplace determinants differ according to socioeconomic status?

Jack Noone\(^a\), Martin Mackey\(^a\), Philip Bohle\(^a\), & Kate O'Loughlin\(^a\)

\(^a\)Ageing, Work and Health Research Unit, Faculty of Health Sciences, The University of Sydney, NSW, AUSTRALIA.

1. Introduction

The predicted economic costs of population ageing are shaping policy in Western nations towards the promotion of longer working lives. Australia's previous government increased the pension eligibility age to 67 and introduced policies to reduce age discrimination in the workplace, improve older workers' physical health and job skills, and to facilitate opportunities for caregivers to engage in paid and unpaid work. The current government is intending to increase the pension eligibility age to 70 by 2030. However, the effectiveness of these policies may be hampered by a focus on the individual (e.g. worker health) rather than workplace factors, which are known to influence health and employment participation. In addition, people with fewer socioeconomic resources are more limited in their retirement choices, yet are the most likely to be forced into retirement due to poor health. Increasing the pension age could make their lives more difficult as they wait for pension eligibility.

The study aim is to identify the extent that individual and workplace factors are associated with employment status (employed versus not employed) and workers' preference to remain employed or retire. Research findings are compared with current policy directions to evaluate their potential effectiveness and to identify further avenues for promoting health and economic participation.

2. Methods

This research is based on the responses of 1,541 Australians aged 45 to 65 years old who are either in or out of paid employment (response rate = 60%). The participants were selected from nationally representative databases and were surveyed with computer assisted telephone interviewing by an ISO accredited organisation in 2009.

Employment status and preferences for employment (workers only) were the dependent variables. Mental and physical health (SF-12), perceived age discrimination, caregiving status, person-job fit, commitment to employment, work-life conflict, financial dependents, financial pressure, and gender were the independent variables.

Logistic regression was performed for employment behaviour and for employment preferences using Mplus. Analyses were run separately for higher and lower socioeconomic groups using a median split on the financial pressure item.

3. Results

Employment status. For the higher SES group, no caregiving commitment (β=-.31), good physical health (β=.26), and younger age (β=-.26) were the strongest associates of employment versus non-employment. For the lower socioeconomic group, similar relationships between physical health, caregiving and employment status were identified. However, the presence of financial dependants increased the likelihood of employment for lower SES participants, but not the higher SES group.

Employment preference. For the higher SES group, commitment to employment (β=.38), person-job fit (β=.24), and work-life balance (β=.10) increased the likelihood of preferring to remain employed. For the lower SES group, preference for employment over retirement was associated with employment commitment (β=.25), caregiving (β=.18), and good physical health (β=.17).

4. Discussion

The findings support policy focus on improving worker health and providing flexible conditions for caregivers. However, results also suggest a lack of employment choice for lower socioeconomic workers. This group's employment preferences did not depend on perceived workplace quality in terms of work-life conflict or
person-job fit. Instead, caregiving commitments, which may necessitate continued employment, were more important determinants. In contrast, a positive workplace environment was associated with wealthier workers' preference to remain employed whereas individual factors such as caregiving and health were not. Those who can afford to retire may prefer to do so if workplace conditions are perceived as poor, but those who cannot afford to retire may not have the same flexibility.

Pilot intervention studies could look to improve workforce participation by reducing work-life conflict, by identifying methods for improving person-job fit, and enhancing organisational commitment. While these interventions may not directly improve the workforce participation of lower SES groups, they may have an indirect influence via the health benefits of a positive workplace environment. Limited employment choices add to the vulnerability of lower socioeconomic workers. It is therefore important that financial provisions are put in place to support those leaving the workforce before pension eligibility age is reached.

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