

# RESEARCH OF SOME ASPECTS ABOUT THE ELDERLY EMPLOYED IN THE LATVIAN LABOUR MARKET

**Irena SILINEVICA**

Dr.sc.ing., leading researcher, professor, Rezekne Academy of Technologies, Rezekne, Latvia, e-mail: irena.silinevica@ru.lv

**Abstract.** *The seniors are among the resources to reduce tension in certain labour market areas and promote further economic development. Taking into account the aging population trends, the role of seniors will increase in Latvia's labour market. The aim of this research study is to explore the self-assessment of the elderly employed about their abilities to work competitively at pre-retirement age and go on to work at pension age. The research has verified some theoretical findings about the elderly people in the labour market by using content analysis, comparative analysis, synthesis, and the abstract and logical construction methods. The self-assessment of the employed aged above 50 about their abilities to compete in labour market is analysed in the research. A survey of the pre-retirement and pension-aged employees is carried out in the research. The main findings of the research are as follows: the development of technologies and the raising standard of living in Latvia creates new social opportunities for pre-retirement and retirement-age people to go on to work. The stereotypes in society on the preretirement and retirement-age employees are out of date and need to be changed. There are recommendations for improvement of competitiveness of the elderly employed in the labour market developed in the paper.*

**Keywords:** *retirement, labour market, labour discrimination.*

**JEL code:** *J0, J210, J2, J260*

## Introduction

The global population aged 60 years or over numbered 962 million in 2017, that is more than twice as large as in 1980 when there were 382 million elderly persons worldwide. The number of older persons is expected to double again by 2050 – it is projected to reach nearly 2.1 billion. Population ageing – the inevitable increase in the share of the older persons that results from the decline in fertility and improvement in survival that characterize the demographic transition – is occurring throughout the world. Each of the 201 countries or areas with at least 90,000 inhabitants in 2017 is projected to see an increase in the proportion of persons aged 60 or over between 2017 and 2050 (World population ageing, 2017).

In recent years, there were significant market changes in the structure of unemployment in the global labour market. This is due to the fact that the global workforce is rapidly aging and the share of people aged 50 and over in the structure of the labour market is increasing. The employment rate falls with the age in all OECD countries. For individuals aged 55 to 59 years, the average employment rate across all OECD countries was 69.6% in 2016, 46.3% for the 60 to 64 age group and 20.9% for those aged 65 to 69. In twelve

OECD countries, the employment rates were above the OECD average for all age groups aged 55 and over; by contrast, it was below average for all age groups in ten OECD countries. The employment rates of people aged 55 to 64 have improved since the beginning of the century in most OECD countries, from 44.0% in 2000 to 58.4% in 2016 (Employment rates of..., 2017).

In 2016, the EU-28 employment rate for persons aged 20 to 64, as measured by the EU labour force survey (EU LFS), stood at 71.1%, the highest annual average ever recorded for the EU. Behind this average large differences between countries can nevertheless be found. The only Member State with a rate above 80% is Sweden (81.2%) (Employment statistics, 2018). Sweden has had, compared with many other countries, a relatively old population for many years. Sweden has one of the Europe's highest labour force participation rates among older workers. Good health and high education level are the most important factors for a long career and late retirement in Sweden (National report: Sweden, 2015).

There are quite a few other reasons for Norway and Switzerland: the seniors continue to work, because work makes them happy. The financial motivation in these cases is not significant. In Iceland, a large part of the seniors' motivation to continue to work is job satisfaction, but financial reasons are also important. Account should also be taken of the fact that the retirement age in Iceland is also significantly higher (67 years). Early retirement and low seniors' activity in the labour market, especially for women, are in France, Italy, Spain (Opmane, 2018).

Demographic burden indicators in Latvia have been calculated since 1990. Over time, the main age groups of the population have changed, and different age has been used for men and women. In 2017, the working age was set at 15-62, above the working capacity – age 63+. As indicated by the age structure statistics, like in the great majority of the European Union countries, Latvia's population is ageing. At the beginning of 2016, out of 1.969 million people, children (aged under 14) constituted 15.3%, the population at working age (aged 15–61) – 61.5%, and people at retirement age (aged over 62) – 23.2%. Since the beginning of 2011, the number of Latvia's population at working age has dropped by 9.0%, while the number of people at retirement age has grown by 1.9% (Number population and..., 2018). Taking into account the aging population trends, the proportion of the older people will continue to increase.

Aging is a series of processes that begin with life and continue throughout the life cycle. It represents the closing period in the lifespan, a time when the individual looks back on the life, lives on past accomplishments and begins to finish off his/her life course. Adjusting to the changes that accompany old age requires that an individual is flexible and develops new coping skills to adapt to the changes that are common to this

time in their lives (Warnick, 1995). The generation over 50 is the generation of baby-boomers, those born between 1943 and 1960. They are a hard working generation that feel the need to be valued for their contribution. People aged 50 and over face a range of specific barriers related to their age. One of the biggest hurdles is age discrimination, based on stereotypes and myths about the limitations of older workers.

**The aim** of the research is to explore the self-assessment of the elderly employed about their abilities to work competitively at preretirement age and go on to work at pension age.

**The hypothesis** of the research. Development of technologies and the raising standard of living in Latvia creates new social opportunities for pre-retirement and retirement-age people to go on to work. The stereotypes in society on the pre-retirement and retirement-age employees are out-of-date and need to be changed.

To achieve the aim, several **tasks** were defined:

- to give insight into some theoretical findings about elderly people in the labour market;
- to carry out a survey of the elderly employed on their ability to go on to work;
- to analyse the results of the survey;
- to work out recommendations for improvement of competitiveness of the elderly employed in the labour market.

The research **object**: the elderly employed.

The research **subject**: the factors influencing the decision making of the elderly employees to continue to work.

**Novelty**: The ability of the elderly people employed to continue to work at pension age competitively is analysed. The offered recommendations could be used in development of a working life extension programme in Latvia.

To accomplish the objectives of the research, the following methods were used: content analysis of research findings concerning the elderly workforce, statistical data analysis, SPSS, comparative analysis, synthesis, the abstract and logical construction methods for studying the elderly workforce.

### **Some findings about age discrimination**

Recognizing ageism as a form of oppression, ageism describes the stereotyping, dehumanization, and discrimination of people based on their age. In addition to being a form of oppression, ageism has serious effects on the older people's ability to gain and maintain employment, health outcomes, and is considered as a contributor to the elders' abuse. Radovich-Markovich

(Radovič-Markovič, 2013) have studied many published documents about age discrimination in range of countries and worked out remarkable findings. There are numerous stereotypes that pose a major barrier to employment of persons aged 55 and over. These stereotypes suggest that older workers: (a) are less motivated in learning new skills, (b) are less physically active and mentally prepared to respond to the demands of their jobs, (c) with a low level of qualification, they are prevented from advancing in their career or getting a job. These stereotypes are dealt with individually. Employers are not willing to invest in the education of their employees, which would in turn improve their competencies and enable them to earn more. They are not interested in investing in older people because of uncertain returns.

Recent literature reveals that age discrimination is present when the age of applicants is taken into consideration in decision making, instead of making decisions on the basis of the individual's merits, experience, and quality of performance. Besides, there are stereotypes about older people being less active physically and also not really capable mentally of meeting the requirements of their jobs, in comparison with younger people. Many go as far as adding other handicaps of older people, such as lack of creativity, lack of interest in gaining new knowledge, etc. (Radovič-Markovič, 2013).

Aging is a natural process and healthy elderly people are an important resource for their families, for their communities as well as for the economies of their countries. The goal of any society should be to provide people an opportunity to work and be productive as long as they wish to do so. However, there are different reasons for and attitudes associated with unemployment after the age of fifty. Some people feel it is inevitable because of their age, but others keep trying to get a job (Radovič-Markovič, 2013).

Each generation has skills and talents that may complement one another and leverage an engage workforce leading to higher productivity and a competitive advantage (Barabaschi, 2017).

The employment of seniors in Latvia is relatively high, however, examples from some other countries show that it can still be increased. Thus, we can conclude that seniors are among the resources to reduce the tension in certain labour market areas and promote further economic development. In addition, taking into account the aging population trends, the role of seniors will increase (Opmane, 2018).

### **Empirical study. The survey of the elderly employees**

Decision to go on to work of people at retirement age in Latvia includes many reasons. **The aim** of the survey is to investigate the self-assessment of the elderly employees at pre-retirement and pension age about their abilities

to compete in the labour market. Three age groups (50 +, 60 +, and 70 +) of the elderly employed participated in the survey. The survey was carried out electronically and the sample was not big, only 50 respondents. Therefore, the study might be considered just as a pilot project.

The survey included questions related to assessment of the respondents' workplaces, questions concerning their personal qualities/skills applied at work, questions concerning their fears, and the respondents' attitude to the activities applied at work.

**Analysis of the survey results**

The survey has included questions related to assessment of the factors of their workplaces. Do people have a friendly environment in their workplaces? Do the employees have job satisfaction? Term 'friendly workplace' in this study includes several factors (see Table 1). These friendly workplace factors should be seen as external motivator factors in decision about going on to work.

Table 1 Friendly workplace factors, confirmed by the respondents, in breakdown by age groups: 50+, 60+, 70+ *(Source: compiled by the author)*

<b>Friendly workplace factors</b>	In total (%)	Age group 50+ (%)	Age group 60+ (%)	Age group 70+ (%)
Job as a hobby	44	36	35	100
Be happy at work	18	33	21	83
Be an advisor to colleagues	70	66	79	66
Feeling respect from colleagues	70	56	85	100
Friendly communication	64	53	79	83
Sharing experience	74	66	79	100
Team support	56	50	64	66
Trust in colleagues	30	43	57	66

The employees of the age group 70+ have mostly confirmed their motivation to work as follows: for them work is a hobby, they are happy at work, they feel respect from their colleagues, they share their experience, they perform their duties and they are responsible in relation to their duties, they are advisers to their colleagues, they feel friendly communication in their job places, they feel the team support, they trust colleagues (Table 1).

The employees of age group 60+ have mostly confirmed their motivation to work as follows: they are respected by colleagues, they are advisers to their colleagues, they share their experience, they feel friendly

communication in their job places, they feel the team support. Just every fifth is happy at work (Table 1).

The employees of the pre-retirement age group 50+ mostly have confirmed their motivation to work as follows: they are advisers to their colleagues, they share their experience, they are respected by colleagues. Just every third is happy at work (Table 1).

The unfriendly workplace factors confirmed by the respondents, in breakdown by age groups: 50+, 60+, 70+ are summarized in Table 2. These unfriendly workplace factors should be seen as external factors in decision making about going on to work.

Table 2 Unfriendly workplace factors, confirmed by the respondents, in breakdown by age groups: 50+, 60+, 70+ (Source: compiled by the author)

<b>Unfriendly workplace factors</b>	<b>In total (%)</b>	<b>Age group 50+ (%)</b>	<b>Age group 60+ (%)</b>	<b>Age group 70+ (%)</b>
Work is hard	2	3	7	0
Tedious work	13	27	35	0
Completely exhaust the power	14	27	42	0
Colleagues are annoying	4	6	14	0
Unpaid additional work	30	30	35	16
Low rated work	26	36	21	0
Colleagues are waiting for my retirement	8	3	14	16

The employed pensioners of age group 70+ have mostly stated that their job is not hard, is not tedious, nor low rated, it does not completely exhaust their energy (Table 2).

The employees of age group 60+ have mostly confirmed that their job is not hard. Each third respondent have confirmed that work is tedious and additional work is unpaid. In this group, 42% of the respondents have confirmed that their job completely exhausts their power (Table 2).

The employees of the pre-retirement age group 50+ have mostly confirmed that their job is not hard. Each fourth respondent has confirmed that job is tedious and completely exhausts their power, 30% of them have confirmed they have unpaid additional work (Table 2).

Behavioural factors largely determine the well-being of people in the workplace. These factors should be seen as internal motivator factors in decision making about going on to work. Therefore, in the survey, questions related to the behavioural factors possibly assigned to the respondents were included (Table 3).

Table 3 Behavioural factors, confirmed by the respondents, in breakdown by age groups: 50+, 60+, 70+ (Source: compiled by the author)

Behaviour factors	In total (%)	Age group 50+ (%)	Age group 60+ (%)	Age group 70+ (%)
Control yourself	60	46	79	83
Loyalty	72	60	85	100
Execution of duties	66	56	71	100
Responsibility	82	76	85	100
Zealous	54	50	64	66
Self-confidence	50	23	35	50

According to the data (Table 3), the effect of the all behavioural factors, mentioned in Table 3, increases with age. Loyalty, execution of duties, and responsibility are very high rated by all the respondents of the age group 70+.

The factors such as willingness to acquire new knowledge and new experience should be as internal motivator factors in decision making about going on to work.

The data (Table 4) show that the respondents of all groups of the employees at pre-retirement and pension age have willingness to acquire new knowledge (78%) and new experience (72%).

Table 4 Internal motivator factors in breakdown by age groups: 50+, 60+, 70+ (Source: compiled by the author)

Internal motivator factors	In total (%)	Age group 50+ (%)	Age group 60+ (%)	Age group 70+ (%)
Willingness to learn new knowledge	78	66	78	66
Willingness to learn new experience	72	73	78	66
Importance of the own appearance	66	56	71	100
Importance of the others' opinions	44	40	57	33

The importance of the own appearance is noted by 66% of all the respondents. It is much more important than the importance of the others' opinions (44%). It means that the elderly employees willingly take care of their appearance for their good feelings, not for the others.

The habits of the employees largely determine decision making to go on to work or not. Therefore, the questions related to habits of respondents were included in the survey (see Table 5 Fig. 1).

Table 5 Habits of the respondents in breakdown by age groups: 50+, 60+, 70+ (Source: compiled by the author)

Habits	In total (%)	Age group 50+ (%)	Age group 60+ (%)	Age group 70+ (%)
Traveling	68	60	71	100
Cooking	32	33	28	33
Healthy lifestyle	48	36	50	100
Daily gymnastics	20	13	21	33
Maintaining physical condition	52	46	50	83

The elderly employees are active, their activity has grown with age (see Fig. 1). Less active are the employees aged 50+, more active are the employees aged 70+.

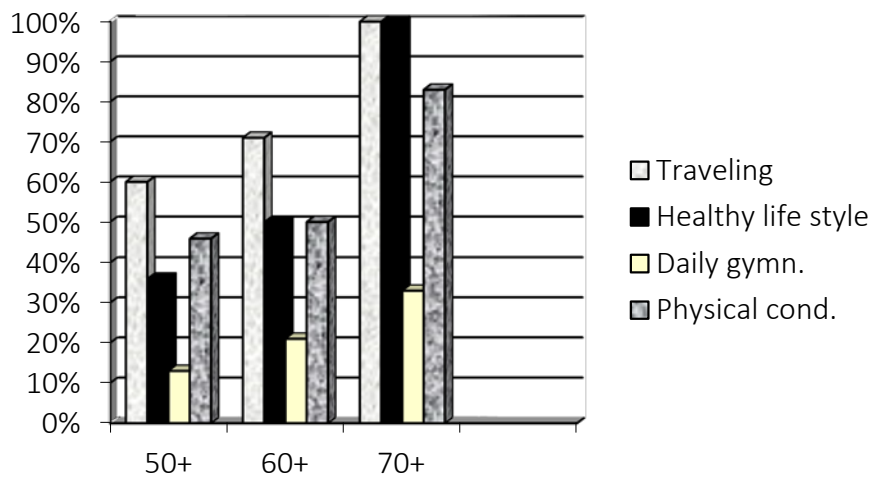


Fig. 1 Habits of the respondents in breakdown by age groups: 50+, 60+, 70+ (Source: compiled by the author)

Traveling (68% in total) is popular among the elderly employees, especially among the employees aged 70+. Also, the healthy lifestyle of older workers increases by the age. All the respondents aged 70+ have a healthy lifestyle. Just each third employed aged 50+ has a healthy lifestyle, according to the data (Table 5). Over the years, people take more care of their health and have a healthier lifestyle. The same conclusion could be drawn about physical activities – daily gymnastics. The importance to maintain good physical condition was confirmed by 52% of all the respondents: 46 % - the employees aged 50+, 50% - the employees aged 60+, 83% - the employees aged 70+.

The following responses were provided to the question: “What your personal qualities/skills are applied at work and to what extent?” (See Table 6).



Table 6 To what extent your personal qualities/skills are applied at work, confirmed by the respondents (*Source: compiled by the author*)

Personal qualities/ skills	Not at all (%)	A little (%)	Average (%)	Largely (%)
Experience	0	4	18	78
Knowledge	0	6	22	72
Helpfulness	0	12	42	46
Goodness	2	24	36	38
Communication skills	0	6	32	62
Conflict resolution skills	2	20	38	40
Sense of responsibility	0	10	20	70
Carefulness	2	6	26	66
Creativity	4	6	36	54

According to the data (Table 6), the experience and knowledge of the employees are mostly applied at work. The sense of responsibility, carefulness, and communication skills are highly estimated at work in the respondents' opinion.

The following responses were given to the question: "What is your personal attitude to the following activities applied at work and what extent to?" (See Table 7, Fig. 2)

Table 7 Respondents' attitude to the activities applied at work (*Source: compiled by the author*)

Activities applied at work	Attitude			
	I don't need it (%)	I can't do it (%)	I will, but don't get to others (%)	I can do it (%)
Learning new skills	4	8	4	88
Training	4	14	0	82
Learning foreign languages	8	40	4	48

According to the data (Table 7), the attitude of the elderly employees to learning new skills (88%) and to training (82%) is positive. The attitude to learning foreign languages is not so optimistic, just 48% of all the respondents confirmed their ability to learn foreign languages.

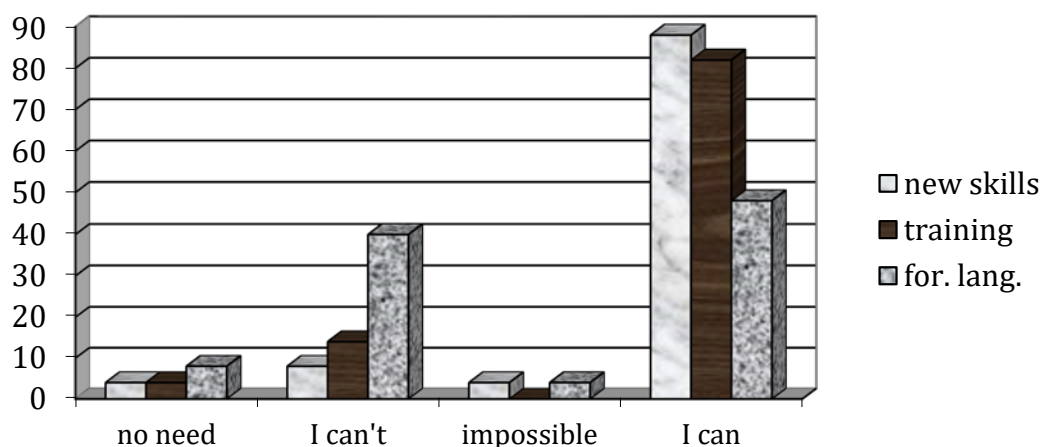


Fig. 2 Respondents' attitude to the activities applied at work  
(Source: compiled by the author)

The following responses were provided to the question: "What are your fears and to what extent?" (See Table 8)

Table 8 Fears in breakdown by their influence, confirmed by the respondents (Source: compiled by the author)

The fears	No effect (%)	Moderately (%)	Strong effect (%)
Losing the job	30	48	22
Rivalry	46	46	8
Failure to catch novelties at work	52	38	10
Loneliness	46	34	20
Sicknesses	20	32	48
Family problems	28	32	40
Financial difficulties	34	30	36

Most elderly employees are afraid of sicknesses (strong effect – 48%, moderately – 32%, no effect – 20%), family problems (strong effect – 40%, moderately – 32%, no effect – 28%), and financial difficulties (strong effect – 36%, moderately – 30%, no effect – 34%). Fear of rivalry (strong effect – 8%, moderately – 46%, no effect – 46%) and fear of failure to catch novelties at work (strong effect – 10%, moderately – 38%, no effect – 52%) are lower.

### Conclusions and suggestions

Physical and psycho-social qualities influence attitudes towards retirement. The attitude of the elderly employees to learning new skills and to training is positive. The attitude to learning foreign languages is not so optimistic. The experience and knowledge of the elderly employees are

mostly applied at work. The effect of the loyalty, execution of duties, and responsibility increases with age. Most of the older employees are afraid of sickness, family problems, and financial difficulties.

The stereotypes that older employees are not motivated enough to learn new skills and new experience are not confirmed in the research. One of the stereotypes is that the elderly people are less physically active and less mentally prepared to meet the demands of their jobs than the younger age groups. The findings of the research confirm that the sense of responsibility, carefulness, and communication skills of the elderly employees are highly appreciated at work. Over the years, people take more care of their health and have a healthier lifestyle. The awareness of a healthy lifestyle of elderly workers increases by the age. Therefore, the stereotypes in society about the pre-retirement and retirement-age employees are out-of-date and need to be changed.

It is the fact that the workforce is rapidly aging and the share of people aged 50 and over in the structure of the labour market is increasing. The development of technologies and the raising standard of living in Latvia creates new social opportunities for preretirement and retirement age people to go on to work. Therefore, it is necessary to turn serious attention to the development of the abilities of the elderly employees at the national level to encourage the employees to continue to work at pension age. It is necessary to develop the working life extension programme in Latvia. The aim of this programme should be to help the elderly employees to adapt to the rapidly changing environment and to give people an opportunity to work and be productive as long as they wish to do so. This programme should include coaching training in the digital environment, which would help the elderly employed to increase their self-confidence, keep up a healthy lifestyle, better integrate into a team, and create values. This programme would stimulate the creation of a favourable organizational culture and a positive work environment in firms for the elderly employed.

The promotion of extension of working life is poorly studied and need to be developed not just at preretirement age but also at early stages of careers of the employed.

## References

1. BARABASCHI, B. (2017). Ageing Issue in Activation Labour Policies: The 'Intergenerational Approach' to Tackle Unemployment. Retrieved Apr 02, 2018, from: <https://www.intechopen.com/books/unemployment-perspectives-and-solutions/ageing-issue-in-activation-labour-policies-the-intergenerational-approach-to-tackle-unemployment>

2. Employment rates of older workers. Retrieved Oct. 02, 2017, from [https://www.oecd-ilibrary.org/social-issues-migration-health/pensions-at-a-glance-2017/employment-rates-of-older-workers\\_pension\\_glance-2017-23-en](https://www.oecd-ilibrary.org/social-issues-migration-health/pensions-at-a-glance-2017/employment-rates-of-older-workers_pension_glance-2017-23-en)
3. Employment statistics, Retrieved Oct. 02, 2018 from [http://ec.europa.eu/eurostat/statistics-explained/index.php/Employment\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Employment_statistics)
4. National Report: Sweden. Retrieved Apr 02, 2018, from <http://www.jp-demographic.eu/wp-content/uploads/2015/07/SE-National-Rep>
5. Number-population-and-key-demographic-indicators. Retrieved Apr 12, 2018, from <http://www.csb.gov.lv/en/statistikas-temas/metodologija/number-population-and-key-demographic-indicators-36808.html>.
6. OPMANE, I. (2018). Latvijā trūkst darbaspēka. Vai pensionāri var palīdzēt? Retrieved Apr 02, 2018, from <https://www.makroekonomika.lv/latvija-trukst-darbaspeka-vai-pensionari-var-palidzet>
7. RADOVIČ-MARKOVIČ, M. (2013). Aging Workforce: Employment Opportunities and Obstacles. Retrieved. Dec 02, 2017, from <http://cadmusjournal.org/node/312An>
8. WARNICK, J. (1995). Listening with different ears: Counseling people over sixty. Ft. Bragg CA, QED press, p.129.
9. World population ageing 2017. Retrieved Dec.2, 2018, from [http://www.un.org/en/development/desa/population/publications/pdf/ageing/WPA2017\\_Highlights](http://www.un.org/en/development/desa/population/publications/pdf/ageing/WPA2017_Highlights).