

Factors Affecting Older Workers' Employment Expectations

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Abstract

The purpose of this research is to examine what factors retired elderly or those who are in the stage of preparing to retire consider as important when looking for (re)employment, and, in addition, to examine what influences them to make these choices. As a result, this research examined the human capital characteristics and the psychological and economic factors of the middle-aged and elderly through organic characteristics. We examined family-supporting¹ factors and social networks as a concept of microsystems and mesosystems as interpersonal relationships. Lastly, we examined ageism, career switch, and aging factors as social factors that apply to ecosystem and macrosystem concepts

Keywords: Elderly, Employment expectation, Population aging, Middle-aged and elderly

1. Introduction

Research on job insecurity and workplace life cycle of the elderly has continued for a long time in Korea and overseas in various fields including psychology, gerontology, politics, and so on. Recently, related to this, research on the transition of the middle-aged and elderly after retirement is gaining attention in academia. According to this research, the path chosen by middle-aged and elderly workers after retirement is not from a career directly to full retirement, but to full retirement after going through a 2nd work activity [12]. In particular, we can find compelling evidence based on the 2016 statistics of Korea, where the actual age of full retirement from the labor market was 71.75 years (men: 72.9 years, women: 70.6 years) and the age at which people retired from their career was 49.1 years (men: 51.6 years, women: 47 years).

Reflecting on these social issues, a review of the “Act on Prohibition of Age Discrimination in Employment and Aged Employment Promotion” occurred in a cabinet meeting last year and a revision was submitted to the National Assembly. The scheme included abolishing the term “semi-elderly,” which referred to people over 44 and below 55 years of age, and changing the term to “aged,” which referred to people over 55, to the term “elderly”. Due to the extended life expectancy, increased population aging has led to a change in the perception of people and social standards on the elderly, which meant that people who fell into a certain age range as per standard, did not consider themselves as elderly. Instead, they perceived themselves as being at “the pinnacle age for working and at an age where they can work.” Through this, it seems this reflects the intention to create a social atmosphere where one can continue working regardless of age if one has the will and ability to work. The

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meaning of elderly used in this research also reflects this aim and targets people preparing for retirement or retirees in their 50s.

Therefore, the purpose of this research is to examine what factors retired elderly or those who are in the stage of preparing to retire consider as important when looking for (re)employment, and in addition to examine what influences them to make these choices. Furthermore, based on this, our objective is to discuss measures for bridge employment and preparations for retirement for those represented by the elderly. In this research, we first examine the theoretical background of the characteristics of the elderly in modern society and systemize related concepts. Second, we examine precedent research related to the reemployment of the elderly and categorize them into similar types. Third, through this categorization, we discover the problems of reemployment of the elderly to discuss what measure they truly require.

2. Research results

In this research, we aim to analyze the factors influencing the reemployment of the elderly by systematically compiling domestic and overseas research in order to make a definite contribution to bridge employment based on various research on the elderly, which is a global topic of interest following population aging. In this research, based on this theory by Bronfenbrenner, we aim to examine the individual characteristics of the middle-aged and elderly through organic characteristics, as well as interpersonal factors as concepts of microsystems and mesosystem, and the social factors from ecosystem and macrosystem concepts surrounding these [5]. To be more specific, we divided individual characteristics into human capital characteristics, psychological factors, and economic factors; and in interpersonal relationships following family relationships and social networks we aim to analyze research on ageism, career switching, and aging in social factors, and consider the literary results on the derived factors to find implications.

2.1. Individual characteristics of the elderly

2.1.1. Human Capital Factors

The elderly are in a state where they already experienced various crossroads after becoming an adult, and are at a point where individual differences have clearly taken root. This could be innate differences such as sex and health, and acquired differences such as education, marital status, whether they support family, and so forth. The factors to consider for the elderly seeking employment differ from the factors to consider for the younger generation and are comprehensively applied. This is especially the case for women who want to get a new job after a long period of career interruption and who have difficulty finding employment due to not being able to apply the experience from previous jobs and the conflict based on the coexistence of work and family. Other than this, difference in wage levels and roles in the career they spent most of their lives in exist and this is why the reservation wage and such are expected to differ. We believe that this aspect will also affect reemployment choices.

2.1.2. Economic factors

We cannot exclude material payment as a fundamental reason to work, and how much this payment for labor is needed differs based on the basic capital that an individual has. Therefore, whether they have income while seeking employment, how

prepared they are for retirement, and how much their income was at their previous jobs has a large effect on the employment expectation of the elderly. The studies of Barron and Mellow and Barron, Otis, and Gilley reported results showing that the greater the amount of unemployment insurance and the longer unemployment insurance is paid, the lower the intensity of job seeking and the longer the period of unemployment is [1][2]. Therefore, unlike younger generations, the middle-aged and elderly select employment not for being able to save for the future, but rather for consolidating current debt and sustaining their lifestyle.

2.1.3. Psychological Factors

Meanwhile, the individual psychological factors that influence job-seeking activities are important, and for this we can use the amount of employment commitment and efficacy of job seeking. This can be expressed as the meaning that work gives to the ego of the individual, and the confidence and faith that they have into being reemployed. Although the aforementioned factors can be applied complexly, we plan to place more importance on the values and will of the individual.

Employment commitment represents how important and meaningful work itself is to the life of an individual, and it is argued that people who think that work itself is important are more motivated to maintain their identity through work than people who do not share this thought. Therefore, it is argued that new work is sought for as motivation to acquire one's identity [18][22]. Because of the characteristic of employment commitment, this can only be felt by people who have actually worked in a job and it can be noted that the factors greatly differ from the employment expectation of the younger generations.

In addition, job-seeking efficacy, which is self-efficacy focused on job seeking, is the belief of the individual that they have ability to successfully carry out various job seeking activities [18]. The higher the job-seeking efficacy of a person, the higher the selected difficulty-level is. As these people persevere even during hardship and the higher the job-seeking efficacy of a person, the higher the frequency for job-seeking activities and the lower the level of anxiety is, and the more they receive notices of employment [14][15]. The higher the job-seeking efficacy of a person is, the more they actively search for opportunities for education such as job training, and through these activities they develop their abilities; so that a person with higher job-seeking efficacy has a more positive evaluation on reemployment education [9].

2.2. Interpersonal relationship characteristics

2.2.1. Family relationship factors

According to the research of Han, from an economic perspective, the greatest limiting factors were supporting a spouse and (under-age) children, and the sense of duty to perform the role of head of the family as expected by the family was shown to take up a large portion [10]. According to similar research by Kang et al. [12], groups where the average monthly household income was small and where economic support to their mature children did not occur, showed a high level of intent to continue and seek employment. In more detail, baby boomers that provided financial support other than education expenses to adult children had a higher household and asset income compared to baby boomers who did not. This difference becomes also apparent in a meaningful way in the intent on reemployment.

In addition, according to interview research on the middle-aged, these people replied that they would like to perform work that the family would not be ashamed of and work that would not cause them to have to hide from others. To those who represented the family as head of the household, a job was not simply a means for personal achievement but also a way to maintain the face of the house [10].

2.2.2. Social Network

Social networks refer to the network of an individual, and in the case of the elderly, we can say that the effect that social assets have is large. Rather than selecting employment methods, such as employment education or internet job seeking, they prefer the recommendation of people they know and usually are interested in gaining information in fields in which they can easily use their personal connections. According to Inkson & Arthur, social assets are a major asset of means for the opportunity to gain career guidance and jobs through personal and professional relationship networks, and they aid personal growth [8][11]. Furthermore, it refers to the extent a relational network can provide advice, guidance, and information to aid in job seeking. That is, this relationship network provides access to people in social and professional positions in various fields and provides various information regarding reemployment, and as such, is effective for job seeking [16]. Therefore, based on these studies, the middle-aged and elderly use their social assets to increase their accessibility for employment in a field they are interested in, or have the tendency to first consider jobs they can gain through their personal connections.

2.3. Social Factors

2.3.1. Ageism

Ageism can be divided into cultural ageism and institutional ageism based on the main agent and range of discrimination [20]. Cultural ageism refers to the prejudice, values, and stereotypes toward a specific age group and the social norms that are unfavorable to them. Institutional ageism refers to the method of excluding the elderly in policy, laws, methods that social services provide, welfare, retirement age policies, and so forth, and usually are conducted by schools, companies, parties, and the government [21]. Institutional discrimination can occur without the prejudices of individuals [19] and has the characteristic of being non-intentional and exceeding the control of the individual [13]. In the actual process of reemployment by the middle-aged and elderly, experiences of ageism occur in various ways such as recommendations to retire based on age rather than performance or appraisal, mechanical application of age during the selection of candidates for reemployment, and negative attitude during the process of job training.

2.3.2. Barrier factors to switching careers

Such an environment for the elderly forces them to make the important decision whether to maintain their experience from the main career in their lives or to switch. The qualitative research of Kim contained an interview of people who, after having been registered with a job-seeking website for six months, only got responses from insurance sales and rental companies, and because they were "old," they felt burdened by office work and decided to learn a new skill [13]. In these cases, they earned certifications, such as heavy machine

licenses, boiler technician licenses etc., to switch to a field totally unrelated to their main careers. They particularly were not comfortable in writing resumes or cover letters, generally felt difficulty in communicating with younger people, and felt uncomfortable in an atmosphere where the interviewer was a younger person [13]. Therefore, they required active training in job-seeking activities or as a member of the regional society.

2.3.3. Aging Factors

The topics in the aging population era of the 21st century is, “how to grow old” and “how do we live together.” Therefore, discussions on the effect of population aging on labor productivity have continually been conducted and can be largely divided into a positive view and a negative view. In research that sees a negative effect on productivity due to population aging, it is stated that population aging reduces capital productivity, decreases profitability following technological innovation, and decreases labor productivity; and while the youth has a tendency for innovation and dynamism, the elderly have lost their social dynamism and make slower advances regarding technology [4][7].

On the other hand, there are also many studies that show that population aging would have a positive effect on productivity. These studies state that the positive effect of population aging is based on labor becoming a relatively rare, difficult-to-obtain factor, which increases the return on investment in human capital, causing more investment in education and training and improving productivity in the labor market; and if labor becomes relatively scarce, desire for technological advancement is encouraged, which increases productivity [3][6]. Another positive view is that the workers can be divided into having two types of qualities: soft qualities, which can be expressed through adaptability, physical/mental ability, intent to acquire new skills etc., and hard qualities, which can be expressed through devotion to the organization, trust, sociability etc.; and empirical results have been presented that show that young workers have a comparative advantage in hard qualities while elderly workers have a comparative advantage in soft qualities [17].

3. Conclusion

As we enter an age of population aging, the proportion of the elderly in the economically active population is rapidly increasing, and of those many still have a high intent to continue economic activities and have a high level of interest in self-development. In addition, considering that these are baby boomers, we can expect that the impact they have demographically on our society and economy will be very large. This research is significant in that it provides an opportunity to review the direction of the research on reemployment of the elderly. Regarding maintaining healthy jobs and retirement preparations for the elderly, while it is important that they themselves show the will to receive reeducation, reducing the prejudices throughout society and lessening the barriers for entry are also important. To improve these aspects, we need appropriate government support. Of course, co-existence between the older and younger generation is not easy in the modern world where youth unemployment is also rising. However, if we can make good choices while taking into account both sides of the coin and overcome dilemmas with inspiration, we would not only be able to improve the unemployment situation, we could also expect various positive effects such as economic stability and social harmony.

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