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EXECUTIVE SUMMARY

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Working conditions and retirement intentions 2013

In this study, we reviewed the connection between conditions at work and the retirement intentions of wage-earners, including how sustainable the wage-earners conceive their working life to be. The working conditions are described from the point of view of the features of the work task, of how the work community and the supervisory work function, as well as of the features of the wider work organisation. We analysed the retirement intentions within the framework of exit paths from work. The wage-earners' intentions to continue working past the earliest eligibility age for old-age pension and the threat they experience of an early termination of their working life were subjects of examination. We further reviewed whether the link between working conditions and retirement intentions differ between different groups of wage-earners.

This report was compiled in cooperation between experts at the Finnish Centre for Pensions and Keva. It is based on data of the Quality of Worklife Survey 2013 conducted by Statistics Finland. The survey is an extensive personal interview survey based on random sampling. The questions concerning retirement intentions were included in the interviews with persons aged 50–64 years. This report is based on the replies of the respondents of this age cohort, numbering a total of 1,742 wage-earners.

An ample third of the 50–64-year-old wage-earners estimated that they would continue working past the earliest retirement age. At the time, the earliest eligibility age for old-age pension was 63 years. Those who estimated that they would retire at age 64 or later were therefore considered to defer their retirement. The threat of an early termination of their working life

experienced by the respondents was divided into threats of disability and unemployment. One in five feared that their working life would be terminated early due to disability, while nearly one fifth feared that their working life would end early due to unemployment. These experiences were partly overlapping. Combined, approximately every third respondent feared that their working life would terminate early due to disability or unemployment.

Different groups of wage-earners presented significantly different assessments of when they intend to retire and how sustainable their working life will be. Upper white-collar employees, public sector employees and employees with good work ability were more prone than others to assess that they will defer their retirement. Blue-collar workers and persons with diminished work ability, on the other hand, were more prone to fear an early termination of working life due to unemployment or disability. In addition, the risk of unemployment was experienced more often in the private than in the public sector.

Slightly different working conditions became significant depending on whether the focus lay on retirement deferral or the threat of an early retirement. According to the results, working conditions on all levels of the organisation – from the features of the wage earner's own work and the functionality of the working community to the working conditions in the entire organisation – are significant in terms of extending working life beyond the earliest retirement age. In particular, factors such as flexible working hours, the possibility to influence one's own work, the opportunity to learn and receive training at work, an equal treatment of employees of all ages, and the promotion of the work ability of elderly employees at the workplace came up in this study. In addition, those working in various customer services intended to defer their retirement more often than others. Blue-collar workers were interested in continuing at work in particular if their possibilities to influence their own work were favourable. Lower white-collar employees emphasised good training opportunities, while for upper white-collar employees, a job with an interesting content was a significant motivator to extend their working life.

Based on the results, the threat of both disability and unemployment appeared to be prevented by certain factors relating to conditions at work. These factors concerned the functionality of the work community and the supervisory work: a supportive atmosphere of the work community, an equal treatment of employees of all ages by the supervisor, support and encouragement received from the supervisor, as well as opportunities to affect the activities and to participate in the development of the work community. If the wage earners felt that they were treated by the management and the supervisors as mere instruments, or if they observed age-related discrimination at the workplace, they were more prone to fearing an early termination of their working life due to disability and unemployment.

According to the observations we made, there are factors which appear to reduce the experienced threat of disability but not that of unemployment. Such factors include flexible working hours, the chance to take enough breaks at work and a particularly well-functioning occupational healthcare. As observed in many other studies, the experienced threat of disability

was increased by certain working conditions that are closely related to the concrete work task: night work, adverse physical work environment, mentally strenuous work or hurry. In our study, the connection between the physical and chemical hazards of the working environment and the experienced threat of disability came up in the replies of the blue-collar workers only. The atmosphere of the work community was important for the lower-white-collar employees in particular. More than with others, their fear of an early termination of their working life was increased by conflicts at the workplace.

Correspondingly, some of the factors relating to conditions at work appear to prevent the experienced threat of unemployment but not of disability. The experienced threat of unemployment was smaller if the work included favourable opportunities for training and learning at work, opportunities to influence the distribution of work, and if the organisation promoted the work ability of the elderly work force. On the other hand, the threat of a termination of working life due to unemployment was experienced more often if the opportunities to influence one's work were slight, if the staff had been reduced at the workplace, if the financial situation of the workplace was perceived unstable, or if the workplace had undergone or was undergoing fairly large changes. Compared to the other wage-earner groups, upper-white-collar employees feared unemployment more when faced with rather extensive changes in data systems or corporate ownership. Blue-collar employees, on the other hand, were more afraid than others that a change of customer group or products would lead to unemployment.

If the work ability was weakened, the experiences relating to working conditions were linked to the fears of disability and the motivation to continue at work. An integrating staff policy, positive experiences of cooperation and support by the supervisor, as well as flexible work practices according to the needs of the individual came up as significant factors in this connection.

On the whole, this report shows, firstly, that working conditions, when reviewed on all levels of the organisation, are significant for the sustainability of working lives – in terms of the working conditions relating to both an individual work task and the working community as well as to the broader organisation. Secondly, different working conditions are significant to some extent, depending on whether the reviewed termination of working life is due to disability or unemployment or a deferral of retirement past the earliest eligibility age for old-age pension. Thirdly, socioeconomic groups differed from each other in terms of which conditions at work were most strongly linked to the retirement intentions. Our report includes descriptive data on the connections between conditions at work and retirement intentions and highlights several observations that are of interest for further studies.

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