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FINNISH CENTRE FOR PENSIONS, STUDIES

SUMMARY

Noora Järnefelt (ed.)

Working conditions and working lives

*– Research on the stability of working lives
and retirement*

Various political measures have been taken so far in order to extend working lives. Less attention has been paid to what role the quality of working life and working conditions have on extending and constructing working lives. Working Conditions and Working Lives is a collection of the most recent Finnish studies on how working conditions affect the various stages of working life. The book consists of original research articles. The articles share not only the research theme but also the research data. All articles are based on the Finnish Quality of Work Life Surveys of Statistics Finland as well as related register data. Thanks to the register data, researchers have been able to extensively and reliably monitor the later working life and retirement of the research subjects. The results of the studies in this book show that by improving working conditions, we can significantly affect the stability of working lives and retirement.

Stability or instability? Young wage earners' working lives from the 1980s to the 2010s

Satu Ojala and Pasi Pyöriä

This article examines the working lives of young, under-30-year-old wage earners over a period of three decades. The research question is how the employment rates (measured as the average number of working months) of 15–30-year-old wage earners have changed from the 1980s to the 2010s compared to those of older age groups. The study is based on data from the Finnish Quality of Work Life Surveys in 1984, 1990, 1997, 2003 and 2008 and on

related register follow-ups. As of each baseline year, the same age groups are monitored for three subsequent years.

The results of this study show that, when measured in the number of working months, the labour market position of 15–30-year-old wage earners has stabilised throughout the 2000s. In other words, the difference in working months cannot be explained by age when the central individual and structural background facts have been standardized. In fact, compared to the average number of working months of all wage earners, the relative position of young wage earners has even improved during the follow-up period from 2008–2011, despite the financial crisis.

Temporary work, participation in personnel training and staying at work

Jouko Nätti, Merja Kauhanen and Satu Ojala

This article looks at the direct and interaction effects of temporary work and personnel training on later working life. The reference frame is a model of work demands and resources. The research data consists of the Finnish Quality of Work Life Surveys in 1990, 1997 and 2003, as well as the related data on the register follow-ups for eight years (n=9,792).

According to the results, the fixed-term work contract and personnel training predict, both together and separately, the number of working months. First of all, the temporary nature reduces and the personnel training increases the number of working months. Second, temporary workers without personnel training have fewer working months than do the other groups in the follow-up period. This indicates a compiling of risks. This, in turn, supports the cumulative burden hypothesis based on a disproportion between demands and resources. Third, personnel training extends working lives among the temporary workers in particular. This result supports the buffering hypothesis: Participating in training (resource) buffers the negative effects of temporary work on later working life. The overall results thus emphasize the employability perspective of personnel training.

Work, family and care – is being compressed for time reflected in later working life?

Tomi Oinas, Mia Tammelin and Timo Anttila

This article reviews how extensively the demands of work and family accumulate and what the consequences are for later working life. The article's theoretical framework rests on Patricia Voydanoff's hypothesis on the demands and resources of work and family. As for work, long and unsociable working hours are central time-related demands. When it comes to family, the demands relate to child care, other care obligations, the single parent status and bidirectional care.

The data stems from the Finnish Quality of Work Life Survey in 2003 and related register data on long-term absence due to sickness and on the number of working months (2005–2011). The authors have applied the negative binomial regression method in their analysis.

The results show that the demands of work and family do not accumulate for wage earners. Bidirectional care is also quite rare. How strong and what type of effects the demands of work and family have varies between genders. All in all, the family and work demands seem to mainly strengthen labour market attachment for both genders.

Changes in self-reported work ability and long-term morbidity by socioeconomic factors and working conditions

Mikko Laaksonen

The number of new retirees on a disability pension has clearly dropped in the first decade of the 21st century. The underlying reason may be the improved health and work ability of the population. Another explanation may be that, as the working conditions and tasks have improved, it is easier to cope at work than before, despite illnesses.

This article examines whether changes in the self-reported work ability are linked to changes in the structure and working conditions of the working-age population or in their long-term morbidity. The data is based on the Finnish Quality of Work Life Surveys in 1997, 2003, 2008 and 2013. A decreasing number of 45–59-year-olds reported a low work ability while the number increased among the 45–59-year olds but increased among the 25–44-year-olds. In both age groups, the observed changes in work ability were slightly higher than would have been expected had the socioeconomic structure and educational level of the examined group remained unchanged throughout the review period. The link between changes in the degree of physically and mentally strenuous work and the self-reported work ability was weak. A poor work ability was reduced in particular among those in the older age group who suffered from a long-term disease. In both age groups, the development of the self-reported work ability was more negative than what could be expected based on the changes in long-term morbidity. All things considered, the self-reported work ability has not developed in line with the changes in effective retirement on a disability pension. The distinct development of morbidity and work ability is consistent with the notion that people cope with illnesses in working life better now than before.

Improved job quality, extended working lives? Impact of job quality on early retirement

Tomi Oinas, Timo Anttila and Jouko Nätti

This study is based on a lively discussion of the ageing working force and extended working lives in Europe. Improving job quality is important for employees' willingness and ability to continue working for an increasingly longer period. Job quality refers here to those features of work that have a clear and direct impact on the wellbeing of the employee. Work with a

high job quality allows for a wide variety of needs to be satisfied. This article reviews how the range of job quality is linked to the use of various early retirement routes.

The study is based on the Finnish Quality of Work Life Survey of 1990, combined with register data on retirement up to the year 2011. The range of job quality has been measured using the European Job Quality Index (JQI) while survival models (Cox regression) have been used for the analysis.

Based on the results, all main ranges of job quality are linked to early retirement. The features of job quality are most clearly linked to retirement on a disability or an unemployment pension, and less so to individual early retirement. All in all, high job quality seems to be linked to extended working lives.

Working conditions and management linked to retirement intentions and effective retirement

Petri Böckerman and Pekka Ilmakunnas

The aim of this article is to examine the importance of experienced working conditions and leadership in relation to the retirement decision. In addition to variables depicting working conditions in the Finnish Quality of Work Life Surveys, the authors have made use of detailed follow-up data on real changes in people's labour market status in the register data of Statistics Finland and the Finnish Centre for Pensions. The authors have used the multiple equations model in their analysis.

The results of this study show that the risks employees associate with work and the adverse physical working conditions, on the one hand, and new high-involvement management, on the other hand, considerably affect the work satisfaction of elderly employees. Via the retirement intentions, this affects the realised retirement transitions observed during the review period.

How is work engagement and mental strain linked to retirement intentions by work ability

Riku Perhoniemi

This study reviews the link between mental wellbeing at work and the retirement intentions of wage earners in line with the Demands and resources of work -model: the desire to continue at work until one's own retirement age and the personal estimate of one's effective retirement age. In this study, the mental wellbeing at work consists of two separate dimensions: work engagement and mental strain. The study is based on the responses of 50–64-year-olds in the Finnish Quality of Work Life Survey in 2013 (n=1,772). The data has been analysed with structural equation models.

The results show that, in general, work engagement and mental strain may pose an equally large significance on retirement intentions. Work engagement supported by job resources is positively linked to the desire to continue at work until one's own retirement age, as well as to the personal estimate of the effective retirement age. The mental strain caused by work demands, on the other hand, seems to strengthen retirement intentions.

Ultimately, the results depend on the work ability of the wage earners. The work ability of most elderly wage earners is good. Work engagement reduces their retirement intentions. Yet there is no link between mental strain and retirement intentions. In the future, their working lives can be extended by strengthening job resources and work engagement.

Why later retirement intentions in the public sector compared to the private sector?

Noora Järnefelt and Satu Nivalainen

Later retirement has become a key question as life expectancy keeps rising. The retirement intentions differ in the private and the public sector, however. Private sector employees intend to retire at age 63, while public sector employees more often intend to defer their retirement. This article examines whether the difference between the sectors is linked to the fact that the financial incentives for a deferred retirement are partly different in the private than in the public sector or to the different working conditions. The data stems from the Finnish Quality of Work Life Surveys in 2008 and 2013. The intentions of 50–62-year-olds to retire at age 64 or later was analysed with a logistic regression model.

According to the results, financial incentives affect retirement intentions, but the effects were visible only for those with the highest financial incentives. Nevertheless, the majority of the sectoral differences were due to other factors than financial incentives.

In the private sector, dismissals at workplaces and self-reported lower work ability have reduced the intentions to continue at work. A corresponding phenomenon was not to be seen in the public sector. In both sectors, a personnel policy that promoted continued working of the elderly increased the intentions to defer retirement.

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