

INDIVIDUALS OF THE PRE-RETIREMENT AGE IN THE LABOR MARKET

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Annotation

The article is focused on the analysis of the psycho-social peculiarities of the older generation as a human resource related to their opportunities in the labor market and the requirements of employers. The data of the research conducted during the last three years by the Ministry of Welfare of the Republic of Latvia are used to describe the situation in the labor market. The research deals with finding out the opinion of the older generation about the opportunities to find or change a job as well as the conditions not allowing the individuals of the pre-retirement age do not let them be competitive in the labor market.

KEYWORDS: human resources, labor market, individuals of the pre-retirement age, psycho-social peculiarities, social inclusion.

Introduction

Evaluating the structure of the human resources employment and age in Latvia, it can be observed that the individuals of average maturity and pre-retirement age are one of the groups mostly exposed to the risk of social exclusion who face difficulties to involve completely and actively in the labor market.

The groups exposed to the risk of social exclusion – individuals have no opportunities to gain sufficient income, obtain various services and goods necessary for full-bodied functioning in the society or these opportunities are limited for them.

On its turn, social inclusion is a process aimed at providing opportunities, services and resources for individuals exposed to the risk of poverty and social exclusion needed to participate in the economic, social and cultural life of the society as well as wider opportunities to participate in the decision-making and access to individual's basic rights.

Some researches have shown that the main problems of social inclusion for the older generation are as follows:

- the youth and individuals of the pre-retirement age are exposed to bigger risk to become long-term unemployed due to their insufficient skills and education lacking compliance with the labor market;
- employers' views about the falling work efficiency of seniors and a negative attitude towards an opportunity to have a part-time job.

The reasons for these difficulties to a large extent are the stereotypes prevailing in the society, employers' unwillingness to hire individuals of the pre-retirement age, possibly the lack of skills and knowledge among individuals of the pre-retirement age making them uncompetitive in the labor market as well as the lack of individuals' belief in themselves. However, positive work, psycho-social and individual characteristics of the older generation have not been sufficiently researched which could

change the stereotypes existing in the society and especially among employers and influence the development of the labor market positively.

In many European countries the aims of the economic policy are forming conditions for the labor market as well as opportunities to react to the economic and social consequences of the aging of individuals envisaging:

- measures to reduce the unemployment level, especially among the middle-aged individuals;
- widening opportunities for senior labor force to find a workplace;
- measures to increase the amount of economically active middle-age individuals;
- creating a flexible and gradual retirement procedure.

It is officially admitted that according to the demographic forecast after 2010 Latvia will face a potential shortage of labor force; it will also be related to significant changes in the age structure of the labor force when the number of the young people will decrease and the number of older people will increase.

As E. Egle, general director of Latvia Employers' Confederation, points that facilitation of employment – measures of the active aging strategy for individuals of the pre-retirement age, integration of seniors into the labor market – these are the activities to be implemented in Latvia at present to have sufficient potential of human resources for normal functioning of the economy in the future when facing negative demographic consequences. A longer stay of employees in the labor market also means improvement of the social and economic activity of the society as well as an opportunity to gain larger income both for employees and the state.

Therefore it is crucial to research full-bodied inclusion of the human resources of the older generation into the labor market, and they strategically comply with the peculiarities of the economic development. Such researches should touch upon not only specific economic aspects, but also focus on interdisciplinary research of the

issues, including the fields of economics, management, general and social psychology, education and public health.

The article is focused on the analysis of the psychosocial peculiarities of the senior human resources related to the opportunities in the labor market. The data of the research conducted during the last three years by the Ministry of Welfare of the Republic of Latvia are used to describe the situation in the labor market.

Analysis

The statistical data in Latvia prove that in the coming years the number of the able-bodied individuals will reduce. If till 2010 the number of the labor force could stay quite stable, then between 2010 and 2030 a harsh downfall is expected. The tendencies of the demographic situation development prove the continuing aging of the society just as it happens in Western Europe. As a result employers might need to reconsider their stereotypically reserved attitude towards the older generation and learn to use the potential of these individuals as employees. In this respect the conclusion made by Chicago University, Cambridge University and National Social Research Institute of Denmark is vital: the attitude of the society towards older people characterize the level of its civilization. In the researches scientists have found out that in the USA, England and Denmark the retirement of older people is mainly influenced by their health condition, not employers' tendency to get rid of seniors.

As regards individuals' skills after the middle-age, they change both in intellectual and practical performance. On the one hand, closer to the old age individuals become slower in making decisions and controlling activities; on the other hand, older people can evaluate various facts and make conclusions more objectively. The old person has learnt to distinguish the good and evil, the truth and lies. They have synthesis skills, sometimes lacking among the young people.

With age reasoning skills basing on both theoretical knowledge and experience develop. The development of these skills is one on the indicators showing one's intellectual level. Already in the remote past it determined the right of such people to hold responsible positions, decide on people's destinies. It was called life wisdom.

Some researches prove that many old people preserve their speech perception in the course of years. It can be related with an older individual's skill to use other modalities of perception (sight) as well, and thus others cannot notice deterioration of some kind of perception and an inadequate to the speech behavior.

It should be stressed that the functional indicators of perception start lowering even earlier (from 50 - 55 years), but the capacity for work is preserved much longer. In this case compensatory mechanisms are deployed maintaining one's biological and social activity. In addition, despite general tendencies in individual's psychic activity, there are observed big individual differences in sense and perception.

The scientists of age groups and social psychology (Liepina, 1998; Svence, 2003) confirm that the preservation of interests, outlook, and wisdom depends on individual's social past, one's personality. Unfortunately, a majority of people after 50 - 70 years of age are not able to preserve the intellectual faculties they have had (or have not had) in the young or middle age. However, such skills as attention concentration and stability are very often preserved. All these facts can vary a lot as they completely depend on each individual. There are some fields of human activities where the indicators become better when time passes. For example, the vocabulary is often extended, but, of course, a lot is also forgotten.

In order to preserve and also develop skills at a mature age, individual's attitude towards knowledge is of crucial importance which is to a large extent influenced by the prior experience. For example, the experience of failure or success can influence individual's wish to participate in various activities, especially if they are related to competition being so stiff in various fields nowadays. A majority of middle-age individuals avoid competition because of the fear to lose. It could explain individual's unwillingness to position oneself as the best candidate for a position.

The main physical changes are usually irreversible, but one can always take care of one's mental health allowing to keep the capacity for work for a long time. At this age, for example, informative service and research could be a success because summarizing the findings of the research requires precision and accuracy typical for older and more experienced people.

PhD of psychology S. Liepina considers that art, science and crafts are the fields where these individuals can succeed. Modern technologies and complex equipment and machinery can cause problems, however, as the last tendencies in life-long education prove, older people also acquire them and are able to use, for example, the Internet. Therefore, one should overcome fear, insecurity and inferiority complex.

Older people do not always have to work full-time to keep their skills. An opportunity to have a pleasant part-time or freelance job would to preserve an active life position, liveliness and joy of living. However, unfortunately employers do not accept such position because a young person having a full-time job at the same position gives a higher profit.

Some researches reveal and life experience demonstrates that older people have difficulties to adapt to new situations. Supposedly the main reason is inclination to schematic thinking. Scientists believe this phenomenon appears as the verbal intellect is domineering over the non-verbal intellect determining stereotypical judgments – due to this reason transfer to the new causes difficulties for old people. Therefore, older people tend not to change their workplace, and in order to preserve it they try to do their best.

US psychologists have discovered a correlation between the level of education and indicators of various intellectual tests for old people as regards their memory, perception, logical thinking and speech tempo. The influ-

ence of the type of occupation or profession on various skills is researched as well. For example, in the course of time older scientists have almost the same vocabulary, general erudition, engineers – non-verbal functions, accountants – tempo of arithmetic operations.

The personality of an older individual is characterized by his/her position in the society, value system, profession as well as life experience. All together makes a view about an individual and causes respect towards him/her. There are also some old people – persons of figure, who make other wonder about the clarity of their thoughts, energy, enthusiasm, creativity. According to the views of a Russian psychologist Aleksandrova a person of figure is characterized by lifelong sustainable creative skills while the health condition allows it. Scientists believe that outstanding skills to a large extent prevent individual's intellectual aging, especially the downfall of one's creativity. Rabindranath Tagore is often mentioned as an example of creative productivity. He has been a many side person: writer, poet, dramatist, publicist, pedagogue, and politician. After the age of sixty he started painting and also devoted himself to music.

Nowadays the social status of older people has changed a lot. If in the past the status of a middle-age person was determined by his/her knowledge, experience as well as corresponding traditions in the society, then nowadays the status of older people is deteriorating due to various sources of information. The old person is not the main source of knowledge, nobody takes into account his/her opinion, his/her views are laughed at. Thus, the old person's prestige in the society has lowered because of the reasons mentioned above.

In order to find a job older people face several difficulties:

- psychological difficulties related to subjective self-evaluation. Older people do not see the perspective of their activities. Sometimes they tend to overestimate their skills, but later on feel desperate;
- payment issues. The individuals of this age group feel offended if they are offered lower payment than in the previous workplace or lower than for the young people;
- increasing competition. It is especially difficult for the individuals of the pre-retirement age to compete with younger job seekers;
- gerontophobia expressed as fear of employers who set too high unmanageable requirements for older people.

As the results of surveys prove that the attraction of the profession, its cognitive values, material interest, training opportunities are among the prior work motives for young people. As regards older people the domineering work motives are as follows: habit, sense of responsibility, willingness to be useful, material interest.

The individuals of the pre-retirement age have preserved readiness to work coming from the Soviet times. For many of them work is a part of their life. They are workaholics. The individuals of the pre-retirement age correspond to general requirement put forward by employers.

Their main features are seriousness, consciousness, accuracy, responsibility, precision and discipline. One can rely on them; they have a sense of responsibility and obligation. They are able to analyze, evaluate, make decisions and manage precisely. Older women usually do not have a maternity-leave. These employees are more loyal to the employer; they have fewer requirements, less ambitions; they do not oppose the manager being afraid to lose their job. They continue working even if their salary does not correspond to the amount of work; they are more resistant to difficulties. These people stay in one workplace for a long period of time. At this age they even have several professions, but they are ready to work even in a different specialty. They are good at the technologies which existed 20-30 years ago, but they can acquire modern technologies as well if employers chose appropriate training.

Individuals at the pre-retirement age can devote more time to work; they are freer of family problems. Besides, they have higher work efficiency, less frequently reject doing some work. At work they usually think about the task to be completed, other motives are of less importance at this age.

Quite often these people are able to settle relations in the team due to their sensibility, experience and communication skills. They get on with others very well, support everybody in common events, and stand together. Seniors work well at any workplace.

It is established that as regards the registered unemployed individuals in Latvia one fifth is people who are older than 55 years, besides 60% of them are women.

The following reasons impede the individuals of the pre-retirement age to be competitive in the labor market:

- stereotypes prevailing in the society,
- employers attitude, lack of objectivity and interest,
- health condition, diseases, tiredness,
- insufficient knowledge of foreign languages,
- lack of certainty, consistency and self-assurance,
- lack of skills to perform specific work,
- age,
- insufficient computer skills.

A small part of the individuals at the pre-retirement age attend the courses provided by the Employment State Agency. They are several reasons explaining this situation, including the lack of motivation. The main obstacles are as follows: lack of financial means to cover training fees (although sometimes they are very symbolic), lack of access to the information about such courses, low self-evaluation, indifference to learning and low previous education, insufficient qualification or lack of it.

The research "Analysis of Social Exclusion Aspects for Successful Integration of the Pre-Retirement Age Individuals into the Labor Market" conducted by LTD "RMS" in 2006 revealed the most widespread stereotypes about the individuals at the pre-retirement age (see Fig.1), and according to their importance they can be arranged as follows:

- they lag behind contemporary requirements,
- it is useless to invest in them as they will soon retire anyway,

- they disturb others in the team of young people,
- they lack endurance,
- they work slowly,
- they lack knowledge,
- their work quality is not sufficient,
- they reject additional tasks.

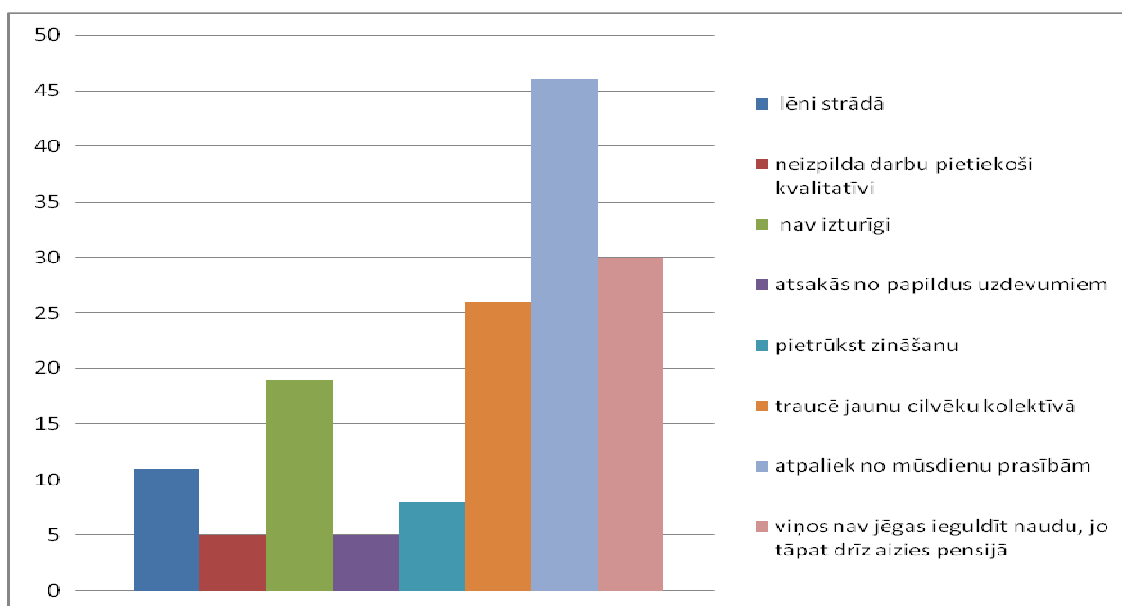


Figure 1. Evaluation of the existing stereotypes about the unemployed individuals at the pre-retirement age (according to RMS data)

As the results of surveys show, in case the trained person is close to the retirement age, the new skills have no crucial role in the competition driven labor market, and it proves the existence of discrimination. As regards the discrimination of the individuals at the pre-retirement age, these people are hired without any contract more often than the representatives of other age groups. However, it happens under conditions when according to the legislation of the Republic of Latvia formally there is no age discrimination (all guarantees are given to the individual only according to the legislation and labor contract).

The data of the surveys conducted among the unemployed prove that age discrimination is the most widespread type of discrimination in the labor market. The individuals of the pre-retirement age (64.2%) mostly stress the age discrimination. Ethical discrimination was mostly mentioned among the unemployed at the pre-retirement age (19.8%) and long-term unemployed (16.5%).

Readiness to learn is usually an advantage. 16% of the unemployed at this age are ready to learn at once; in addition 70% out of them are women. Learning among young people, older people have to overcome their complexes, psychological barriers and conservatism. Only 4% of the unemployed individuals at the pre-retirement age are completely ready for re-qualification, and usually these are women.

Furthermore, the results of the research show that there are differences between employers and employees as regards the usage of information space and communication channels. 65% of the unemployed use the assistance and services provided by the Employment State Agency, but 60% employers — specialized internet por-

tals. It should be noted that the unemployed use the job searching methods corresponding to their level of education. Individuals having lower education go to employers to find out about the employment opportunities, while those having higher education send CV and cover letters or have job interviews.

Almost a half (48%) of the respondents consider that the laws should be improved to protect the individuals at the pre-retirement age in the labor market, 37% say it is necessary to change the stereotypes in the society, 31% believe employers having individuals at the pre-retirement age should have some allowances, 29% think that special workplaces should be created taking into consideration the skills of the middle-aged individuals.

The project of European Social Fund “Training for Ensuring Unemployed and Job Seekers Competitiveness” offers the unemployed and job seekers having less than 5 years till retirement as well as the retired people who are not employed to acquire additional knowledge and skills in such modular training programs or modules: household management, housekeeping, housekeeper assistant’s work, kitchen work, baby sitting, au pair’s work, salesperson’s work in a kiosk, clients and patients registration, and tutor’s work. Within the training programs there is provided the knowledge of psychology and up-to-date practical skills – work with household appliances, cash register, etc. For this purpose the Ministry of Welfare has envisaged to allocate one million lats from the resources of European Social Fund.

The development of human resources should be related to the quality of human resources; but it can be reached only if the needed, not available education is

provided to human resources. By making wrong investments, money is spent in vain and the expected effect is not reached. To a large extent it also refers to the opportunities to use the resources of European Social Fund. It shall be evaluated if someone has just chosen the easiest way to uptake EU money, or burning problems are being solved.

Conclusion

1. The origin of stereotypes about the individuals at the pre-retirement age is usually related to the inability of the younger generation to evaluate the importance of the older individuals' experience. The active position of the pre-retirement age individuals is relevant in breaking these stereotypes. As regards the individuals at the pre-retirement age it is a correct stereotype that they lag behind contemporary requirements and work more slowly.
2. Currently in the labor market there is observed a tendency to set the following requirements: awareness of modern technologies, work experience, knowledge of foreign languages and computer skills. Requirements often set for potential employees – inclination to professional growth, loyalty, ability to learn quickly. Employers quite often offer payment to the individuals of the pre-retirement age which does not correspond to their skills and experience. After refusal to hire the individuals at the pre-retirement age have strong negative emotions influencing their health.
3. An interdisciplinary approach to the research of the human resources and labor market lets see the importance of work as powerful tool against coming aging, develop anti-aging mechanisms, and facilitate social inclusion. The work of seniors is a powerful resource in the socio-economic development of the state and society. It can conclude that the demand for employees of such age depends on their profession. For some branches the age is an advantage and irreplaceable experience.
4. In general, the society has almost no clue that continuing learning is needed to maintain and develop one's qualification, be up-to-date and follow the tempo of the contemporary world. The researches show that only a small part of the individuals at the pre-retirement age are ready to acquire a new profession, besides this number is bigger among the employed than the unemployed. The development of one's qualification and maintenance of work capacity at the pre-retirement age are a measure of social inclusion.

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INDIVIDUALS OF THE PRERETIREMENT AGE IN THE LABOR MARKET

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Summary

In Latvia the individuals of average maturity and pre-retirement age are one of the groups mostly exposed to the risk of social exclusion who face difficulties to involve completely and actively in the labor market. The statistical data in Latvia prove that in the coming years the number of the able-bodied individuals will reduce. Researches about full-bodied inclusion of the older generation into the labor market should touch upon not only specific economic aspects, but also focus on interdisciplinary research of the issues, including the fields of economics, management, general and social psychology, education and public health. The origin of stereotypes about the individuals at the pre-retirement age is usually related to the inability of the younger generation to evaluate the importance of the older individuals' experience. The active position of the pre-retirement age individuals is relevant in breaking these stereotypes. With age reasoning skills basing on both theoretical knowledge and experience develop for many individuals of the middle and older generation. In order to preserve and even develop these skills at the maturity age, individual's attitude towards knowledge is crucial. Older people try not to change their workplace, but in order to keep it, they work with higher efficiency – thus feature could interest employers and increase their loyalty to the employees of the pre-retirement age. They are good at the technologies which existed 20-30 years ago, but they can acquire modern technologies as well if employers chose appropriate training. In general, the society has almost no clue that continuing learning is needed to maintain and develop one's qualification, be up-to-date and follow the tempo of the contemporary world. The researches show that the development of one's qualification and maintenance of work capacity at the pre-retirement age are a measure of social inclusion.