

Workplace retention of older workers in Central Europe - who has stayed and who has gone

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Worker retention more promising than new employment

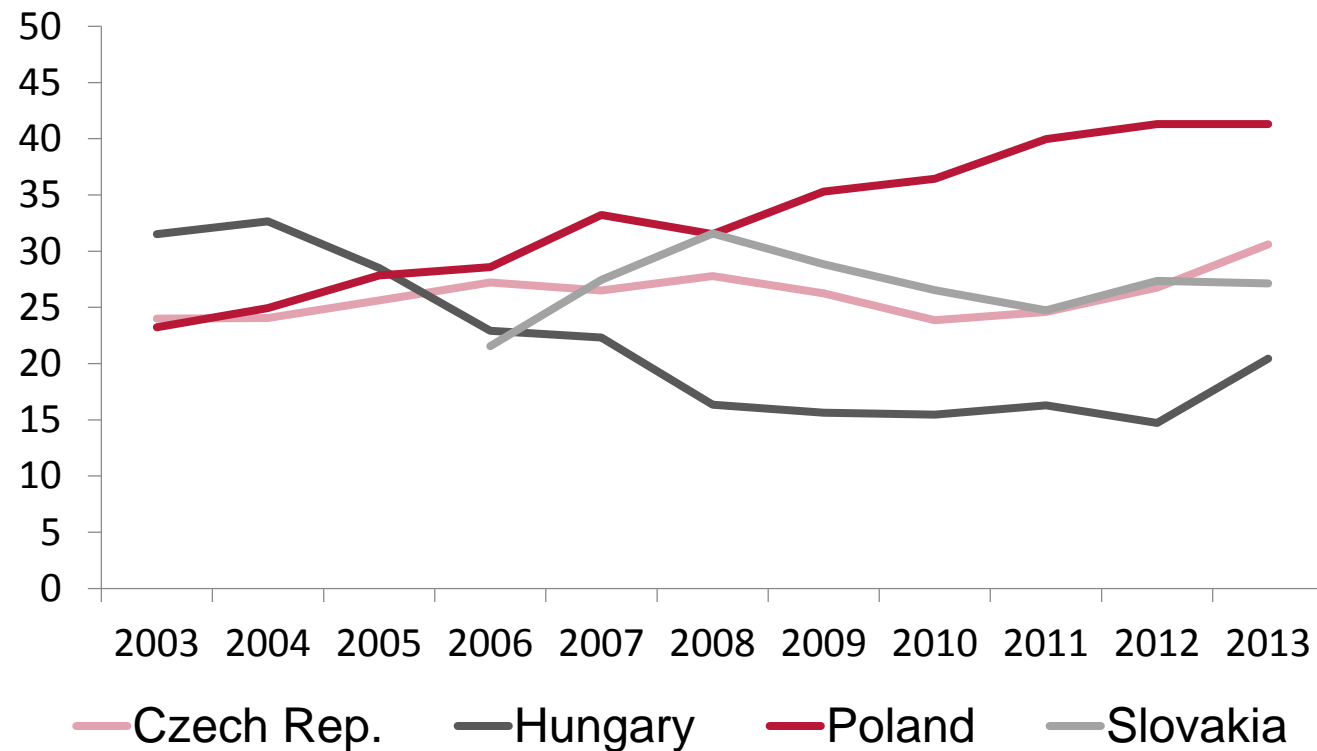


- Older people face difficulties in finding new jobs:
 - Negative age-based stereotypes,
 - Lower mobility,
 - Outdated skills (technology),
 - Legal constraints (employment protection), etc.
- Recent focus on job retention.
- Who is more likely to retain jobs and who is not?

Lower retention rates for women aged 60-64



Retention rates (% of workers aged 55-59 who stayed in their jobs for the next 5 years)



Source: Own calculations on EU LFS data. RR definition from OECD (2015).

Lower retention rates for women aged 60-64

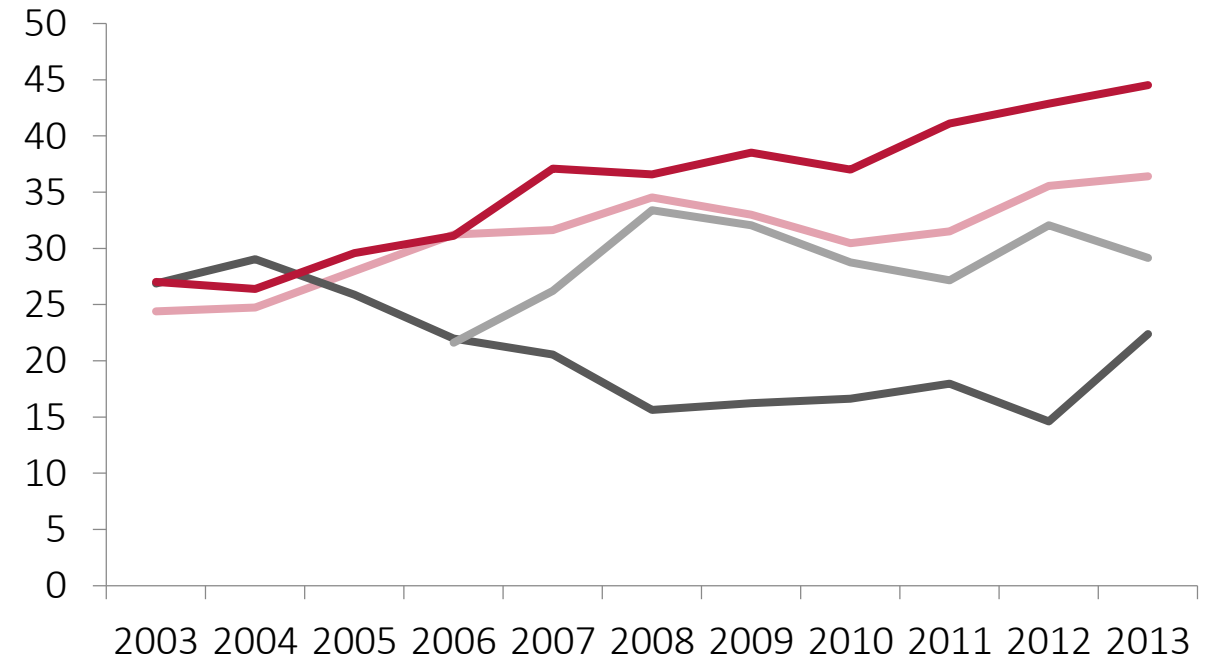


Retention rates (% of workers aged 55-59 who stayed in their jobs for the next 5 years)

Female

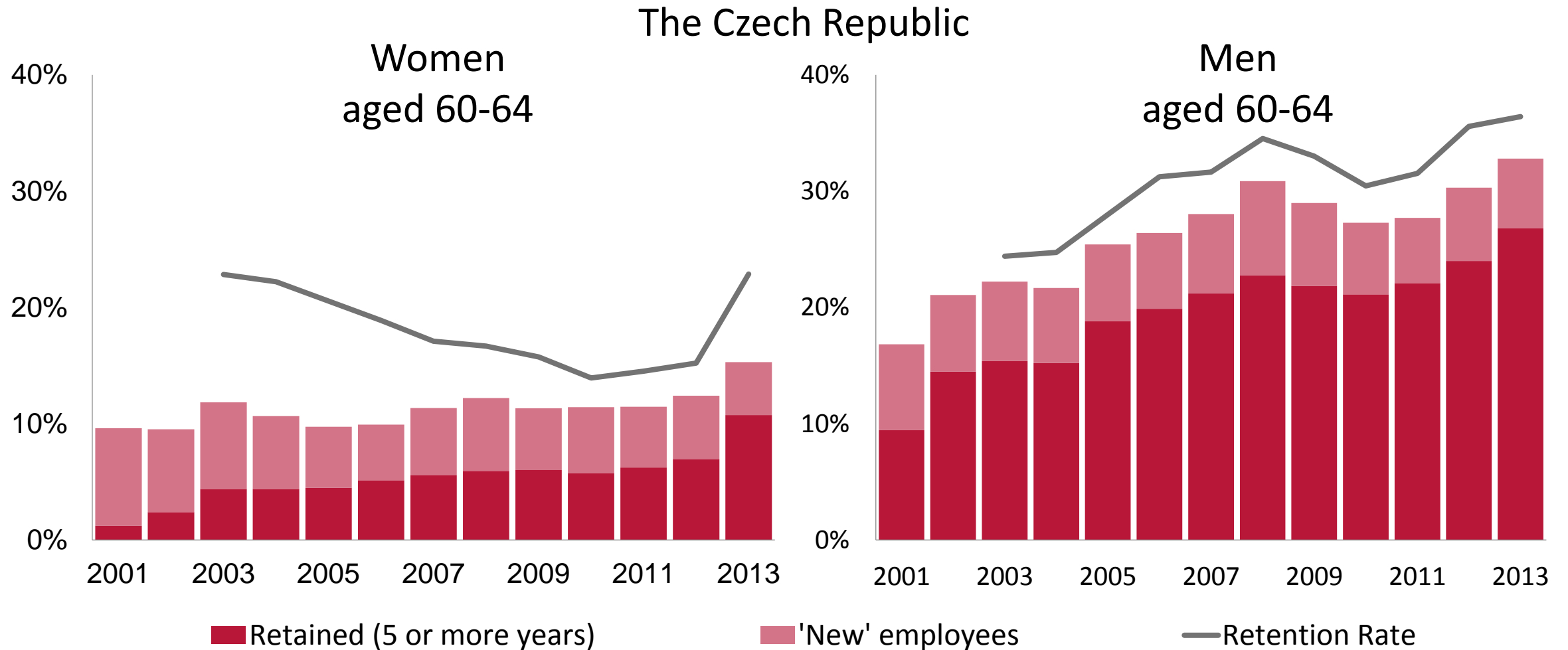


Male



— Czech Rep. — Hungary — Poland — Slovakia

Employment rates \neq Retention rates, but the latter drive the former



Source: Own calculations on EU LFS data. RR definition from OECD (2015).

Retirement decisions only partially explain retention



Panel OLS with fixed effects, retention rate as explained variable.

| | Age 60-64 | |
|----------------------------------|-----------|-------|
| | Female | Male |
| % retired | 0.89*** | -0.12 |
| % retired 5 years earlier | 0.04 | -0.02 |
| R ² within countries | 0.50 | 0.01 |
| R ² between countries | 0.54 | 0.80 |
| N | 41 | 41 |

Source: Own calculations on EU LFS data.

How we look for determinants of retention

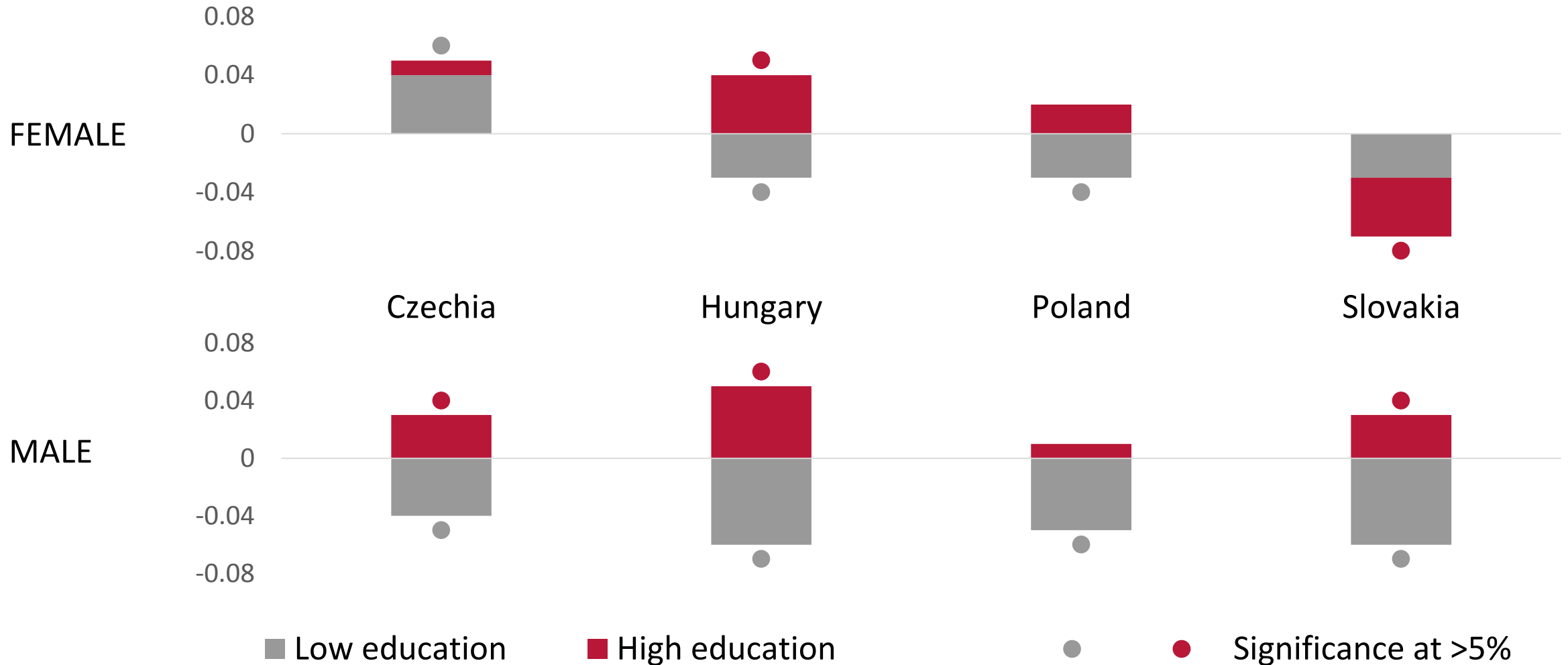


- EU Labour Force Survey data 1998-2013.
- **Who:** 60-64 year olds who worked at most 5 years ago.
- **What:** retention (5 years in the same job).
- **By:** country and gender.
- **Explained with:**
 - Job characteristics: income, occupation, sector
 - Individual characteristics: household composition, education
 - Year dummies

Education makes a larger difference among men (aged 60-64)



Mean marginal effects for education levels (base = secondary)

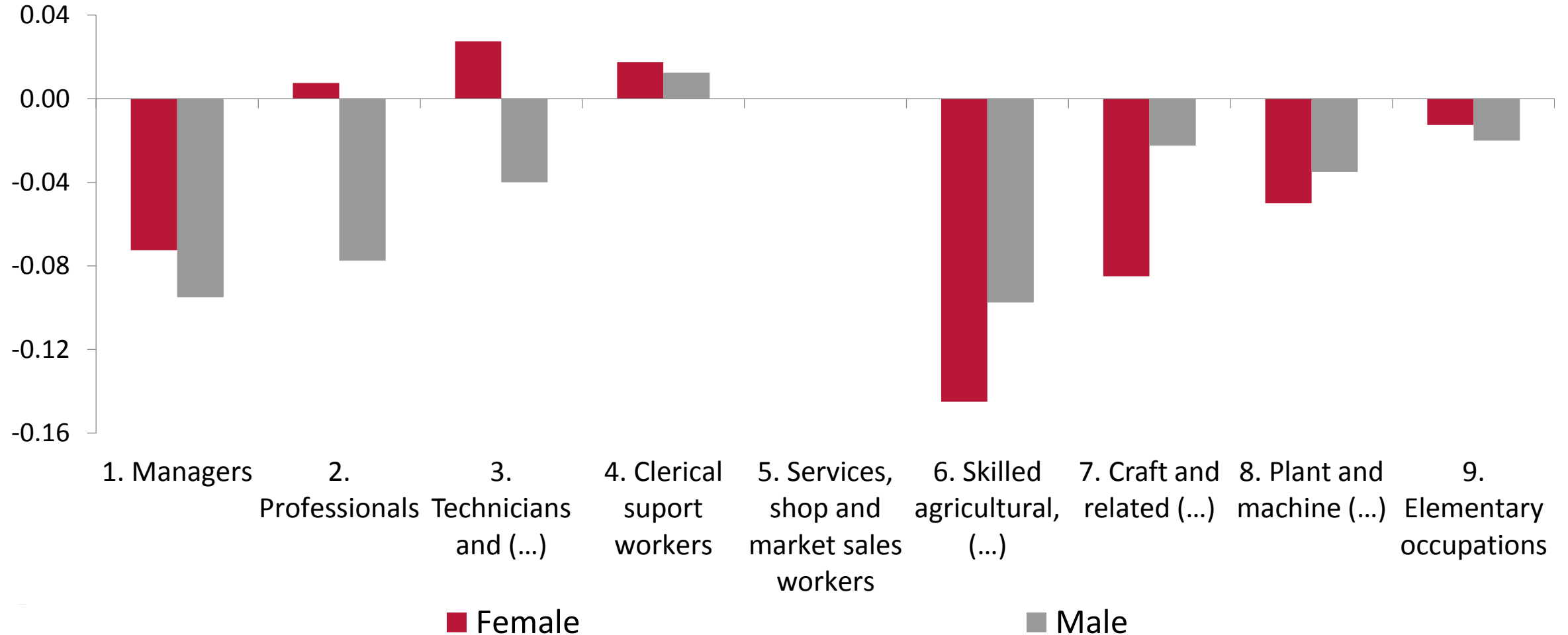


Source: results from bivariate probit regression with selection control

Retention least likely in manual jobs and high-skilled (men)



Mean marginal effects for occupations, by gender

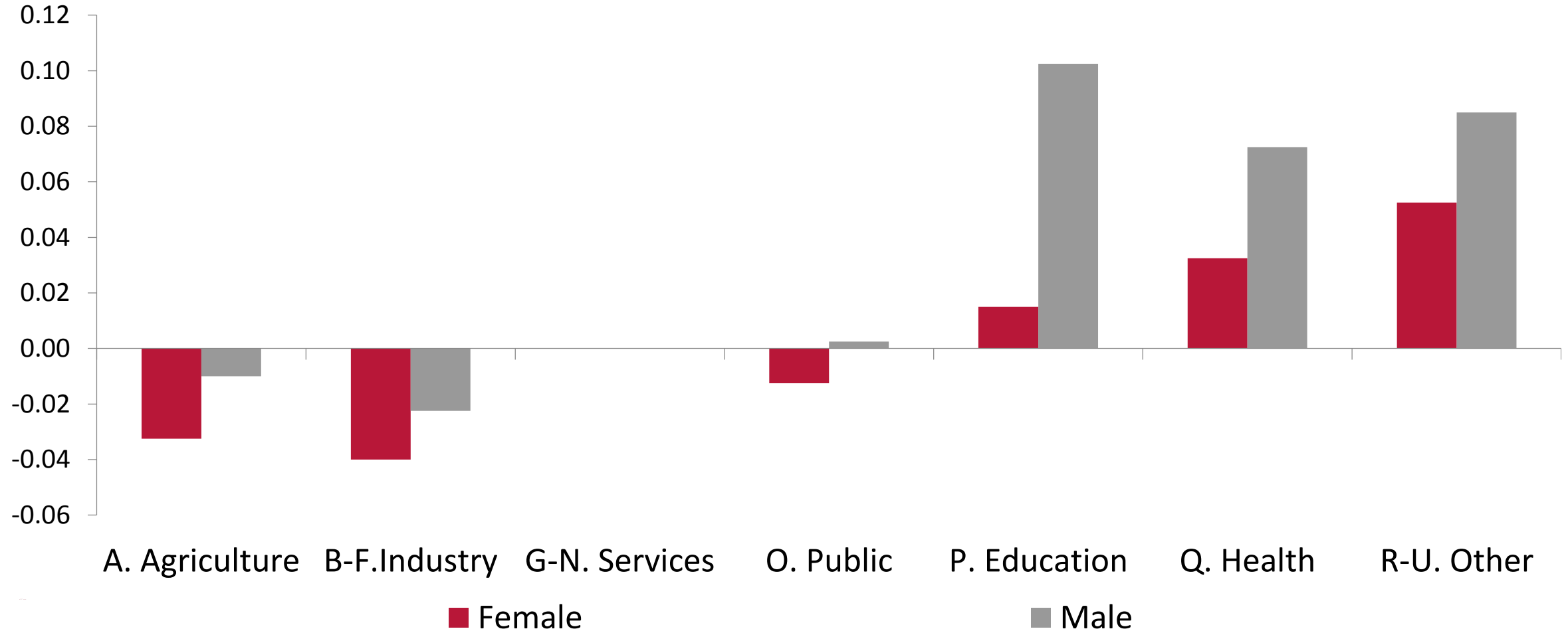


Source: results from bivariate probit regression with selection control

Retention most likely in Education and Health sectors



Mean marginal effects for sectors, by gender



Source: results from bivariate probit regression with selection control

(Lower-) middle-income workers least likely to retain



Mean country marginal effects for income deciles (base = 5th)



Source: results from bivariate probit regression with selection control

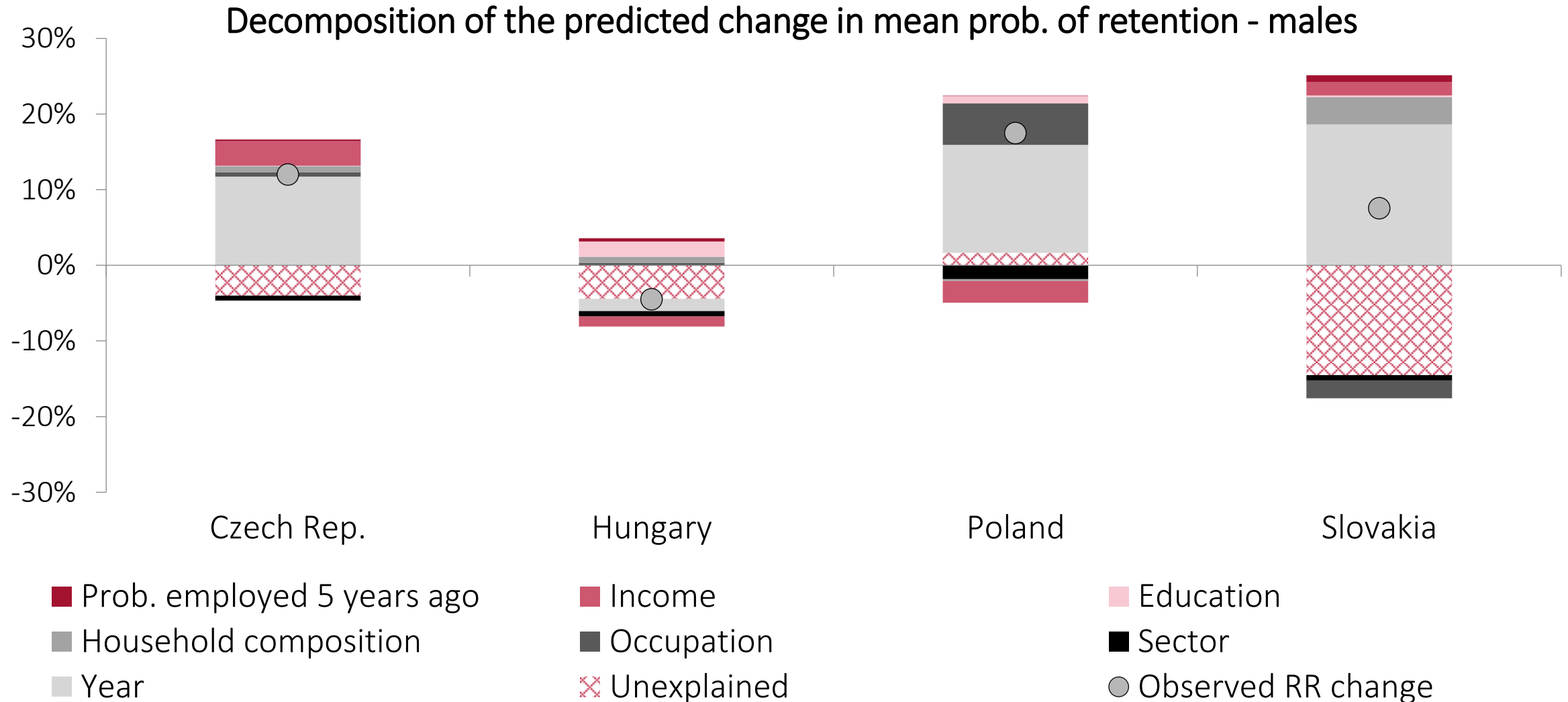
How these factors contributed to the changes?



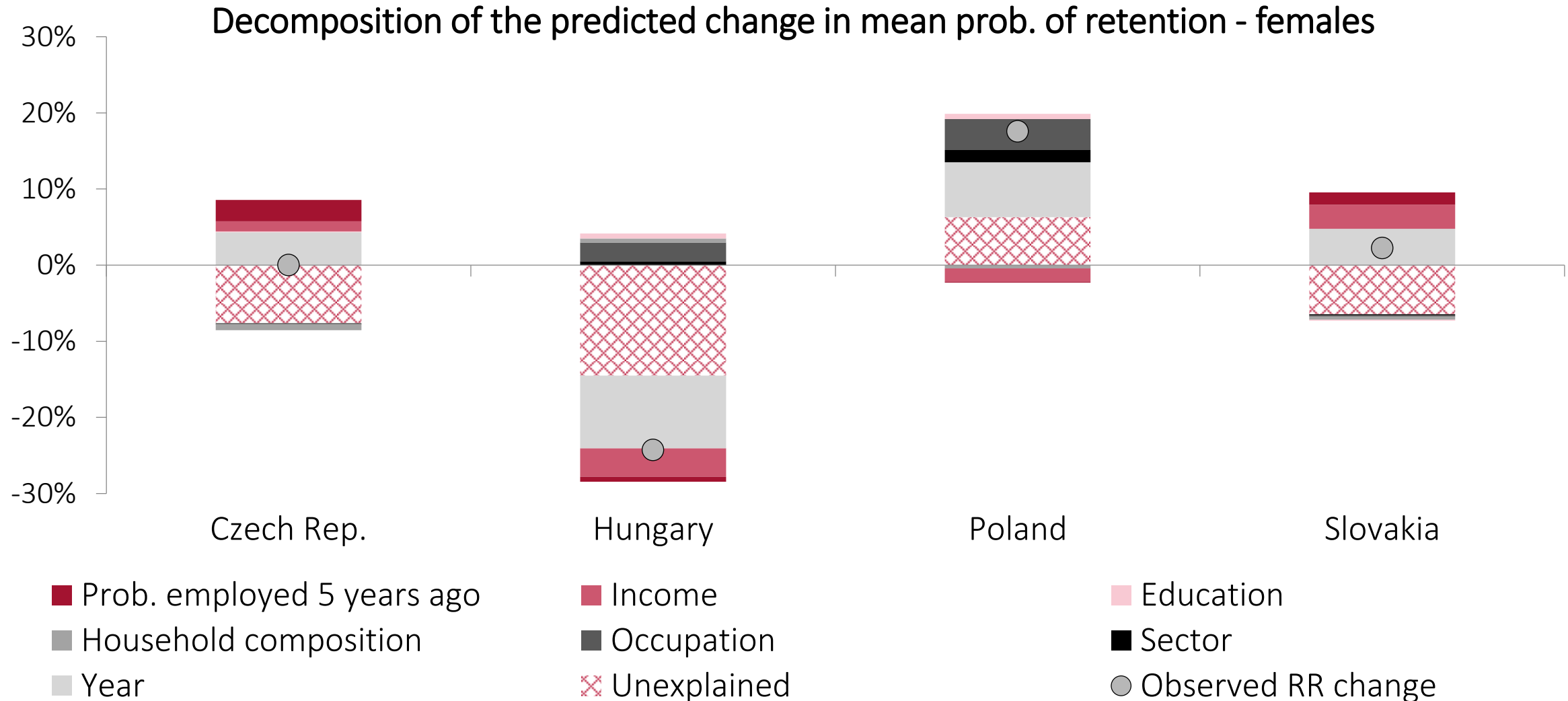
We calculated:

- 1) mean predicted probabilities of retention.
- 2) differences between 2003 and 2013.
- 3) contributions to the differences of sets of variables.
- 4) differences between predicted and observed retention rates.

Characteristics changes imply higher male RR (except in PL)



Characteristics changes imply higher female RR (except in PL)



Conclusions



- Workers with higher risk of non-retention.:
 - lower educated,
 - low-medium earners,
 - living with non-working partners,
 - in agriculture or industry; managerial or agricultural workers.
- While retention in Health sector remains important, it is already fairly high.
- Gender specificity of labour outcomes:
Emphasis should be put on female labour activity and retention.

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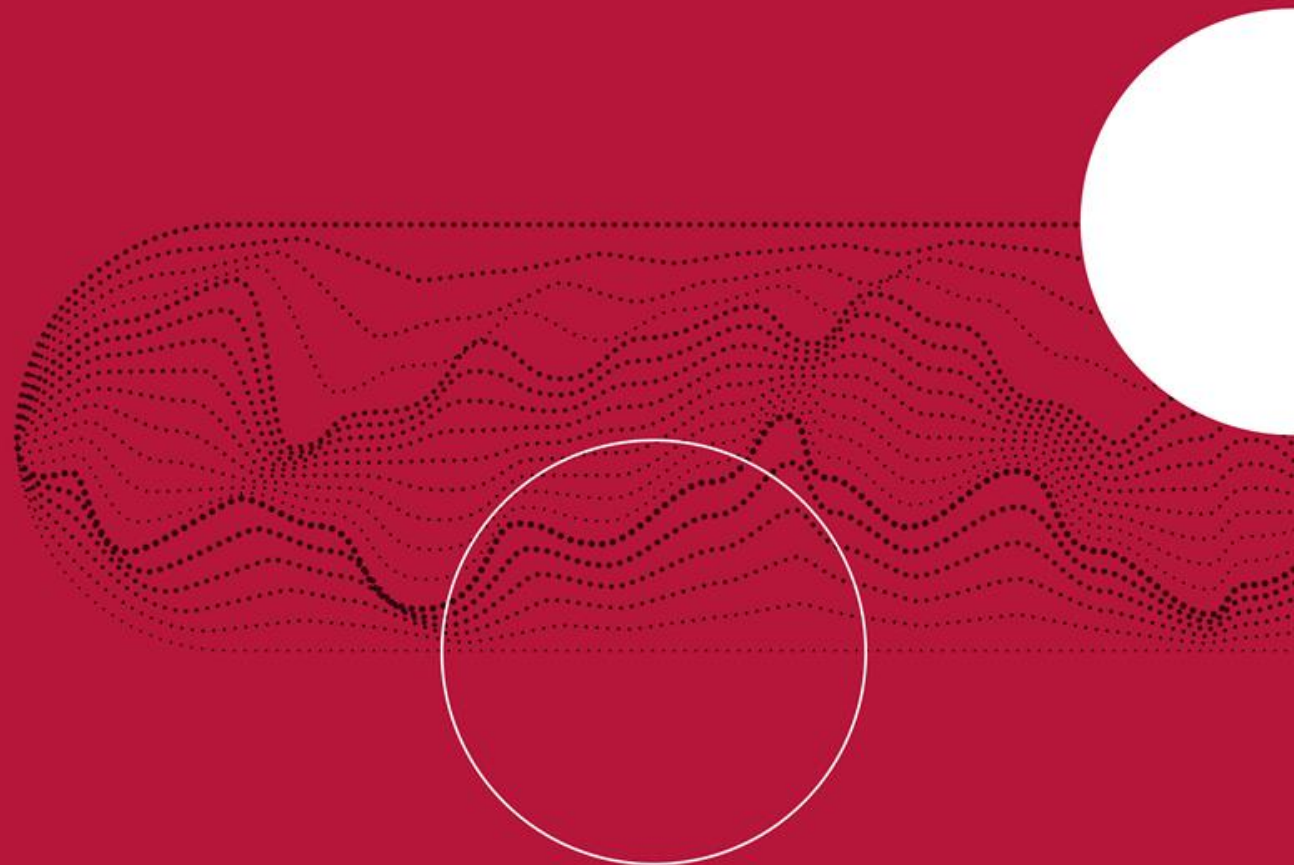


Table A1. Retention rates in 2003 and 2013, by country, gender and age group

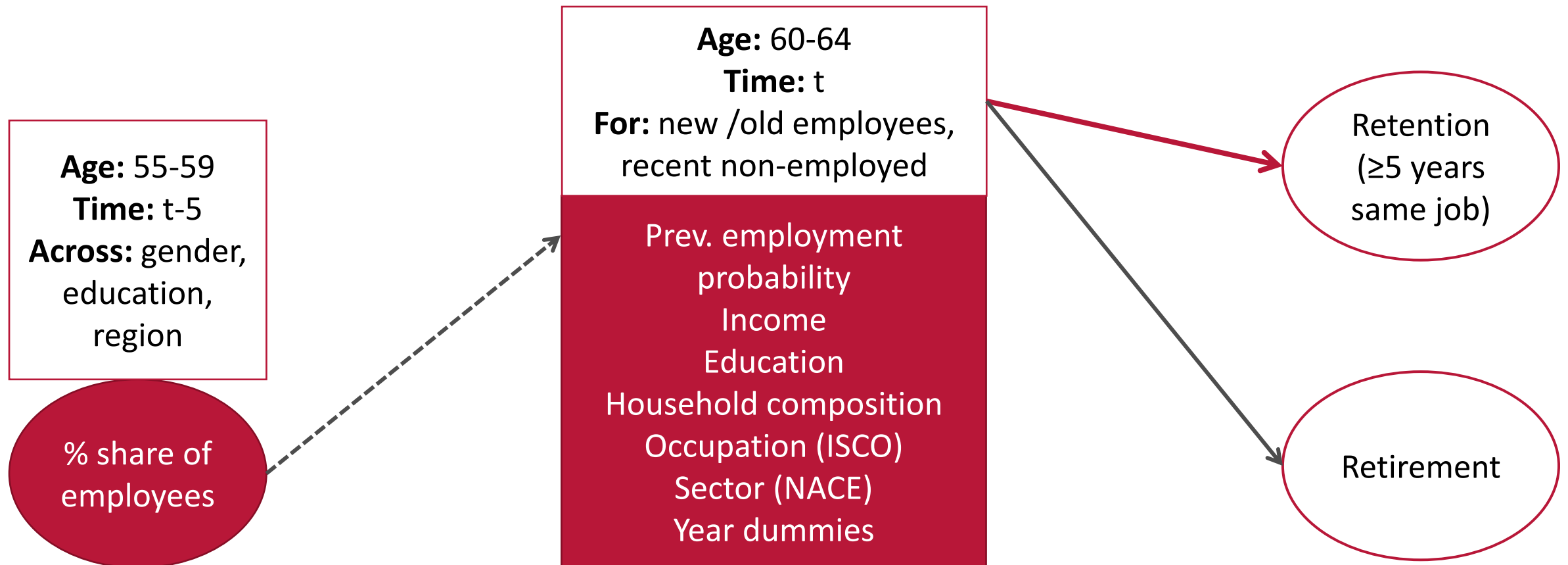
| Age group | Year | Czech Republic | | Hungary | | Poland | | Slovakia | |
|-----------|------|----------------|------|---------|------|--------|------|----------|------|
| | | Female | Male | Female | Male | Female | Male | Female | Male |
| 25-29 | 2003 | 42% | 56% | 44% | 51% | 49% | 51% | 54% | 73% |
| | 2013 | 48% | 59% | 51% | 58% | 40% | 49% | 43% | 50% |
| 30-34 | 2003 | 55% | 63% | 56% | 58% | 63% | 55% | 65% | 71% |
| | 2013 | 46% | 65% | 50% | 52% | 52% | 54% | 52% | 59% |
| 35-39 | 2003 | 71% | 65% | 77% | 73% | 66% | 60% | 77% | 73% |
| | 2013 | 69% | 67% | 63% | 63% | 63% | 62% | 67% | 70% |
| 40-44 | 2003 | 71% | 72% | 83% | 63% | 72% | 60% | 74% | 68% |
| | 2013 | 77% | 76% | 65% | 53% | 68% | 64% | 77% | 70% |
| 45-49 | 2003 | 79% | 72% | 72% | 69% | 68% | 52% | 72% | 73% |
| | 2013 | 75% | 74% | 76% | 68% | 75% | 62% | 70% | 75% |
| 50-54 | 2003 | 73% | 73% | 74% | 67% | 55% | 46% | 70% | 70% |
| | 2013 | 81% | 83% | 74% | 71% | 74% | 65% | 73% | 72% |
| 55-59 | 2003 | 41% | 68% | 56% | 60% | 29% | 35% | 30% | 64% |
| | 2013 | 60% | 68% | 55% | 57% | 64% | 62% | 62% | 68% |
| 60-64 | 2003 | 23% | 24% | 43% | 27% | 18% | 27% | 21% | 22% |
| | 2013 | 23% | 36% | 18% | 22% | 35% | 45% | 24% | 29% |

Source: Own calculations on EU LFS data, based on OECD definition of retention rate.

How we look for determinants of retention



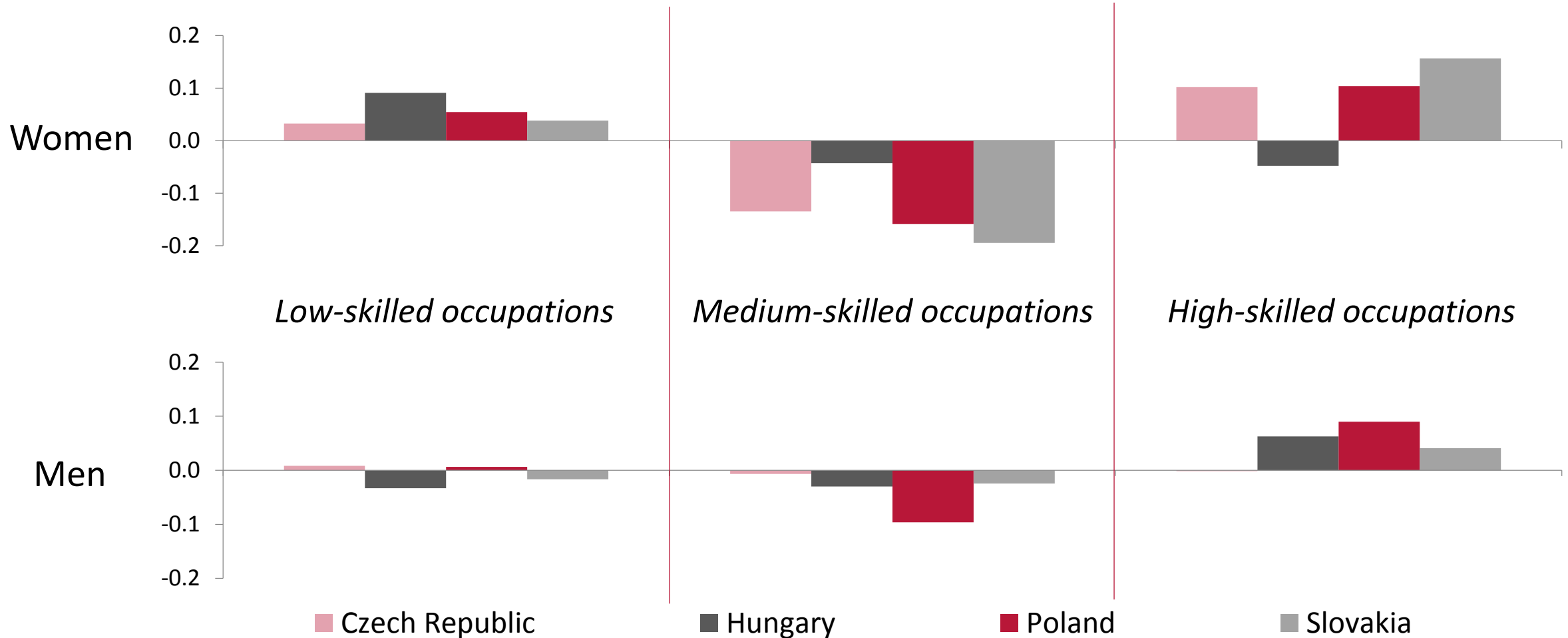
- EU Labour Force Survey data 1998-2013
- Bivariate probit model with selection:



Older women overrepresented in low-skilled occupations, especially in Hungary



Differences between occupational shares among 60-64 year olds and all workers, by gender



Source: Own calculations on EU LFS data.

(Non-)retention more likely when partners (non-)working



Marginal effects for living with one other person (base = no other people).
Blank bars for non-significance.

