

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

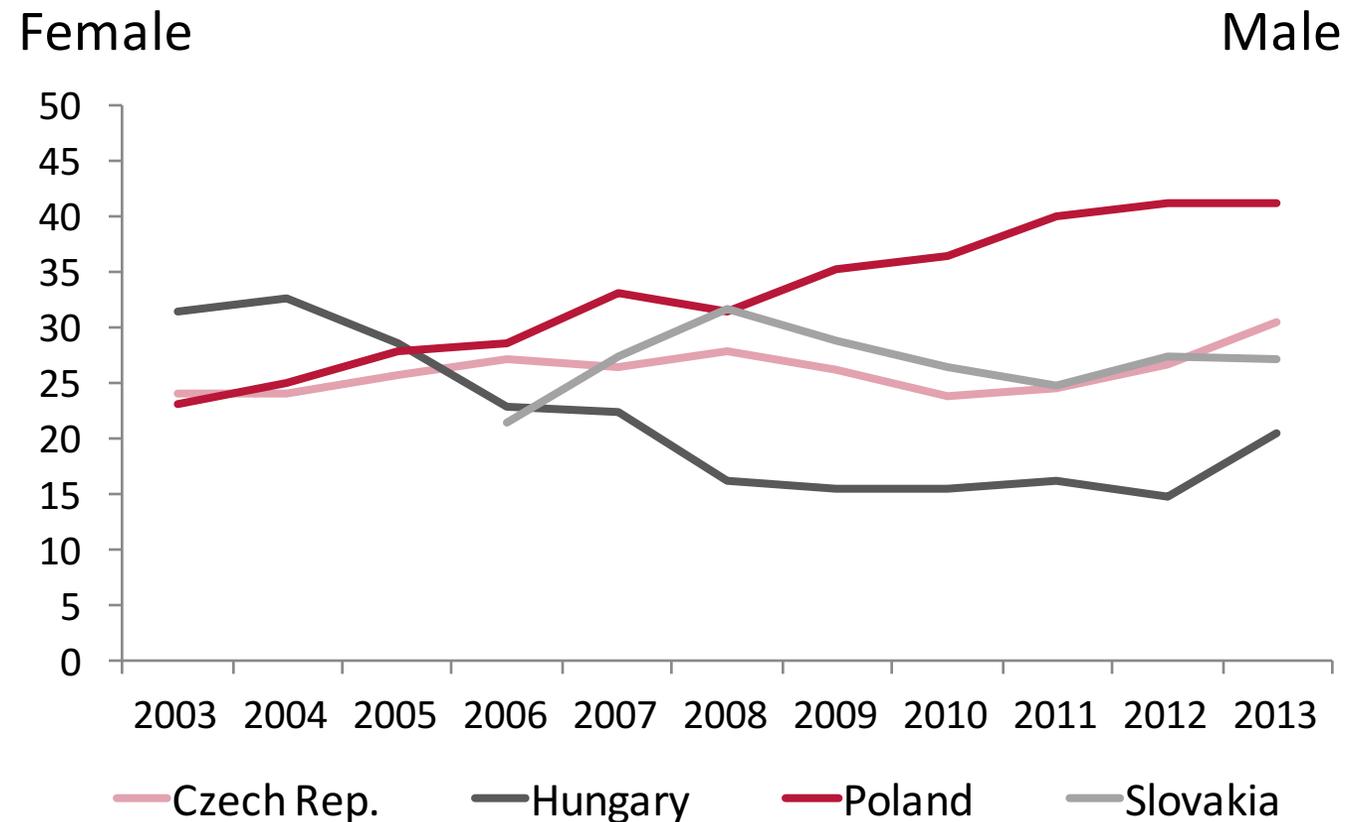


- Older people face difficulties in finding new jobs:
 - Negative age-based stereotypes,
 - Lower mobility,
 - Outdated skills (technology),
 - Legal constraints (employment protection), etc.
- Recent focus on job retention.
- Who is more likely to retain jobs and who is not?

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)



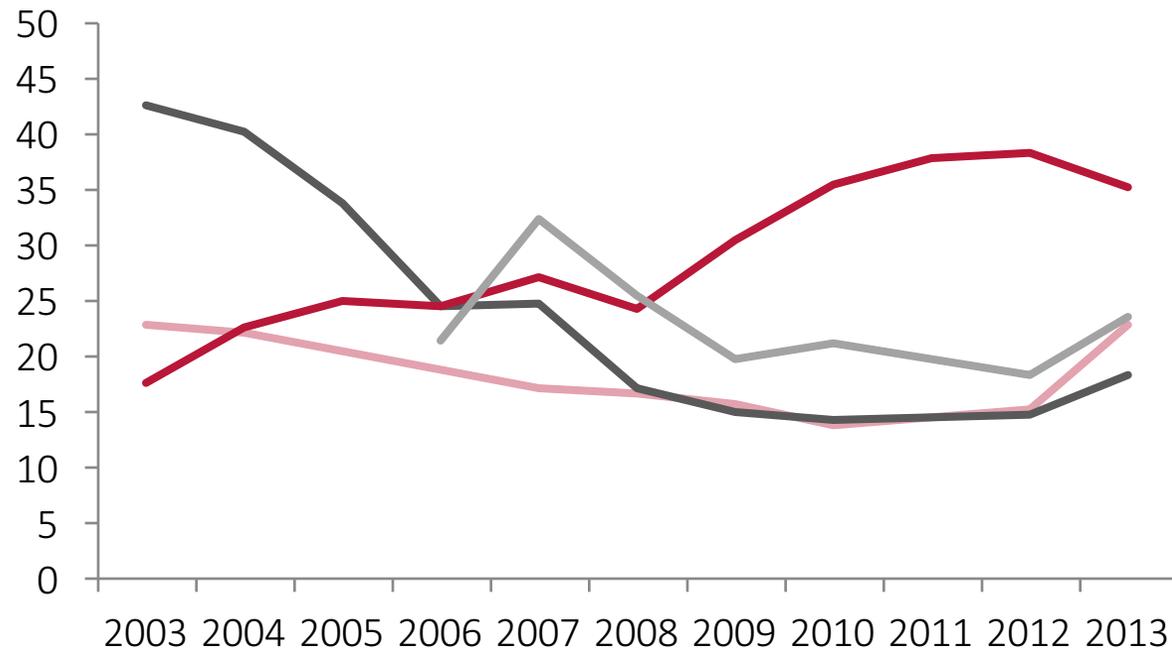
Source: Own calculations on EU LFS data. RR definition from OECD (2015).

Lower retention rates for women aged 60-64

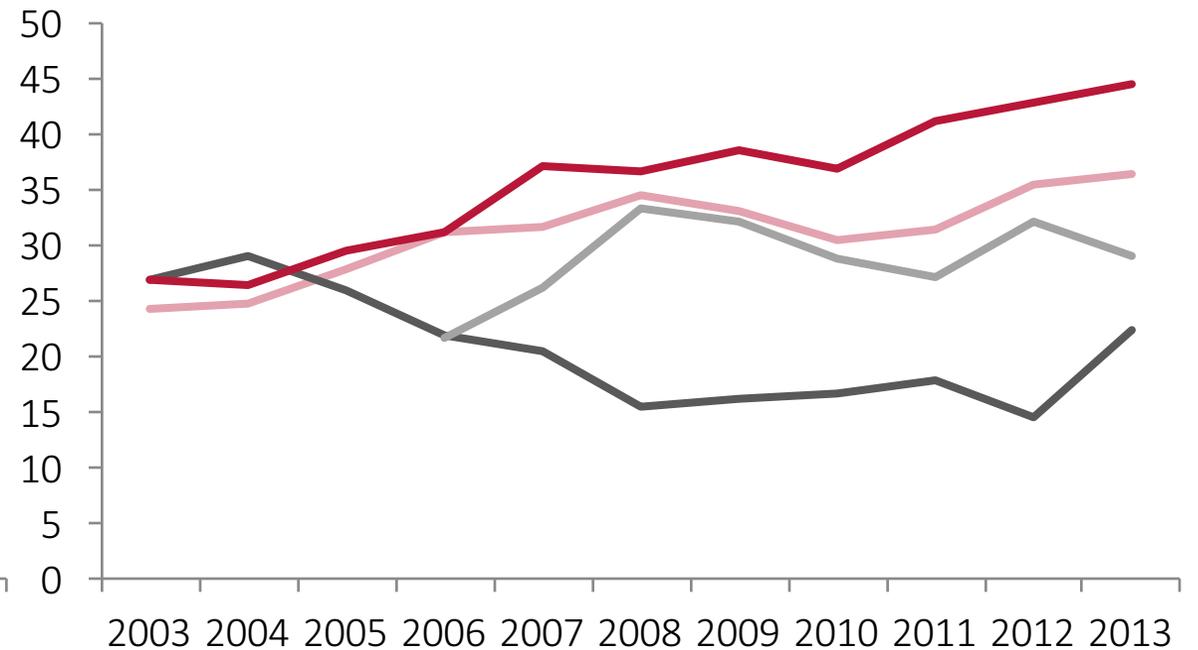


Retention rates (% of workers aged 55-59 who stayed in their jobs for the next 5 years)

Female



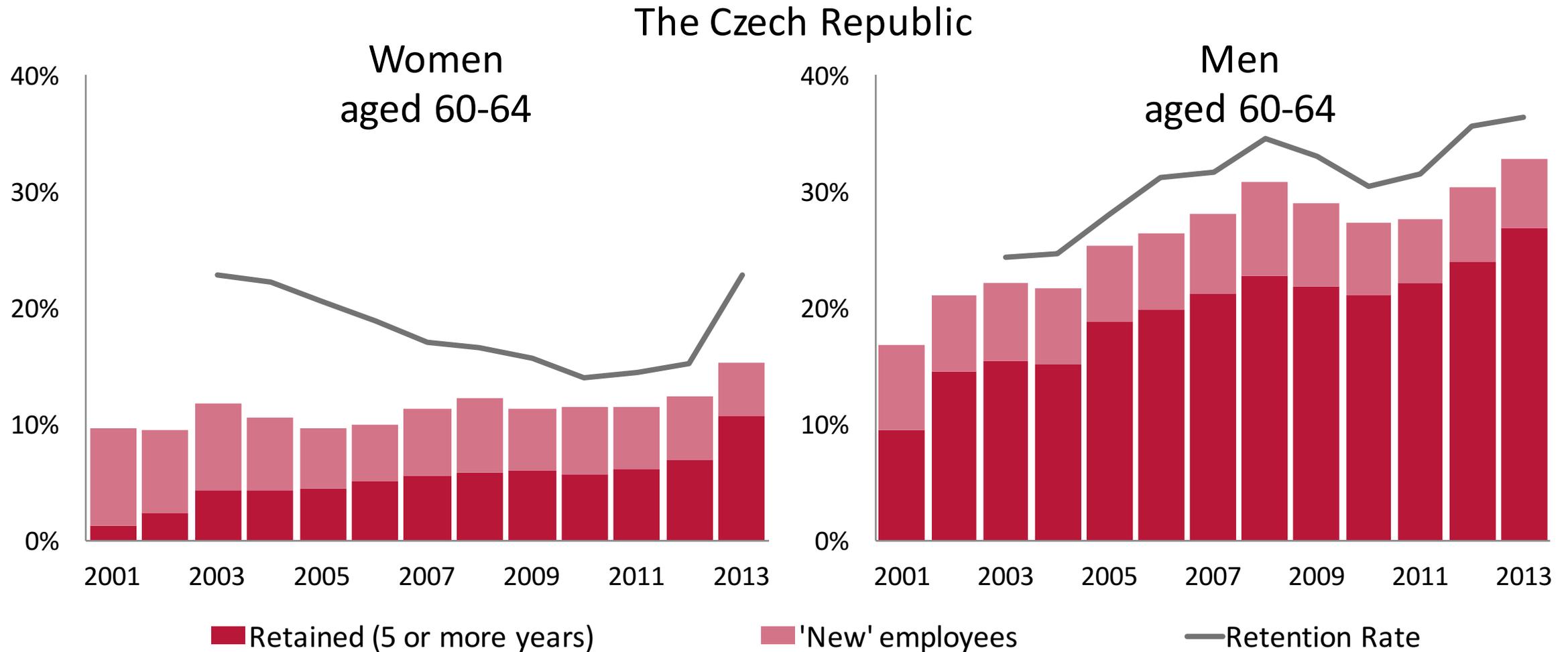
Male



— Czech Rep. — Hungary — Poland — Slovakia

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

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

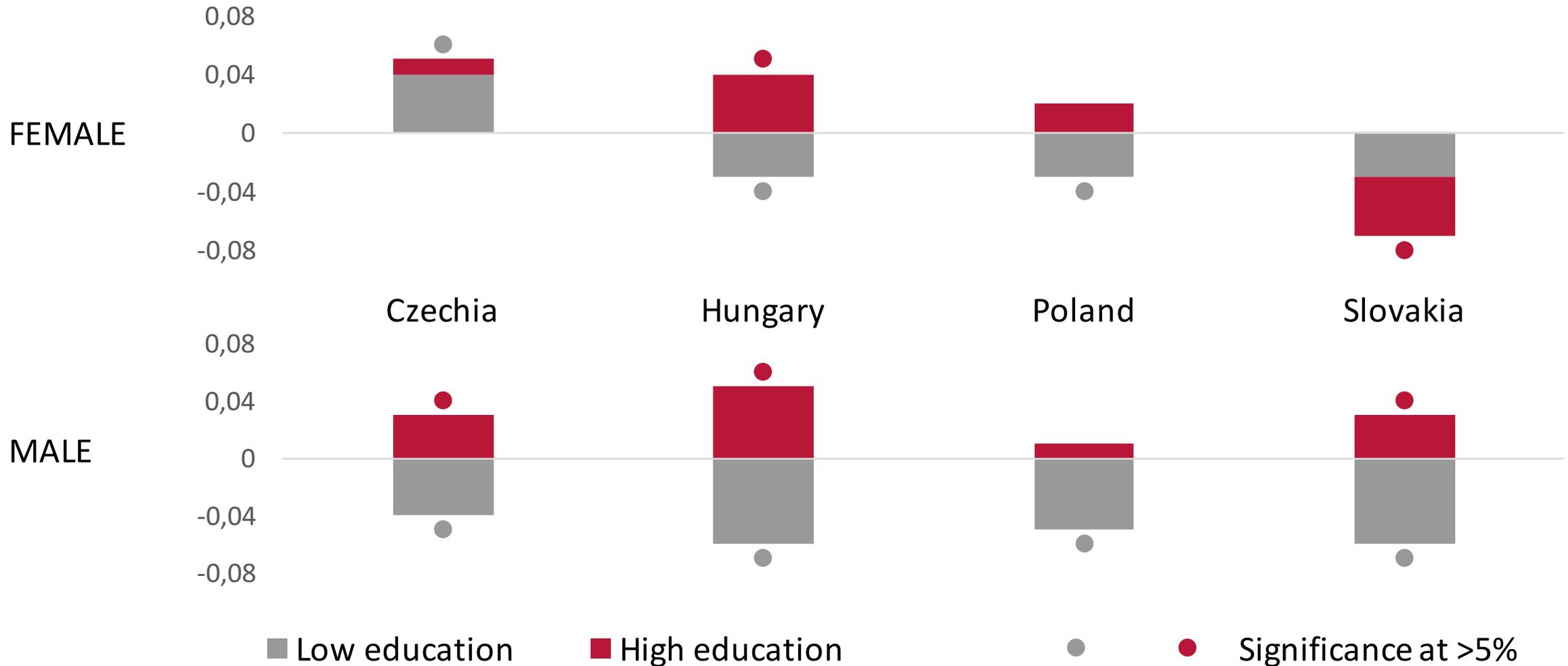


- EU Labour Force Survey data 1998-2013.
- **Who:** 60-64 year olds who worked at most 5 years ago.
- **What:** retention (5 years in the same job).
- **By:** country and gender.
- **Explained with:**
 - Job characteristics: income, occupation, sector
 - Individual characteristics: household composition,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

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



Mean marginal effects for education levels (base = secondary)

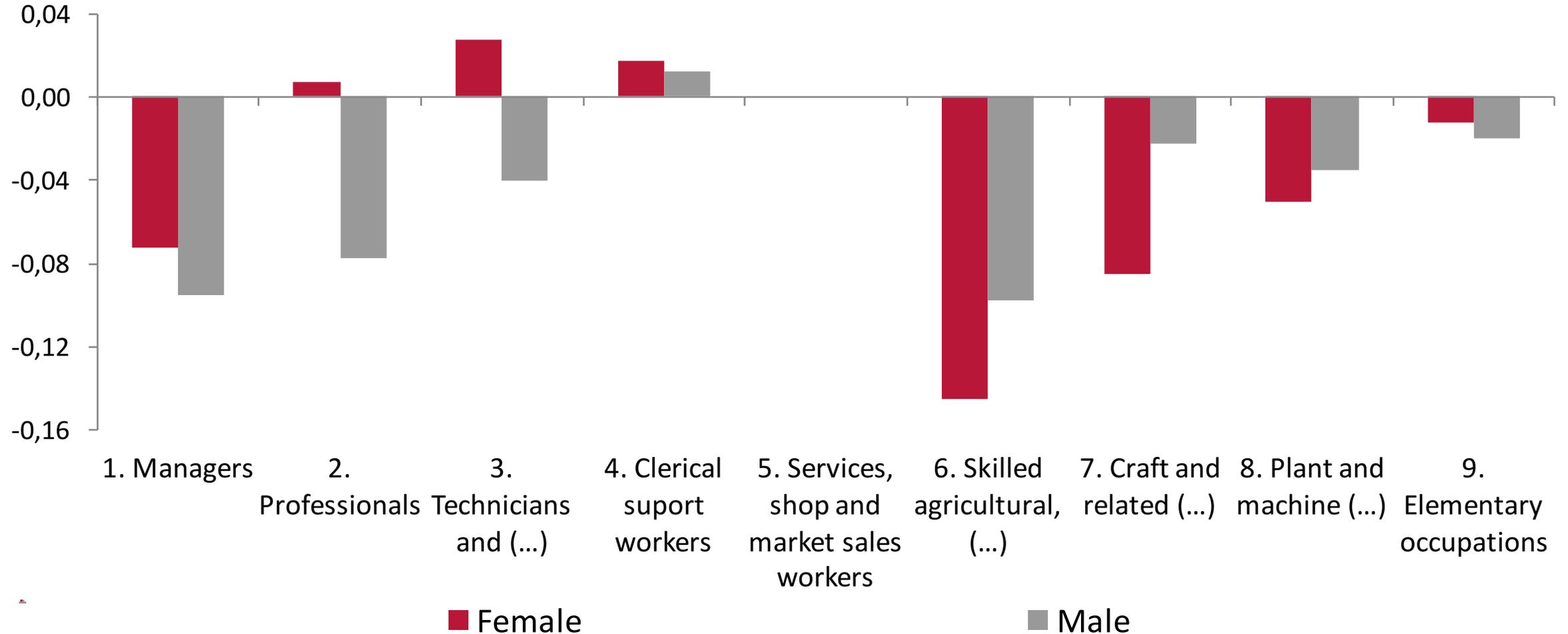


Source: results from bivariate probit regression with selection control

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



Mean marginal effects for occupations, by gender

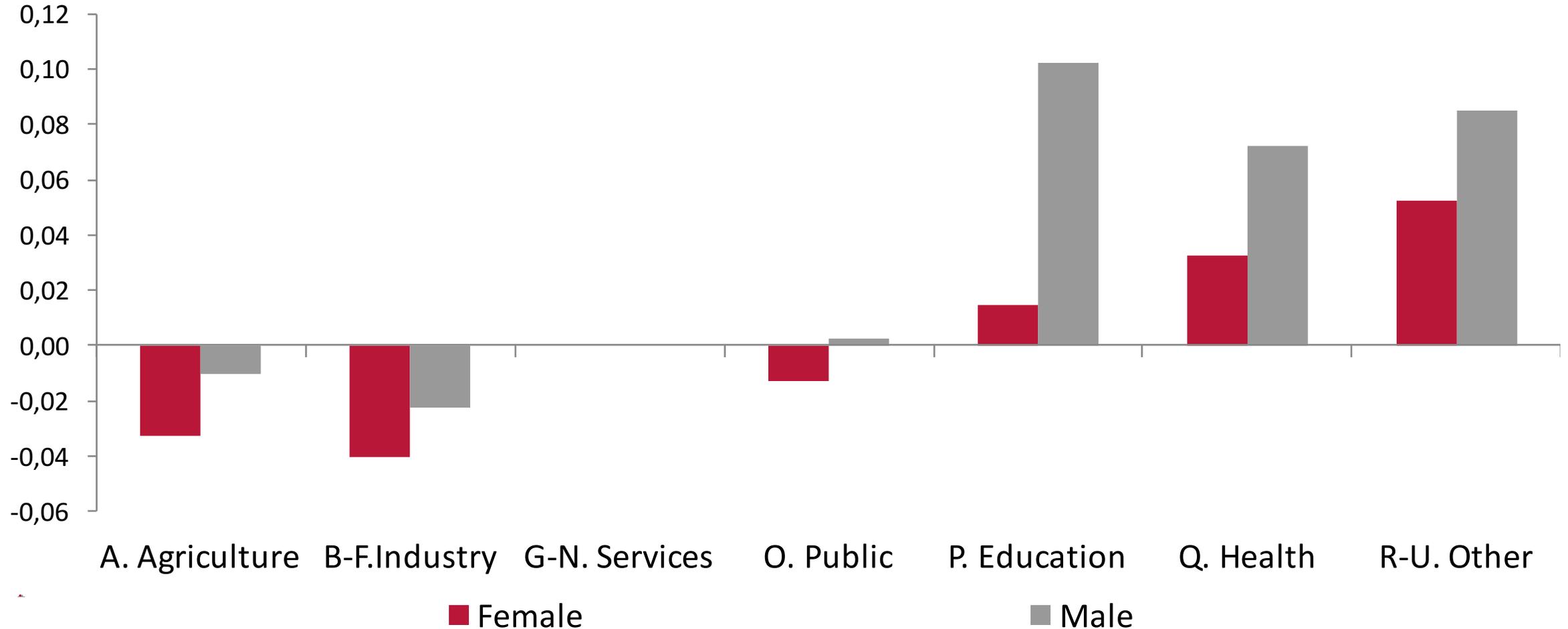


Source: results from bivariate probit regression with selection control

Retention most likely in Education and Health sectors



Mean marginal effects for sectors, by gender

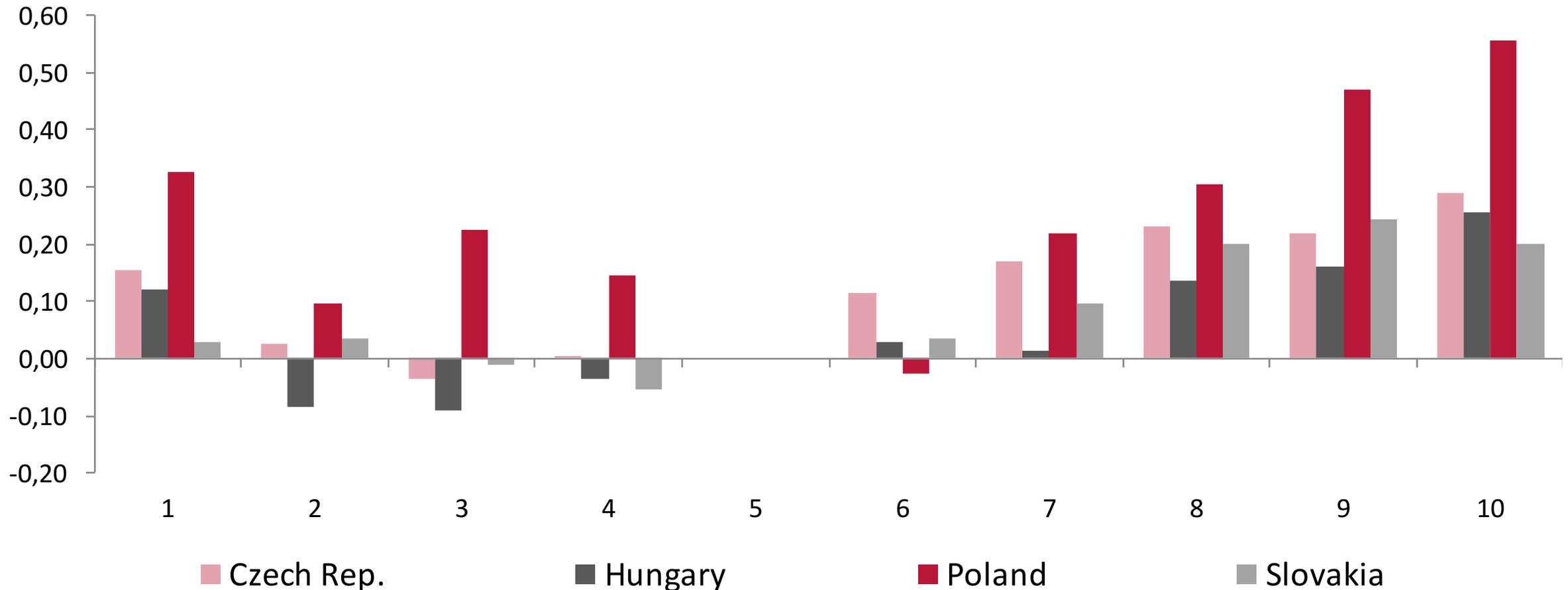


Source: results from bivariate probit regression with selection control

(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

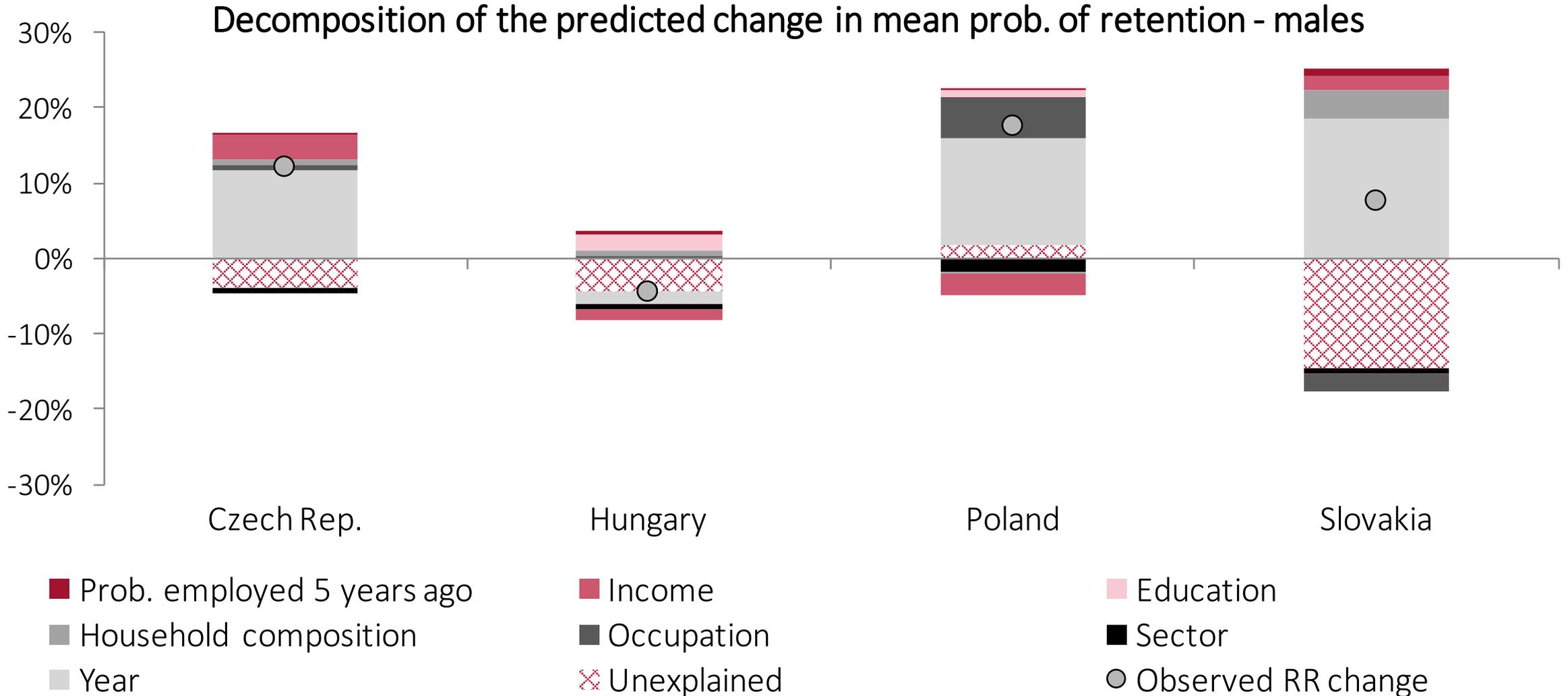
How these factors contributed to the changes?



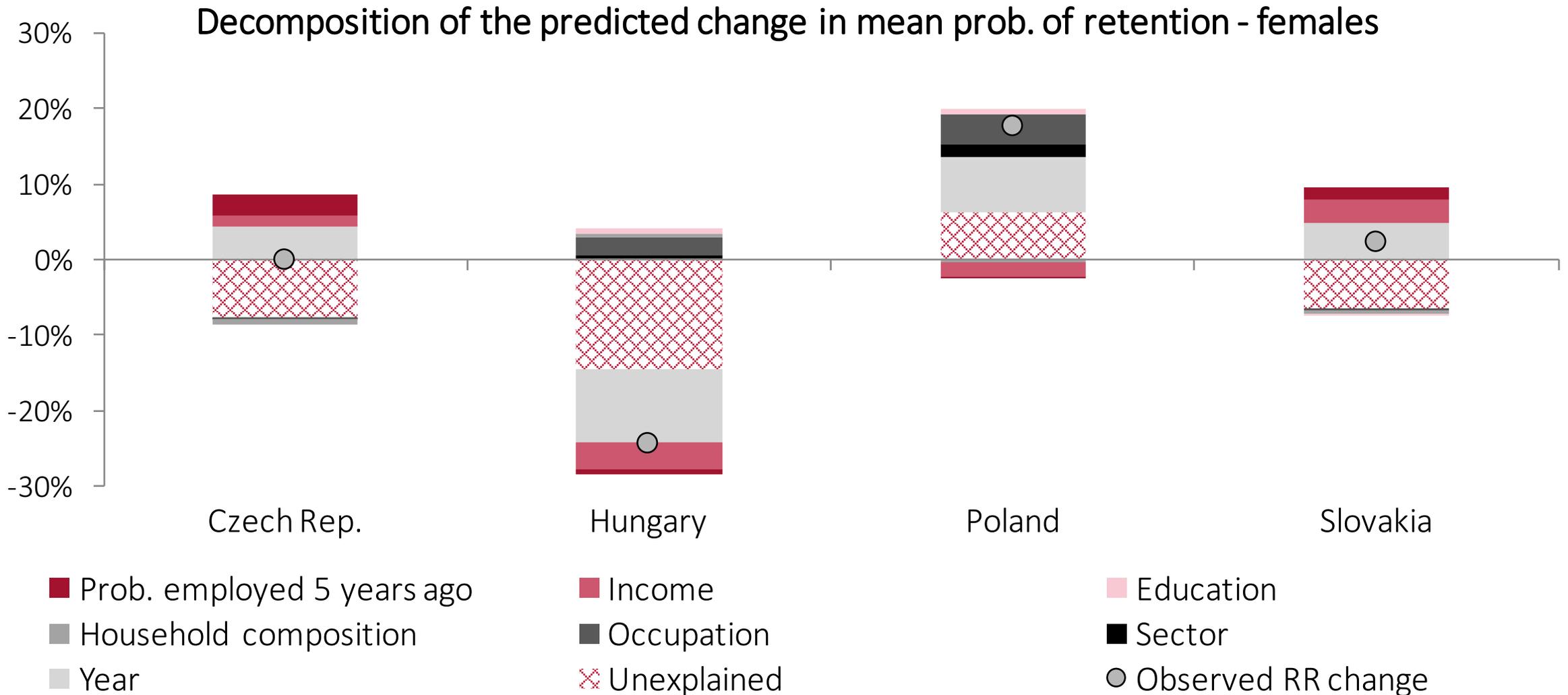
We calculated:

- 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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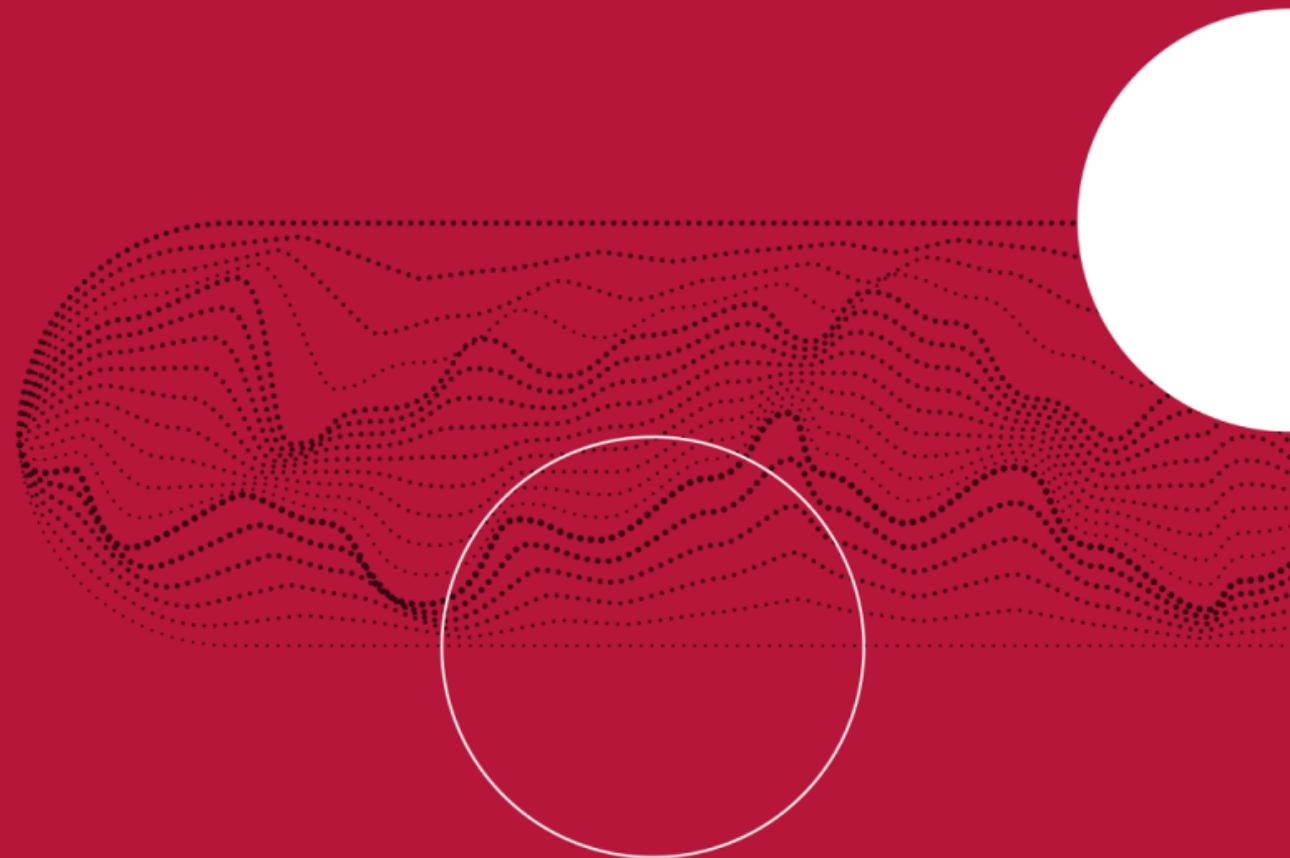


Table A1. Retention rates in 2003 and 2013, by country, gender and age group

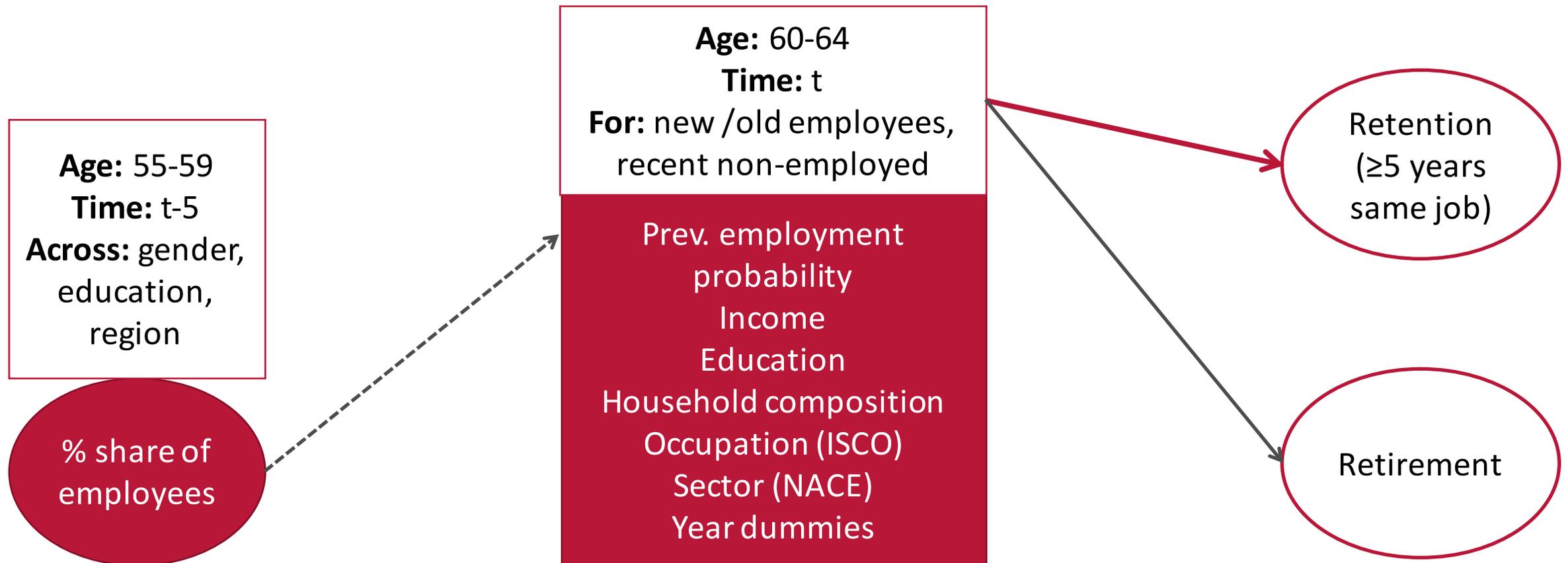
Age group	Year	Czech Republic		Hungary		Poland		Slovakia	
		Female	Male	Female	Male	Female	Male	Female	Male
25-29	2003	42%	56%	44%	51%	49%	51%	54%	73%
	2013	48%	59%	51%	58%	40%	49%	43%	50%
30-34	2003	55%	63%	56%	58%	63%	55%	65%	71%
	2013	46%	65%	50%	52%	52%	54%	52%	59%
35-39	2003	71%	65%	77%	73%	66%	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



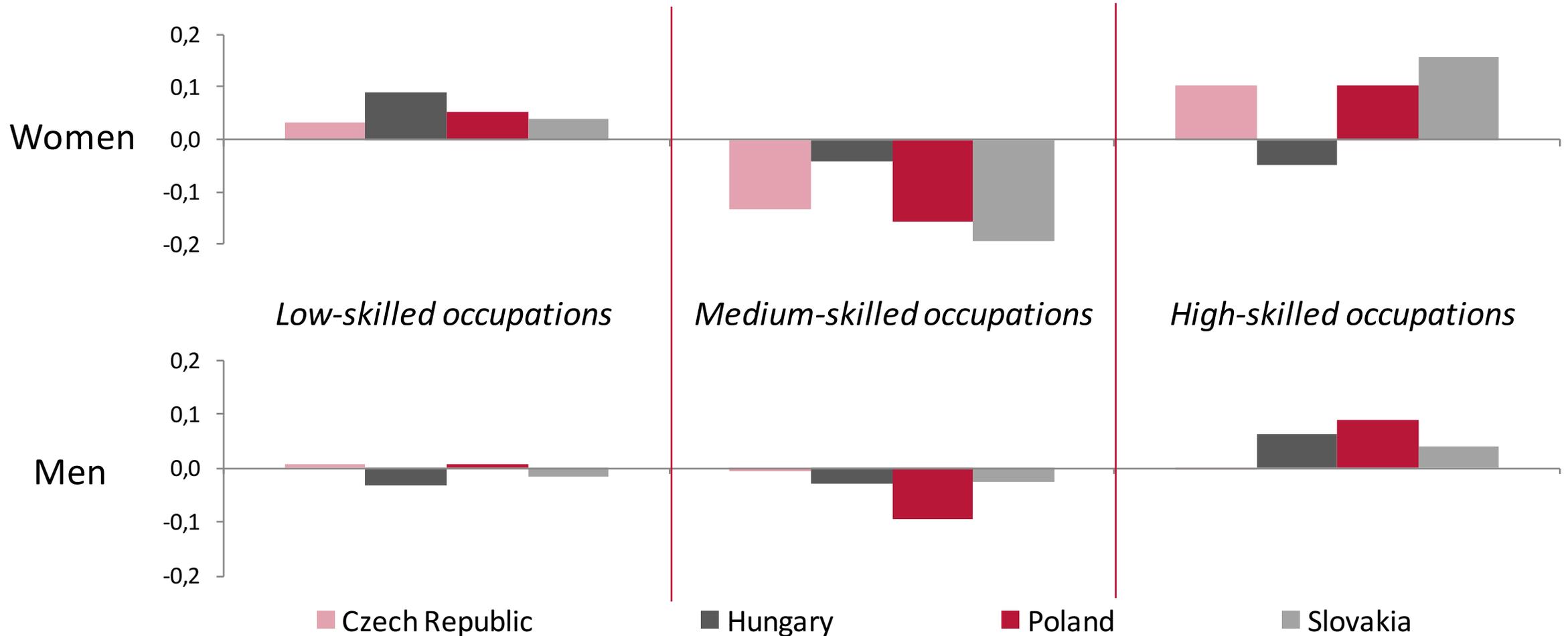
- EU Labour Force Survey data 1998-2013
- Bivariate probit model with selection:



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.

