Older People's Experience of Paid Employment: Participation and Quality of Life

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Recent and continuing demographic changes indicate an expected shortage of younger workers in the future and, consequently, an increasing need for older people to remain in employment beyond current pension ages. This shift demands consideration of issues relating to older people in the workplace and the likely impact of continued employment on quality of life. This research project was broadly concerned with labour force participation in the age range 50-75. It focused specifically on the relationship between participation in paid work and subsequent psychological well-being and life satisfaction - and the possible determinants of labour force participation at older ages.

This study has produced two types of finding with regard to 'quality of life' according to age group and employment status. Subjective well-being is a broad construct, viewed in terms of positive and negative affects (pleasant or unpleasant emotions) in the short term; whereas life satisfaction is based on cognitive (mental) self-appraisals over longer periods of time. This is significant as many previous studies have failed to examine more than one single component of 'overall subjective well-being'.

Summary of key findings

- Differences in well-being between the three employment groups were not statistically significant. Employed respondents within the study reported the highest levels of subjective well-being (compared to those of the retired or unemployed), although this was not the case for the sub-group of those above 50 but below retirement age - where the early retired had the highest well-being of the three employment groups in this category. However, the highest levels of well-being in any category were among those who were employed when over retirement age.

- With regard to life satisfaction statistically significant differences were found between groups and, overall, the retired group had the highest levels. However, as previously, at above retirement age it was the employed sub-group which showed the highest levels of life satisfaction. The roles of retirement and employment are shown to have differing implications for well-being at below and above conventional retirement age.

- In all categories for both measures of quality of life, the lowest scores were apparent for those who are unemployed and seeking work. This confirms that the effects of unemployment are harmful at older, as well as younger, ages.
Among sub-categories of the employed groups (e.g. part-time/full-time/male/female) life satisfaction was highest among part-timers - although there was no difference for affective well-being. Overall, poorer psychological health was found among those who had to remain in work for reasons of financial need.

The highest incomes were reported by those who were employed at below retirement age, and the best financial positions (overall wealth) were to be found among the early retired in this age group. There was no income difference between employed and retired groups at above retirement age, however. Unsurprisingly, the unemployed had the lowest incomes and financial positions overall.

Well-being at older ages was found to be a function of personal choice as well as being dependent on the role one occupies. In other words it is not just a question of whether one is employed, unemployed or retired, but whether one wants to be. This is particularly the case regarding separate forms of non-employment where some individuals are seeking work unsuccessfully while others may not wish to continue working at all. Conversely, employment when over retirement age may be forced through financial need, creating low well-being among some individuals, while others may obtain satisfaction through participation in unpaid employment after retirement.

Overall activity level was found to be a significant predictor of both life satisfaction and well-being at older ages. Family activities, social activities, and those within church and charity domains were found to be particularly important in this age range.

On the whole, our findings indicate that differences in satisfaction and well-being between employed, unemployed and retired people are not solely the results of their employment status, or level of personal choice in such status, but are determined principally by factors related to their environment. However, some of these factors, which influence satisfaction and well-being, may be facilitated through participation in paid work.

Environmental factors

Any environment may be characterised by a model, created by Peter Warr, which draws together nine aspects shown to be associated with subjective well-being:

- Opportunity for control
- Opportunity for skill use
- Externally generated goals (negative relationship)
- Variety
- Clarity
- Availability of money
- Physical security
- Interaction with others (in terms of both quality and quantity)
- Valued social position (respect)

There were significant differences between groups within the research sample with regard to these factors. The environments of the unemployed groups were impoverished in all respects. The employed reported more externally generated goals, a higher quantity of interpersonal interactions and more highly valued social positions generally. The retired reported greater opportunity for personal control and having more money available.

In general, overall well-being was associated with having: greater opportunity for personal control, more variety, more environmental clarity, higher levels of physical security and social value, and fewer externally generated goals. Associations between environmental factors and life satisfaction followed a similar pattern, except that the additional factors of money and high-quality interpersonal interaction were also seen as important. Marital status was also shown to be important with regard to life satisfaction, in that married individuals reported higher levels of satisfaction.
Background

The cost to the UK of the falling rate of economic activity in those aged 50 and above is vast and there is financial pressure on many older people to continue to work due to inadequate pension income and savings. Although the motivation to work at older ages, and beyond normal retirement ages, is often financial, there are also important non-financial benefits from paid employment, such as: liking the work itself, friendship, avoiding boredom, and gaining the respect of others. In spite of these individual and societal reasons for older individuals to participate in paid employment, there remains a significant decline in their labour force participation among older men in particular.

The psychological importance of paid work has already been established among younger ages. The effects of unemployment are clearly harmful, especially among the middle age group. However, outcomes of unemployment at above 50 have rarely been studied and existing findings at ages above retirement age have tended to be inconsistent and contradictory. This may be due partly to inappropriate groupings of voluntary and involuntary non-employed under the heading 'unemployed', and also a wide variation in the definition and measurement of quality of life in previous research (e.g. psychological distress, satisfaction, positive/negative affect, well-being, happiness etc.).

If it becomes imperative to encourage older individuals to participate in the labour force, policies and practices must be informed by research findings to ensure that the needs of these individuals are considered, and the best use is made of the skills and abilities they have to offer. Determining why some older people choose to continue in paid employment, while others remove themselves from the labour market, will help to ensure that human resource practices, aimed at recruiting and retaining older workers, are based on sound knowledge and scientific evidence.

The research findings which have emerged from efforts to address these issues build a comprehensive picture of the characteristics, perceptions, biographic details and particular circumstances of a large group of people in their 'third age' and our analyses focus on the interrelations between these factors. Variation between participants is examined in relation to their employment roles, leisure activities, physical health and consequent psychological health and well-being.

At a more abstract level, a further aim underpinning this research has been to contribute to current scientific understanding of the interaction between person and situation, as the determinant of behavioural and psychological outcomes as opposed to exclusively person-centred or situation-based explanations of behaviour. This has been explored through examination of the environmental factors relating to each individual's situation (over and above their employment status), in addition to the personality characteristics and cognitive ability levels of a proportion of the sample in relation to measures of subsequent psychological health and well-being. Fulfilment of this aim is so far only partial, as the within-person (psychological) data is still under analysis at the time of writing.

About the study

Research participants included both men and women, aged between 50 and 74 years of age, both working and non-working. These were organised into 14 categories - according to gender, whether under or over state retirement ages, and employment status. This allowed analysis at various levels of detail. Data was obtained through both postal questionnaire and follow-on one-to-one interviews. Questionnaires included scales measuring: psychological well-being, life satisfaction, physical health, employment role, activities, various forms of motivation, and environmental characteristics. Interviews carried out among questionnaire respondents repeated some of these measures (to establish reliability) and also included measurement of personality factors and levels of cognitive ability. 1170 questionnaires have been completed and over 300 interviews carried out. The interview data has not been analysed at this stage.

Sample

The questionnaire respondents mean age was 60.34 years, 49 per cent were men and 96 per cent were white. Seventy-five per cent were married or living with a partner, and 25 per cent were single,
widowed, divorced or separated. Since the project set out to increase understanding of employment-related factors, special attempts were made to obtain respondents who were in paid employment (N = 811; 69 per cent of the achieved sample). Twenty-two per cent described themselves as retired, and nine per cent were registered as unemployed and seeking a job. Of the participants in paid jobs, 48 per cent worked full-time and 52 per cent worked part-time. Some 29 per cent of jobs were associated with sales roles, 18 per cent were clerical or secretarial, and 11 per cent were at managerial levels. Educational qualifications were recorded in six categories. Thirty-five per cent of the sample reported having no such qualification, 30 per cent had O-level national certificates or equivalent, 14 per cent had higher national technical certificates, eight per cent had A-level qualifications, and 13 per cent held university degrees.

Conventional retirement ages in the United Kingdom are 65 for men and 60 for women. At those ages a state pension becomes payable, based on previous earnings-related contributions made by an individual, in addition to any personal pension that may have been saved for. Of the members of the sample below retirement age (N = 681), 76 per cent were employed, of whom 66 per cent worked full-time. Of those above retirement age (N = 476), 60 per cent were in jobs, compared to only eight per cent in the national population. Employment after the conventional retirement age was predominantly part-time, with only 16 per cent of employees in this age range in full-time work. Since a classification as registered unemployed requires a person to be below state retirement age, no respondents above that age were unemployed; above retirement age, all respondents were necessarily either employed or retired.

Résumé of results

Data from the questionnaire have been analysed (N = 1168, M = 49 per cent, mean age = 61) at various levels of detail and status - such as broad-band (e.g. employed vs. unemployed) through to the narrow-band categories (e.g. under retirement, female, seeking work). The main variables of interest were psychological well-being and life satisfaction. Other variables included scores on the scales mentioned above. Employed respondents reported higher levels of psychological health than others, particularly at below retirement age where very low scores were evident among those seeking work. There were no significant differences between employed and early-retired groups with regard to well-being or life satisfaction. Among sub-samples of the employed groups poorer psychological health was linked to a stronger need to work for financial reasons. Statistical analyses were carried out to establish the degrees to which demographic and environmental factors may be predictive of psychological health. Differences between employed, unemployed and retired people were shown to be mediated by specific environmental characteristics. This indicates that satisfaction and well-being in older ages are not solely the results of employment status but are influenced by environmental factors, which may be associated with the presence, or absence, of paid work.

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Published by the
ESRC Growing Older Programme
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Elmfield
Northumberland Road
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Growing Older programme web site:
http://www.shef.ac.uk/uni/projects/gop/index.htm