

COMPETITIVENESS OF OLDER PEOPLE IN RUSSIAN LABOR MARKET

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The percentage of people older than working age in Russian population is increasing persistently. The elderly population is becoming a more important element of the labor market.

We consider individual, organizational and macroeconomic factors as indicators of older worker's competitiveness. Individual factors consist of demographic factors (age, gender, marital status, well-being), socioeconomic factors (education, financial situation, professional status, unemployment experience) and psycho-social factors (importance of work, generativity, attitude towards retirement, personality traits). Organizational factors include institutional environment and stereotypes, as well as work schedule, satisfaction with the work, opportunities for education and self-development.

We use a multidisciplinary approach in our work. Results of a sociological survey conducted among actively working citizens of pensionable and pre-pensionable age are given in this article.

Age-based discrimination as a factor of older people's competitiveness is examined in detail. There is notable pay gap between younger and older employees, including gender aspect. We consider specificities of agism perception by elderly people depending of their education, professional status, employment and age.

Our research leads to the conclusion that Russian citizens of older age have the potential, i.e. opportunities, readiness, sufficient level of motivation to be active in the labor market.

Keywords: older persons, competitiveness, labor market, discrimination, stereotypes.

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Introduction

The percentage of older people in the Russian population is increasing persistently. According to the Russian Federal State Statistics Service (Rosstat), employment rate of people older than working age has grown from 23.9% to 29.4% in ten years. However, Russia lags behind many

countries in Europe and North America in the duration of working life. This lag is especially great among the male population (Denisenko & Varshavskaya, 2017).

In order to stay employed older employees must be competitive in the labor market. Competitiveness means the ability of a person to face competition with his equals, to perform competitive actions. Among the indicators of competitiveness, there are a lot of factors affecting labor activity of older workers. The types of factors include the following: individual, organizational and macroeconomic ones (Agranovich, 2019).

Among the factors determining the competitiveness of the elderly, the authors attribute a special role to age discrimination. Unfortunately, agism is in evidence in Russian business. Older workers are paid less than workers of other ages, including the gender aspect. The way elderly people perceive agism depends on their education, professional status, employment, and age. Several studies revealed a duplicity of widespread gender and age stereotypes: some ideas have been proved in practice, others are groundless and can be interpreted as delusions entrenched in the ordinary consciousness (Glukhanyuk & Sergeeva, 2007).

Methods

In the paper, we use a systematic approach, to analyze the combination of factors influencing competitiveness of the elderly and to highlight the most significant ones for modern Russia. Macroeconomic factors include the level of unemployment, the economic and labor market situation. Studies on the influence of these factors show that their combinations have a different impact on the chances of getting a job for men and women, people of different ages and with diverse backgrounds, and that for each group you can choose the factors that best explain that the chances for older generation employment vary by region (Agranovich, 2019).

Numerous studies on this topic have revealed that in Russia, as in other countries, the chances for workers of retirement and pre-retirement ages to be employed are generally lower than for the population aged 25–64 years on average (Agranovich, 2019; Vishnevskaya, 2017; Mulders, 2019).

Organizational factors are politics, institutional environment, working conditions, time schedule, work satisfaction, opportunities for professional training and development and stereotypes regarding older people.

In Russia, as in many countries, a targeted state policy is being pursued and a legal framework is being developed to extend the working life of the elderly (Vishnevskaya, 2017; Brussig & Leber, 2019; Riphahn & Schrader, 2019; Ilmarinen, 2019).

It is widely believed that in Russia in most cases the retirees who continue to work, can only get a job in enterprises with low wages and/or difficult and dangerous conditions. Demand for labor of older people takes place in the secondary sector of the labor market, which is characterized by lower level and unstable jobs.

Individual factors are demographic (age, gender, marital status, health), socio-economic (education, financial and professional status, experience of unemployment), psycho-social (importance of work, generativity, personality traits). The influence of these factors on the competitiveness of older workers is examined through the survey in the Sverdlovsk region in 2019. The survey was conducted among a sample of 418 people aged 50 to 72 years. 68.4% of the respondents work; (60.8% of them are employed retirees; 7.6% have their own business or are self-employed); 25.4% are retired; 6.2% are unemployed and are seeking for an employment. 61.7% of the respondents are women and 38.3% are men. These are often highly qualified people, with appropriate professional education. Almost half of the respondents (49.3%) have higher education, 31.7% have secondary vocational education. The purpose of this paper is to consider influence of only individual factors on the competitiveness of older people.

Data and descriptive statistics

The competitiveness of older people depends on several individual factors, since it is their characteristics in comparison with the characteristics of other age groups that determine the prospects for employment of the elderly. Significant gender differences are noted among workers of retirement age. Unlike women, men are more active and willing to continue their career after retirement because of the high importance of their own professional identity (Glukhanyuk & Sergeeva, 2007). This is probably based on patriarchal tradition: a man in Russia has always been thought of as a breadwinner, and Russian older people's attitude to family relations has always been special. Most of the elderly (19.7%), mainly women, are daily engaged in caring for children, as well as for other people who are in need of assistance (7.4%), and this is not paid (Trubin & Nikolaeva, 2016). 18% of older workers stress the importance of various non-professional areas in their lives: families, various leisure activities, communion with nature (Glukhanyuk & Sergeeva, 2007). The social role of a woman invalidates her ability to compete with men.

Elderly people often consider the duration of professional activity dependent on their health condition. Those with poor health plan an early retirement. In 2013, the morbidity rate of people over working age was 1.3 times higher than the corresponding figure for the country's

population as a whole. Elderly people may have chronic diseases which cause the need for medical care (Trubin & Nikolaeva, 2016).

It is reasonably believed that education enhances the opportunity for the elderly to get a job. With the rise of educational level, the proportion of the employed increases and the proportion of the economically inactive decreases. Many researchers note that there is a positive correlation between the educational level and employment. This also holds true to Russia. In terms of education, the elderly population of Russia has a sufficient potential for full participation in labor activity.

It is advisable to consider the professional self-assessment of the elderly as a factor of competitiveness. Respondents appreciate their professional potential. Most working retirees highly value their professional activity. They develop professional self-assessment on the basis of their own professional benchmark. A considerable part of working retirees note that the age factor is insignificant in the professional field. People with a higher level of education also have a much higher opinion of their professional potential. Older workers who are willing to break new ground, who are confident in their pertinence, who are ready to deal independently with difficult tasks appreciate their capabilities (Glukhanyuk & Sergeeva, 2007; Kasyanova & Radchenko, 2019).

Among the reasons that encourage retirees to work, economic ones dominate: lack of cash for current needs – 74.0%, desire to save for the future – 24.6%, pursuit of financial independence – 23.0%. More than a third of retirees' total income is earned income (Trubin & Nikolaeva, 2016). At the same time, willingness to reduce claims to the salary level and career is an important condition for the extension of their working life and a competitive advantage in the labor market.

Such individual characteristics as social status, which is assessed with regard to professional status and income, have a significant impact on the competitiveness of pre-retirement and retirement age workers: the higher the social status, the more employees tend to continue working after reaching retirement age and increase their competitiveness. Moreover, it is not income, but professional status that has a greater influence on the ability to continue working. Assessment of professional potential also depends on employment status (Kasyanova & Radchenko, 2019).

The competitiveness of older people is influenced by socio-psychological factors: level of internality, behavioral agility and strong motivation to maintain a sense of necessity and significance in the work collective, professional communication, and the possibility to share experience (Glukhanyuk & Sergeeva, 2007; Vishnevskaya, 2017).

Professional activity is a determining factor in gaining a social status, it makes one feel like an equal, useful member of society. Therefore, it is important to continue activity in order to maintain the competitiveness of the elderly; however, sometimes they are actively forced into retirement as inefficient employees. What causes such an attitude towards older workers? How common is agism in Russian society?

Results

All of these individual factors should be studied in connection with macroeconomic and organizational conditions and cultural particularities. The Russians are highly dependent on the stereotypes and roles imposed by society. It is noted that employers also have negative stereotypes about older workers.

Discrimination of older workers is based on a set of stereotypes: most of the elderly have poor health; their performance is unsatisfactory; professional activity is characterized by low temporal indicators; intellectual abilities deteriorate with age, an elderly person is not capable of learning and retraining; an older worker is conservative and hampers any innovation. These stereotypes present a very simplified image of an older worker. In general, these stereotypes can be reduced to the following cliché: the elderly are helpless, useless, passive, subject to intellectual deterioration etc. (Shestakova & Vasiliev, 2016).

We have conducted an empirical sociological study in a group of active, working people of pre-retirement and retirement age. It showed dual character of older people perception of these stereotypes. At the societal level, respondents share these stereotypes, but not in daily individual practice. Such an ambivalence does not make it possible to interiorize mass stereotypes of older people into everyday practice, which increases their proactivity, and thereby competitiveness in the labor market.

To assess the level of agism, two questions were offered to the respondents: one of them was personal, the respondents had to assess whether they experienced agism in their professional career, the other was socio-evaluative, the respondents were requested to rate the level of age discrimination in Russian society as high, medium or low. The results revealed a contradiction in the assessment of discrimination at the social and personal level. If we consider the perception of discrimination as a social phenomenon, the distribution of answers has low correlation with such significant and individual characteristics of the respondents as education, current employment status, financial situation, and even gender. It can be assumed that the answer to this question is determined by consolidated public opinion, which is disseminated by the media and is not connected with personal everyday experience. This is probably the reason

why almost half of the respondents find it difficult to answer the question about the level of discrimination against older people.

Tab. 1. The respondents' assessment of the level of discrimination against older people (response rate in %)

Level of discrimination	Response, %
High	21.4
Medium	25.4
Low	9.0
Don't know	44.3

Source: authors' own study

The people of pre-retirement age (50–54) assessed the prevalence of discrimination in society slightly more negatively: they are the most vulnerable in the labor market, since employment is more relevant for them.

Tab. 2. Dependence of discrimination level assessment on the respondents' age in the labor market (response rate in %)

Level of discrimination	Age of the respondents				
	50–54	55–59	60–64	65–69	70 and over
High	23.5	20.9	19.6	19.2	20.8
Medium	35.3	22.4	21.4	34.6	25.0
Low	5.9	11.9	12.5	3.8	4.2
Don't know	35.3	44.8	46.4	42.6	50.0

Source: authors' own study

However, as soon as we proceed to assess individual perception of discrimination, the competitiveness factors that we considered earlier come into play, and their relation to the answers becomes clear. The respondents with higher education face less discrimination (27%) than the respondents with secondary education (46.2%). Recruited workers' rights (21.1%) are less violated than the rights of the unemployed (50%), and the respondents with income higher than 40 thousand rubles (22.2%) face less discrimination than those whose income is less than 10 thousand rubles (33.3%). People of pre-retirement and early retirement age are discriminated most of all. Their social status is critical, the unexpected pension reform has left them disorganized. The socio-psychological state of the representatives of this group is characterized by pessimism, loss of life purpose; in comparison to representatives of other age groups they are more likely to rely on the government in solving their problems.

Tab. 3. "Have you faced age discrimination?" (response rate in %)

Answer	Age of the respondents				
	50–54	55–59	60–64	65–69	70 and over
Yes	38.9	24.6	30.4	15.4	20.8

No	61.1	75.4	69.6	84.6	79.2
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Source: authors' own study

It is not only age that affects discrimination sensitivity, but also professional status. To a greater extent, 46.7% of trade and service workers, 39% of managers, 28.6% of highly qualified specialists face discrimination. At the same time, this does not actually affect skilled blue-collar workers: only 4.2% answered yes to the question.

Tab. 4. “Have you faced age discrimination when getting employed?” (response rate in %)

Answer	Professional status of the respondents (prevalent for your professional life)							Total
	Managers of different levels	Highly qualified specialists (those who have high education)	Middle-level specialists (those who have secondary vocational education)	Trade and services workers	Skilled blue-collar workers	Low-skilled workers	Other	
Yes	39.0	28.6	21.2	46.7	4.2		22.2	26.6
No	61.0	71.4	78.8	53.3	95.8	100.0	77.8	73.4

Source: authors' own study

Trade and services workers predictably fall into the category of victims of discrimination, since employment in these sectors is unstable. But what about highly qualified specialists and managers? The higher the professional status of respondents, the more they are willing to defend their rights in the labor market. Recognition of age stereotypes can be protective in character. The one who occupied a higher social place finds it more difficult to accept the loss of this place and believes that the criteria for his/her dismissal are not objective, but subjective, discriminatory. However, in our research, as a whole only 26.6% of the respondents experienced age discrimination, which is significantly less than in the study at the national level. The Public Opinion Foundation carried out a study “Work and Age” which allows us to compare assessment of agism by Russian residents in 2013 and 2018. In 2013 55% of the respondents answered yes to the following question: “Are you aware of any cases when someone was not hired or was fired just because the employer considered him/her too old for this job?”; in 2018 60% of the respondents gave an affirmative answer. The dynamics of public perception of age discrimination is obvious. Turning to the question of personal experience, 20% of the population (both young people and the elderly) experienced discrimination by age. 34% of the respondents aged 46–60 experienced discrimination due to old age, and 38% of the respondents aged 18–30 faced discrimination due to young age (Work and Age, 2018).

In our study, we asked what common gerontological stereotypes respondents agree with. Most of the stereotypes related to assessment of cognitive abilities and professional skills are not shared by older people. However, a low assessment of the health and physiological characteristics of the elderly is a widespread stereotype.

Tab. 5. The respondents' opinion on the common age stereotypes in the Russian society (response rate in %)

Stereotype	Agree	Disagree	Don't know
Most of the elderly have poor health, they often go on sick leave	42.8	44.5	12.7
Labor of older workers is less effective	29.8	49.6	10.5
Intellectual abilities of the elderly deteriorate with age, and this hinders their productivity	36.3	52.4	11.3
The elderly are not capable of learning and retraining	12.9	77.1	10.0
Older workers are conservative, resist everything new (knowledge, technologies)	29.4	55.9	14.7
Older workers hamper any innovation	16.0	71.6	12.4
Older workers are slow in everything they do, in comparison to workers of other ages	29.4	54.7	15.9

Source: authors' own study

If an older person is denied the opportunity to participate in social activities, negative gerontological stereotypes are reflected in his/her consciousness in a more aggressive form and cause social helplessness. Those older people who continue to work are more optimistic about old age problems than even people of other age groups. Thus, we can study the issue of labor competitiveness not only comparing the elderly with people of other age groups, but also within the group of older people. Those who did not face age discrimination in their professional career are more competitive than the workers who experienced agism. In some countries there exists a flexible approach to retirement (Rabat, 2019), which allows an employee to decide on his retirement age in accordance with his competitive position in the labor market.

The strategies older workers use to overcome professional difficulties may be both constructive (they prevail) and non-constructive. The following strategies are most popular: addressing a challenge alone and seeking assistance of colleagues. Many retirees become gradually aware of their own experience as a guarantee of overcoming difficulties (or their absence) (Glukhanyuk & Sergeeva, 2007). At the same time, there is a certain depreciation of the experience of the older generation, its value for younger generations is reduced. Although the expe-

rience of the elderly is not pushed aside in principle, the faster pace of life gives rise to a sociocultural discrepancy between the older generation and the new realities. To overcome this discrepancy the elderly are forced to acquire the knowledge and values characteristic of young people (Ismagilova & Mirolyubova, 2013).

Conclusion

Most studies on the competitiveness of the elderly reveal that high level of education, qualification and professional self-assessment, good health, a desire to maintain independence and self-respect and material incentives have a positive effect on their employment.

Agism as a common social stereotype is deeply rooted in public opinion in Russia. At the same time it should not be considered a leading factor of low competitiveness of the elderly. Well-educated people with high professional self-assessment and behavioral agility, who stay employed due to these qualities, do not often face discrimination. Their professional competence and skills are the basis of their competitiveness in the labor market.

Interiorization of agism is based on daily career practice and is a characteristic of people with low competitiveness in the labor market. Older people who have interiorized those stereotypes usually belong to a group of low-competitive workers. Thus, agism stereotypes acquisition can be considered as an indicator of an employee's competitiveness, and not just as an external factor determining restrictions on employment for older people.

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