



Theoretical Perspectives on Aging Workforce

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Abstract

The raising of the aging population that comes with the reduction of the workforce population is the problem that the world will have to encounter in the near future. The measure that are applied to cope with the mentioned situation is to encourage the elderlies to continue to work and help maintain the academic growth and reduce the pension problem caused by the imbalance between the workforce populations and the retirees that keep increasing each year. For the mentioned measure is a new thing for Thai society, this article aims to reflect the theoretical point of view from the experience in western society which have entered the Aging Society before Thailand in the issue related to working after retirement to the fundamental concept in human resource management in the changing situation of the population structure and workforce in Thailand.

Introduction

Aging Society is the major change in social structure that society is currently facing. It is the state where the aging population is increasing while the youth and work-force population are decreasing. This is the result of the success of the population and family planning policy including progress in economic and social development that allows people to experience a long and healthy life.

United Nation classifies the Aging Society into 3 levels: (1) Aging Society, the society where 60 plus years old seniors covers more than 10 percent of the whole populations. (2) Aged Society, the society where 60 plus years old seniors cover more than 20 percent of the populations and (3) Super Aged Society where the 65 plus years old seniors cover more than 20 percent of the populations. Therefore, the Aging Society in Thailand started in 2005 with the ratio of the aging population to

the whole populations is 10.3 percent. The yearly ongoing increase of number predicts that Thailand will become the Aging Society in 2022 and by 2032 will be a Super Aged Society due to the increase of the aging population that is happening at the same time with the decrease of the work-force population. One problem that Thailand will have to encounter in the near future is the labor shortage and the lack of human resource with the knowledge, skills and experiences that will affect the economic system of the country in the long term.

A key measure that helps a country to cope with the aging society situation is to encourage the seniors to continue working for as long as they are mentally and physically capable. The amount of contribution seniors can pay to the economy will affect the economic expansion. The more seniors are able to contribute the better. The demographer call the utilizing of the rise of the aging population ratio to develop the economic the

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“second period of demographic dividend”. For example, Japan, the first country in Asia that became an Aging Society, coped with the slowdown in consumption and domestic investment; that caused a long period of economic depression, by enforcing the aging employment promotion measures. Promotion measures included laws that forbids the employer from using the age limitation as an employment condition, extending the retirement age to 65 years old, applying the post-retirement employment system and developing the technology for the convenience of seniors. (Secretariat of the House of Representatives, 2018)

Thailand has been working on a measure for a while to extend the retirement age from 60 to 63 years old but excludes the measure for organizations that require physical skills. There has been the consideration and study on the appropriateness of the positions for the retirement age to be extended and the law amendment on retirement pension. (Malee, 2018). The said measure is a large challenge for the Office of the Civil Service Commission, which is the organization that is responsible for the human resource for the government. The Office of the Civil Service Commission needs to find a way to create high standard work from the aging employees and achieve the human resource management goal of the government to continue supporting the Aging Society.

Since the said measure is still new for Thailand, this article aims to reflect the theoretical perspective from the experience of western societies that have already experienced the Aging Society focusing on the workers in public and private organizations that have the clear limitation on the retirement age. This article presents issues that relate to working after retirement in order to gather ideas on the human resource management for a changing population and workforce of Thailand.

Retirement and Working After Retirement

Retirement refers to the situation where a person must leave regular work when they reach the age limit that the employer sets (Siriphanish, 2007). For example, Thailand has set the retirement age at 60 years old following the aging criterion of Thai society. Yet, Thailand does allow the private organizations to set a different retirement age for each position but mostly the retirement age is set at 60 years old; according to the government. In general, the retirement age relates to the age based on the idea that when the employee works until the certain age, the employee should not be allowed

to work beyond that age because the aging would decrease the physical ability and/or ability to work. Therefore, those who work until this age deserve to stop working and take a rest. The employer organization will provide some type of retirement pension to ensure the security in life after retirement.

However, one phenomenon that is found in the present society is the development in medicine and public health that allows people to live longer and grow old slower than before. It is also found that there are many people that continue to work for the rest of their life which rise the question whether the retirement age is still suitable for the current situation. Moreover, in the situation where the entire world is becoming an aging society and the number of senior population keeps increasing while the number of the workforce population decreases and the people that are reaching the senior age are the Baby Boomer generation. The Baby Boomer is largest generation which does has an effect on the retirement system. Problems are occurring with the retirement pension system such as the unbalanced number of the working people who pay tax and the retirees, problems are seen with the government's budget since the retirement pension system cannot afford to pay for the added years of retirement as well as the lack of human resources and the lack of people with knowledge, skill and experience that will decrease the productivity and competitive ability.

Based on the experience from western society where many countries have become the Aging Society and have applied the retirement age extension and post-retirement employment to cope with the changes in the workforce will be discussed in this paper. Such countries have seen benefits such as being able to slow the effects on the retirement system and retirement pension for the government, the retirees are able to rely on themselves and maintain their well-being and quality of life for themselves and their family. In such cases that the income is not enough for life after retirement, making the balance between working life and leaving job that smoothens the transition between working fulltime and retirement (Pengcharoan & Shultz, 2010). Moreover, it also benefits the labor organization by decreasing the lack of skilled people in the workforce and helps to maintain experienced human resource in the organization (SHRM Foundation, 2014). However, the increase of the average older age of workers causes changes in the working environment where there is more difference in age of the workers and differences in gender, race etc. that follows

(Truxillo, Cadiz, & Rineer, 2014).

From the prediction that the change will continue throughout the 21st century, the topic on the difference of age in the context of working attracts the interest of research in various fields. The examples for the research topics are the working motivation of the employees in each age, the relation between age and work result, work environment with differences of age, age stereotyping in the context of work, etc. These studies are valuable for the interference on work efficiency development of aging workers in this situation. (Truxillo, Cadiz, & Rineer, 2014; Hertel & Zacher, 2018)

The Decision to Work After Retirement

Studies on the retirement process and living after retirement including working after retirement approximately appeared in the late 20th century when world societies became aware of the impact of the transition to the aging society of developed countries. At that time, researchers adopted theories concerning the impact of aging on work that appeared in order to understand the transition from working to retirement and one's satisfaction on life after retirement.

The group of theories adopted in the first stage viewed retirement as one's decision making process. The decision to stop or keep working is the result of individual's from the information both relevant and irrelevant to work such as Rational Choice Theory (Gustman & Stenmeir, 1986) that explains that it is the result of the comparison between the source of income and necessary expenses after retirement. In the same time Image Theory (Beach & Frederickson, 1989) explains that it is one's perception of oneself and the expectation of society. Role Theory (Ashforth, 2001) is more integrative and future oriented than the 2 mentioned above. It explains that decisions are based on the acceptance of the changing role as life passes. Theory of Planned Behavior (Ajzen, 1991) explains that retirement decision is the result of one's attitude towards work and social norms regarding work. From the above theories, the decisions to work after retirement are based on various variables, therefore, the organizational intervention focuses on providing information for decision making that can convince one to continue to work or to quit work.

One of the groups of theories that has been applied in order to understand the phenomenon takes the view that retirement is an adjustment process in order to reach a peaceful and satisfying state of mind. This group or

theories views retirement as part of life planning based on both quantitative and qualitative of resource and capability that change over times. There are 2 theories contained in this group. There are "The Life Course Perspective" (Elder & Johnson, 2003) that views retirement as a phenomenon that must happen in one's life. The capability of one to cope with the change depends on personal history, demographic features, health, financial status, skills and abilities. Those who cope well with the changes in throughout their life are most likely to successfully cope with the changes that occur in life after retirement. For Continuity Theory (Atchley, 1989), this theory believes that normal people are most likely to maintain a steadiness of their life pattern, for that reason, the adjustment they make in life after retirement are focused on maintaining their lifestyle and relationship with others.

Besides on the above theories, recently there has been the theory that views retirement as a process of the career development. The Career Development Theory (Hansson, DeKoekkoek, Neece, & Patterson, 1997) defines retirement as a chance to choose a further career path instead of complete retirement. This theory focuses on the influence of personal factor, job description and organization's characteristic on the decision to work after retirement. For the personal factor, the skillful, efficient and experienced retirees are more likely to get employed because they help lessen the cost on resource development. For the job description factor, most of the retirees, give more priority to the flexible jobs and the respect between employees than the stability. For the organization's character, the organization culture with prejudice on aging and discrimination between people of different ages have a negative effect on the need to continue to work.

Biological and Psychological Changes Affecting the Work of Elderly

Based on the experiences of western societies, no matter how much the medical have approved, the symptoms indicating aging still appear, soon or late depends on each person. Physical changes that occur when one enters senior status undermine the body, physical abilities such as seeing, hearing, strength and flexibility of muscle, movement ability and immunity. Moreover, aging also reduces the ability to adjust to the changing environment. Normally, the health problem starts when people reach the age of 50 starting from small things like joint pain, knee pain to losing the ability to

work, especially employment that demands physical potential.

Apart from the physical changes, there are also cognitive changes. It is found that aging has negative effect on brain such as the speed of thinking, memorizing and ability to stay focus. According to the Theory of Intelligence (Cattell, 1963), human's intelligence consists of two component which are fluid Intelligence (Gf) and crystallized intelligence (Gc). Gf is the intelligence that can be passed on through heredity such as the ability to think, memorize and solve problems without learning about the problem before which are the abilities that help people to adjust and solve unexpected problems. Gc is the intelligence that can be developed by learning and experiences as people age. The Theory of Intelligence says that Gf will reach the highest point at the age of 25 and then it retrogrades as people get older especially after the age of 60 but Gc can be developed by all people throughout their life as long as people do not stop learning and experiencing new things. Since Gc is important for working in high position, the consult and administrative position is suitable for older workers for they can use the advantage of Gc intelligence. However, how much the Gc can develop is different for each person and depends on the heredity and environment. The workers with higher education, good health and experiences in complex and challenging job will develop more Gc than the opposite type of workers (McCleary, Johansson, Berg, Pederson, Ahern, Petrill, & Plomin, 1997).

An important change of senior workers are personality changes. The five personality traits (Costa & McCrae, 1992) explains that there are five personalities of humans; neuroticism, extroversion, openness, agreeableness and conscientiousness. Some of the personalities are clearly shown at some point in individual's of life. When people get older, they tend to develop the conscientiousness and agreeableness personality and in the same time, decrease the neuroticism side. For the said reason, the strong points of senior workers are the orderliness, being purposive, dedication they put to finish the task, friendliness, understanding and having empathy and at the same time, they know how to let go and be optimistic.

For the affective changes, there is still a discussion on whether aging makes people mellow or tense up. Some research state that the maturity and emotional intelligence that develops as people age make the senior workers less moody, are more emotional stable and mentally healthier than younger workers (Ready, 2012). Senior

workers emotionally protect themselves by avoiding the situations that cause the conflict between people and focus on situations that they find comfortable and meaningful. Moreover, the more relaxed personality allows older workers to recover from upsetting situation. However, some research states that if the upsetting situations are directly related to them, they tend to have more intense reaction than younger workers (Streubel & Kunzmann, 2011).

Another important change among senior workers are motivational changes which is what drives one to try to achieve the goal. According to Life-span Development Theories (Baltes & Baltes, 1990), entering old age makes people lose some of their abilities such as strength and physical abilities, cognitive ability called fluid intellectual abilities (Gf), personality changes that can cause negative perception such as the lack of enthusiastic, laziness, narrow mindedness, etc. but, in return, they gain cognitive ability called crystallized intelligence abilities (Gc) including personally changes that can be viewed in opposite way such as prudence and consciences etc., The changes that occur force the senior workers to adjust themselves which can be for two goals: working related goal and social related goal.

For the working related goal, the needs of senior workers tend to change from the basic needs to high level needs such as esteem needs and self-actualization needs. For the above reason, the motivation to work of senior workers changes from achievement motives or the focus on the achievement to generativity motives or focusing on taking care of others, helping the society and passing on knowledge to the next generation (McAdams & de St. Aubin, 1998).

For the social related goal, for younger workers, interaction is to seek news, information and connections for the future compared to the senior worker, where social interaction is for emotional satisfaction and supporting one's identity.

Social Psychology Issues in Organization that Affect the Work of Older Workers

Social psychology focuses on the thoughts, feelings and behavior of humans that are influenced by expressions or implications in the expressions of people around them. The psychology issue that is widely studied is age stereotyping and discrimination that can be found in employment organizations. However, now that more organizations begin to transform to the aging workforce situation with more differences in age, more research on

new psychology issue in organizations can be found.

Age Stereotyping

Normally, age is one of the dimensions that tend to be criticized and the criticism occurred is influenced by age stereotyping that reflects belief and expectation of the society regarding the potential, attitude and behavior of people in each age. The term "Aging" for the majority of people is linked to the negative characteristics such as obstacle to work, the decrease of physical strength, the decrease of working ability, an increase in co-dependency and a burden to the society, etc. The negative characteristics leads to the idea that seniors should rest and not work as well as that senior employment disadvantage the productivity of an organization. Even though the working environment has been improved throughout the past decade there are still some stereotypes that are hard to change and lead to misperception and bias such as the idea that some task for example using computer program, information technology, etc. are more suitable for younger workers than senior workers. Apart from the age stereotyping that affects senior workers, self-perception is also influenced by the age stereotyping of the society. In psychological there is the idea that self-perception can lead to the situation called self-fulfilling prophecies which means one behaves according to the self-perception (Jussim, 2001) which eventually confirms the perception from others.

In prior research, examples of age stereotype on senior workers in western society found (Ng & Feldman, 2012) low work performance, low learning ability, against changes, tend to work for short time and costs high employment budget, not interested in self-improvement, etc. However, the research of Weiss & Maurer (2004) identified the age stereotype in positive way such as good attitude toward work, high work performance, behaviors that show the bond they have for their organization are also found. This positive age stereotype is the opinions of the baby boomers that currently play huge part in organizations.

Age Discrimination

It can be said that age stereotyping is the beginning of the age discrimination in workplace which causes the stress and creates obstacle for senior workers. It also influences the decision of the employer on the performance and career path that can be distorted from the truth. As the research of (Bal, Reiss, Rudolph, &

Baltes, 2011) finds that age influence the decision of many organizations for the belief that the aging is negatively associated with performance outcome. The said belief influences the employment decision, performance evaluation and career advancement.

Since the age stereotyping and age discrimination appear in the workplace where people with different ages work together, it affects the comparative decision between younger workers and older workers. The research of Finkelstein, Burke, & Raju (1995) finds that the job that is suitable for young people, the older applicants tend to be found unqualified but when it comes to jobs that is suitable for older people, the age is not the condition whether the applicants are young or old. Moreover, the research of Perry, Kulik, & Bourhis (1996) studies the employment with applicants from variety of ages and finds that the older applicants have less chance to get employed. The bias toward the older applicants can explained by career timetables (Lawrence, 1988) that reflects social norms on career advancement of people in each age group and that should follow the steps as set by society.

Age climate

Age climate refers to the concept to understand the environment where people from variety of ages work together. The research of Kunze, Böhm, & Bruch (2011) finds that the rise of differences in age is positively associated with discriminative working environment and it negatively affects organizational-level performance and commitment. However, the research of Böhm, Kunze, & Bruch (2014) states that there is the protocol that deals with the age differences. It's mostly the duty of the human resource to find methods to make the environment where people from different ages work together and have positive outcomes as well as decrease the turnover rate.

Besides the age climate that appears overall in an organization, the age difference can be found in groups of employees. The research of O'Reilly, Caldwell, & Barnett (1989) finds that the age difference in teams can have a negative effect on the unity of the team and lead to a higher turnover rate. Moreover, the research of Thatcher & Patel (2012) finds that demographic differences such as age, gender, nationality, etc. of the employees lead to the division in teams. However, these differences are clearly shown in the earlier phase of gathering but once team get to know each other the differences tend to fade away. The important issue of the team is the real personality and talent of each person. The research of Wegge, Roth, Neubach, Schmidt, &

Kanfer, (2008) finds that the age difference between team members have a negative effect on the routine job but have a positive effect on the complex job. The age difference will help the team when it comes to decision making.

Human Resource Management in the Aging Workforce Situation

From the point of view of the human resource management, every organization is a group of people that gather to work to achieve the goal of the organization. The process of the human resources plays an important role in encouraging employees to work in the higher position and ensure that employees will continue to keep the promise with the organization. In the current situation, every organization must have the efficient way to manage the human resource starting from developing the retirement system to be able to provide more options for the retiree's condition such as phased retirement system, post retirement employment, etc. to keep the skillful and experienced employees, creating the flexible working system to go along with the change of age, create various work options such as part time hours, work from home, etc., encouraging older workers to develop and learn new skills to maintain the productivity and efficiency in work, setting the way to transfer knowledge from generation to generation. Including coming up with creative ways to deal with the conflict between different ages and making good relationships where everyone supports each other to work for the benefit of the organization.

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