



Middlesex
University

Department of Economics and Statistics

Middlesex University Business School

Discussion Paper

No 141

April 2010

**Insights for Singapore's Re-employment Legislation:
*Evidence from the Future of Retirement Survey 2006***

Helen Ko

Centre For Seniors, Singapore

Hafiz T.A. Khan

Department of Economics and Statistics, Middlesex University Business School

Insights for Singapore's Re-employment Legislation: *Evidence from the Future of Retirement Survey 2006*

Helen Ko

Executive Director, Centre For Seniors, Singapore

Hafiz T.A. Khan

**Senior Lecturer, Department of Economics and Statistics, Middlesex University
Business School, London, UK**

Abstract:

Utilizing the data from the 2006 Future of Retirement Survey, this paper attempts to investigate Singapore adult individuals' attitudes towards retirement and re-employment in old age, as well as employers' perceptions and practices towards older workers. The study highlights interesting findings which may be useful for policy-makers, labour market planners and employers, in preparation for the re-employment legislation in 2012 in Singapore.

Introduction

Singapore will witness an unprecedented increase in the number of older adults in 20 years. The proportion of older adults aged 50 and above was 14.5% in 1980. This will increase to 35.4% in 2020. By 2050, the median age in Singapore will increase to 54 years, from 38 years in 2005. This puts Singapore in 4th place globally, marginally behind Macau(56), Japan(55) and the Republic of Korea(55), in a ranking of countries with the oldest projected populations (United Nations Population Division, 2006). Significantly, four out of ten older adults do not have the minimum sum of about S\$100,000 in their Central Provident Fund, a compulsory saving scheme for their retirement needs, upon reaching 55 years in 2004 (Singapore Ministry of Manpower, Jan 2006). For a society that subscribes firmly to the philosophy of self-reliance and personal responsibility, where financial support at a subsistence level will only be given by the State as a last resort, this is untenable. However, the employment rates of older adults in 2007 is still relatively low, at 63.3% compared to Japan's 74.5% and Sweden's 79.8%, for those aged 55 to 59. It is 44.9% for those aged 60 to 64 in the same year, compared to South Korea's 55%, Japan's 55.5% and Sweden's 60.7% (Singapore Ministry of Manpower, July 2008), in spite of a tightening labour market in Singapore in that year. Moreover, the employment rate of older persons declined sharply with age, ranging from 90.8% for men age 50-54 to only 13.3% for those aged 70 and over. For women it is 58.4% to 4.1% respectively (Singapore Labour Force Survey, 2007).

Therefore in recent years, the national agenda has been to promote the employment and re-employment of older workers to ensure adequate financial resources in retirement. In particular, a re-employment legislation to raise the retirement age from 62 to 65 years by 2012. A slew of initiatives has been introduced and will continue to be introduced in the next few years in the run-up to its eventual implementation in 2012. These include the Workfare Income Supplement Scheme for lower income groups if they are in employment for a minimum period of six months, subsidies and grants to employers to redesign and retool work places, assisting employers in putting in place robust performance appraisal systems for fair and objective evaluations of work abilities etc.

Aim of this Paper

The purpose of this paper is to examine Singapore individuals' views about retirement and employers' attitudes and practices towards older adults, and consider what these findings might mean for the re-employment legislation to be introduced in January 2012.

Research objectives

Specifically, the objectives of the study are as follows:

- Drawing on evidence from the Future of Retirement Survey 2006, analyze the factors which influence individuals' entry, remaining or exit from the labour market.
- From the same Survey, analyze the attitudes and practices of Singapore employers, with particular focus on the factors that are likely to have impact on the employment and retention of older adults.
- Identify the effects these may have on the impending re-employment legislation.
- Identify and suggest social policies, practices and attitudes that may provide conducive infrastructures and environment for the re-employment of older adults.

Data Methodology

Data in this paper is drawn mainly from the Global Ageing Survey (GLAS) on the Future of Retirement 2006. The Survey interviewed more than 21,000 persons aged 18 and above, as well as 6,000 executives in charge of recruitment policy for private-sector employers, in 20 countries and territories across five continents. In Singapore, 1,000 persons aged 18 to 79 (494 males and 506 females) and 300 employers were interviewed. Amongst employers, 64.2% are large companies with 500 or more employees, 13.6% are medium size companies with 100 - 499 employees and the rest are small companies with 10 - 99 employees.

Results and Discussion

Many factors could affect older workers retirement decision. These could include demographic and/or personal factors such as gender, age, household income, personal income or household income, values such as work ethic, views of retirement, personal philosophy of self-reliance, personal responsibility, expectations of self in providing care to family members or relatives, or financial support roles. Other factors could include familial responsibilities, for example taking care of grandchildren, ailing relatives or spouse, housework etc.

Yet other factors which might influence retirement decision could be related to coping ability, work stress, strenuous work, or interest/lack of interest in the job, flexibility of working hours or part-time work, workplaces near or far away from residence, to uninteresting jobs, perception of being treated fairly by employers, whether the workplace is friendly and employers open/accepting of older workers etc. Indeed, the latter is supported by the findings of the Survey on Barriers to Work (2006) by Singapore Ministry of Manpower.

Other macro/social/environmental factors include:

- Government policies e.g. incentives to companies to employ older workers, incentives for workers to remain employed e.g. Workfare Income Supplement Scheme
- Union policies
- Global competition
- Labour supply (local and foreign)
- Labour demand (availability of jobs)
- Media messages (influencing perceptions about older workers)

This section will discuss the findings from the Future of Retirement Survey 2006, complemented by more recent surveys conducted by the Manpower, as well as the Community Development, Youth and Sports Ministries of Singapore, that might influence retirement/re-employment decision of older persons. Specifically, it will examine the following aspects:

- 1) Individuals' views of retirement and retirement age, with a particular focus on those 50 to 59 age-group as this group would now be reaching the official retirement age of 62, since the data was collected in 2005.
- 2) Individuals' and employers' view of what might/should make working in later years more attractive. Again the responses of those in the 50 to 59 age-group is highlighted for the same reasons as in (1).
- 3) Philosophy about the balance of state, employers, employees and family's contribution in financing retirement needs.
- 4) Employers' perceptions of older workers.

1. Views of Retirement and Retirement Age

Views of Retirement

Most respondents view retirement positively, as a time for rest and relaxation (52.9%) and an opportunity for a whole new chapter in life (22.3%). Moreover, when asked, “Of those things you associate with retirement, which one is most prominent in your mind?” 62% of the respondents cited Happiness, Satisfaction, Freedom, Excitement and Hope. The responses between those from higher household income (\$5,000 and more) and those from lower household income (less than \$5,000) appears not to be significantly different. The responses from males and females are not very different as well. Moreover, 38.2% of those who are not employed associated happiness with retirement. If we include the positive perceptions of retirement i.e. Satisfaction, Freedom, Excitement and Hope, the total proportion is 73.5%. Given this perception, the “push factor” in favor of retirement would seem relatively strong (Chart 1 to 4 and Table 1).

**Chart 1 By Age Group: Which of these statements do you agree with most?
Retirement is...**

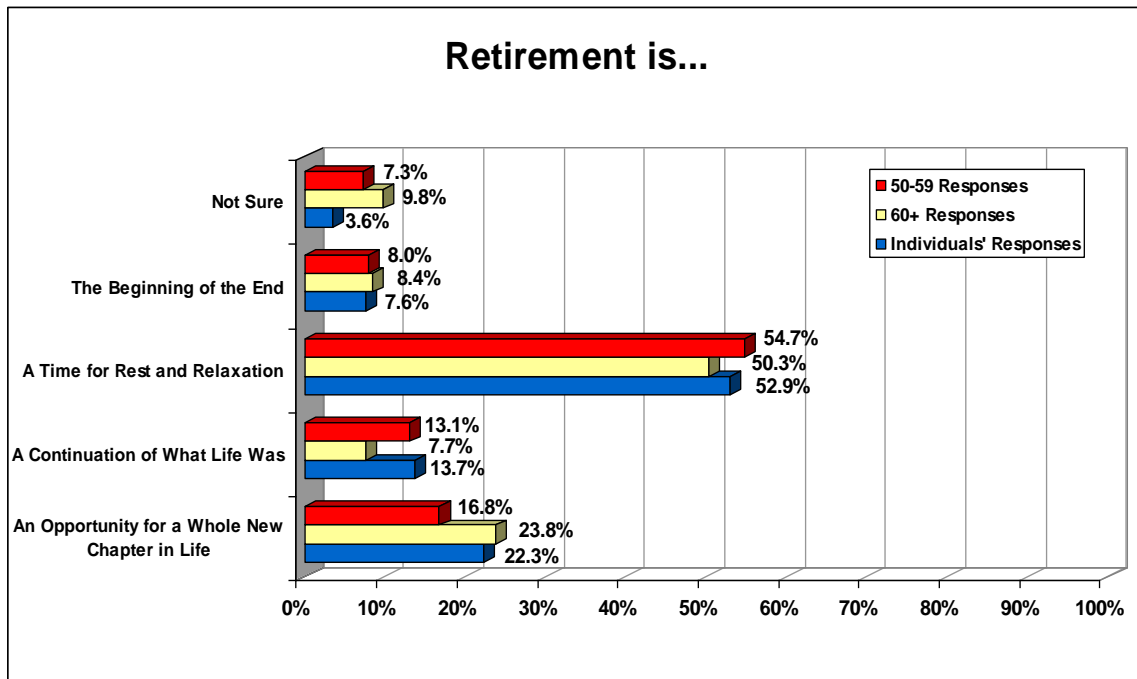


Chart 2 By Age Group: Of those things you do associate with retirement, which one is most prominent in your mind?

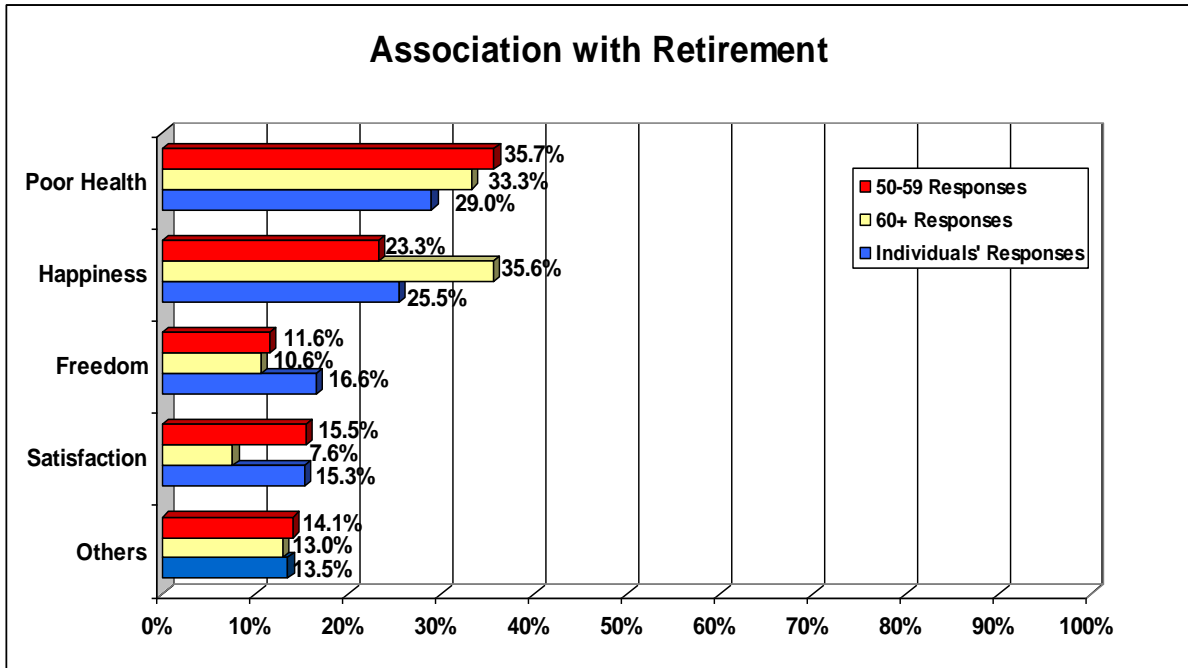


Chart 3 By Household Income: Of those things you do associate with retirement, which one is most prominent in your mind?

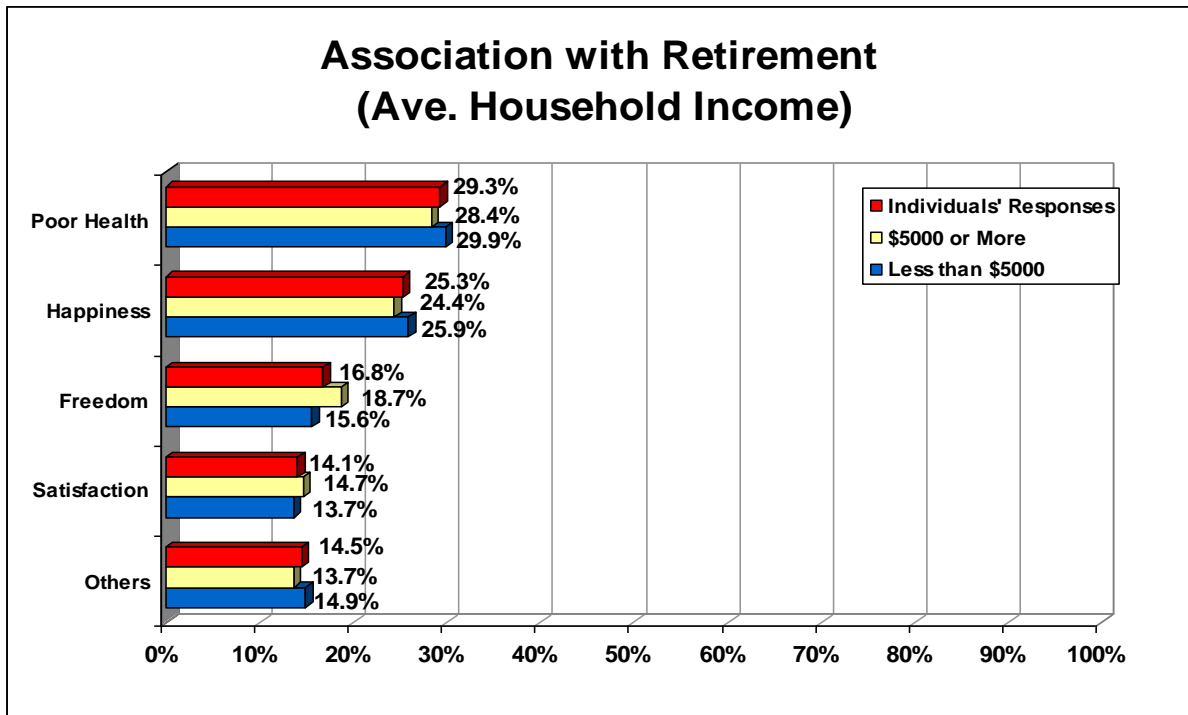
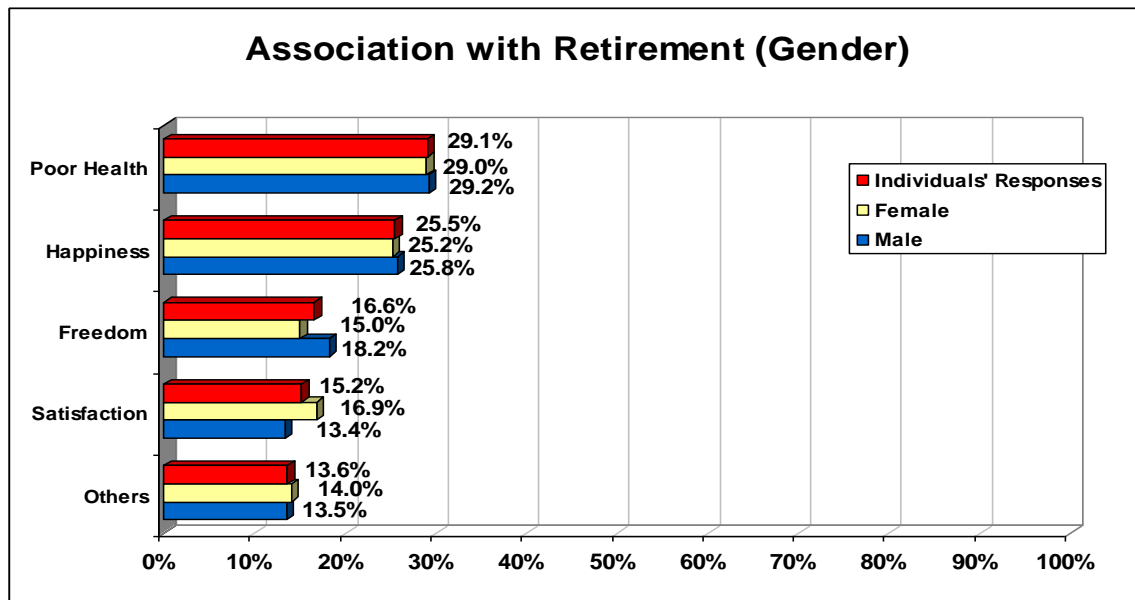


Table 1: Of those things you associate with retirement, which one is most prominent in your mind?

Working Group	Freedom	Happiness	Excitement	Satisfaction	Hope	Unprepared-ness	Loneliness	Fear	Boredom	Poor Health	Total
Full-time	17.9%	26.2%	1.1%	16.6%	4.1%	2.6%	2.8%	0.6%	1.5%	26.7%	100.0%
Part-time	14.6%	23.6%	1.1%	21.3%	2.2%	1.1%	3.4%	1.1%	2.2%	29.2%	100.0%
Not Employed	23.5%	38.2%	5.9%	0.0%	5.9%	0.0%	2.9%	2.9%	0.0%	20.6%	100.0%
Retired & Others	14.5%	23.5%	1.2%	13.0%	3.5%	1.7%	1.4%	1.4%	6.7%	33.0%	100.0%
Total	16.5%	25.4%	1.3%	15.2%	3.7%	2.0%	2.3%	1.1%	3.4%	29.0%	100.0%

Chart 4 By Gender: Of those things you do associate with retirement, which one is most prominent in your mind?



Retirement Age

When individuals were asked what they thought government should do as the number of older people increases substantially, 58.3% of those in the 50 to 59 age group said the government should increase retirement age (Table 2). This is the highest compared to respondents in the other age category and indicates a strong desire amongst this group to continue working. More respondents in the less than \$5,000 monthly (before taxes) household income group chose this strategy compared to those with monthly household income of \$5,000 (51.4% compared to 42.6%) (Table 3). These could reflect some anxiety about financial adequacy.

Table 2 By Age Group: As the number of older people increases substantially, governments might need to make difficult economic choices

Age Group	Reduce Pensions	Raise Taxes	Increase Retirement Age	Enforce Additional Private Savings	Total
18-29	10.1%	10.1%	41.7%	38.1%	100%
30-39	8.0%	8.5%	48.6%	34.9%	100%
40-49	9.1%	5.6%	51.0%	34.3%	100%
50-59	9.7%	7.8%	58.3%	24.3%	100%
60+	14.8%	6.5%	49.1%	29.6%	100%
Total	9.9%	7.9%	48.6%	33.6%	100%

Table 3 By Household Income: As the number of older people increases substantially, governments might need to make difficult economic choices

Average Household Income	Reduce Pensions	Raise Taxes	Increase Retirement Age	Enforce Additional Private Savings	Total
Less than \$5000	11.2%	7.3%	51.4%	30.1%	100%
\$5000 or more	8.7%	9.4%	42.6%	39.2%	100%
Total	10.2%	8.1%	48.1%	33.6%	100%

More than nine in ten in the 50 to 59 age group said employees should be able to go on working to any age if they are capable of doing so (Table 4). This is the highest compared to the other age groups. Moreover, 72.3% said their employers should not have any mandatory retirement age. Again, this is the highest compared to all the other age-groups (Table 5).

These responses suggest that besides financial reasons, there is some concern amongst those in this age-group about how they would spend their time after retirement, as they approached retirement age. It may also be an indication that there is a desire to continue working for those in this age-range. Indeed, the Labour Force Survey of the Singapore Ministry of Manpower (June 2006) revealed that older workers want to work mainly for money. Moreover, more of the less educated sought work because they needed money for current expenses. While this was also the top reason for unemployed degree holders seeking work (37%), the proportion was much lower than those with secondary and below qualifications (70 to 75%). Degree holders were more concerned with future financial security and non-monetary reasons e.g. leading an active life, social contacts at work.

Table 4 By Age Group: Do you think that:

Age Group	Employers should be able to enforce a fixed retirement age	Employees should be able to go on working to any age	Total
18-29	14.1%	85.9%	100%
30-39	11.8%	88.2%	100%
40-49	17.0%	83.0%	100%
50-59	9.8%	90.2%	100%
60+	13.8%	86.2%	100%
Total	13.6%	86.4%	100%

Table 5 By Age Group: Should your employer have/had a mandatory retirement age?

Age Group	Yes	No	Never Worked	Total
18-29	36.9%	63.1%	0.0%	100%
30-39	39.9%	59.0%	1.1%	100%
40-49	41.9%	58.1%	0.0%	100%
50-59	27.7%	72.3%	0.0%	100%
60+	38.7%	59.4%	1.9%	100%
Total	37.9%	61.5%	0.6%	100%

It is noteworthy that the largest proportion (36.4%) think that men should retire at 65 and the largest proportion (30.6%) think that women should retire at 60. Moreover, it is interesting to note that while more than 40% of women think that man should retire at 65, only about 33% of men think they should retire at 65 (Chart 5). About equal proportions of women thought that they should retire at 60 and 65 years old respectively (29%) (Chart 6). These suggest that much work still needs to be done especially to encourage women to return or remain in the workforce, to ensure that succeeding cohorts of females are more receptive to working beyond 62 years old, since the data includes females between the ages of 18 to 79. The Singapore Labour Force Survey (June 2007) also revealed that education increases employment prospects, especially among women. In 2007, almost two-thirds of women aged 50 and over with tertiary qualifications were employed compared with one in four among those without secondary qualifications.

The recent Singapore Manpower Ministry Report (Nov 2008) revealed that the employment rate for those aged 55 to 64 crept up by one percentage point to 57.2 per cent, due mainly to more older women finding jobs, these efforts would need to be sustained. It would also be useful to carry out further research on why there is such a difference in what is thought to be the *ideal retirement age* of men and women, even amongst those of various age-groups, so that the barriers to continued employment especially amongst older women could be addressed.

Chart 5 By Gender: At what age do you think men should retire?

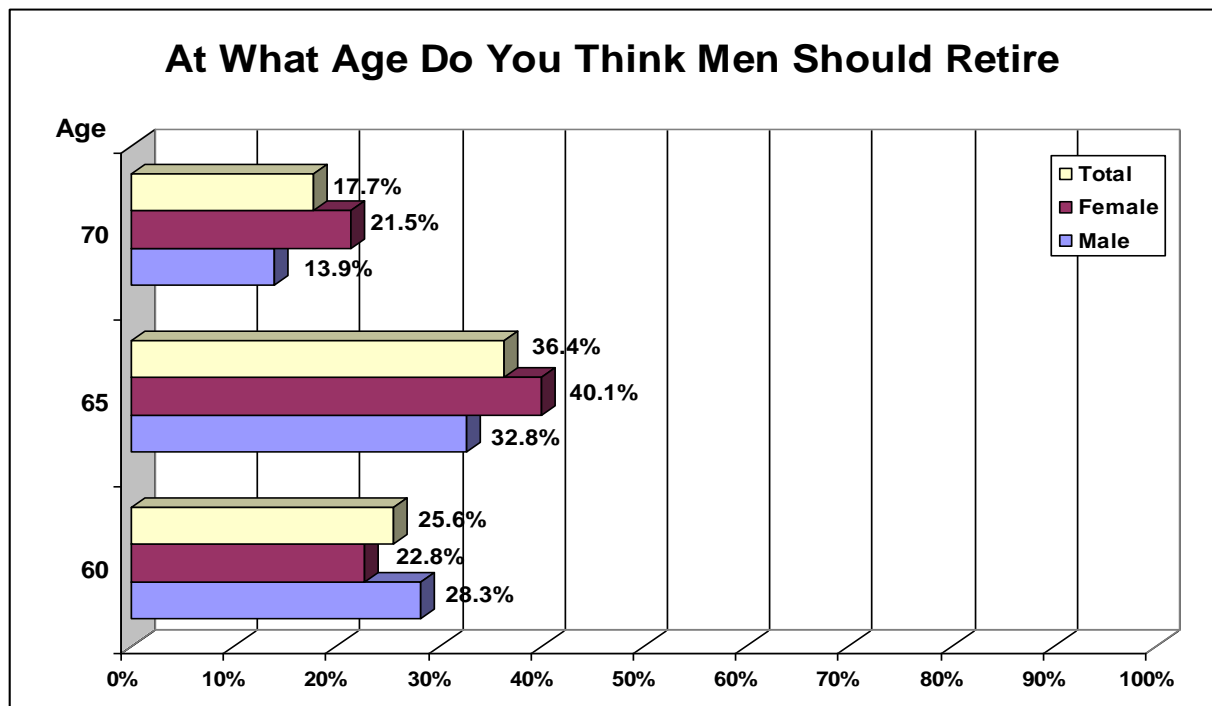
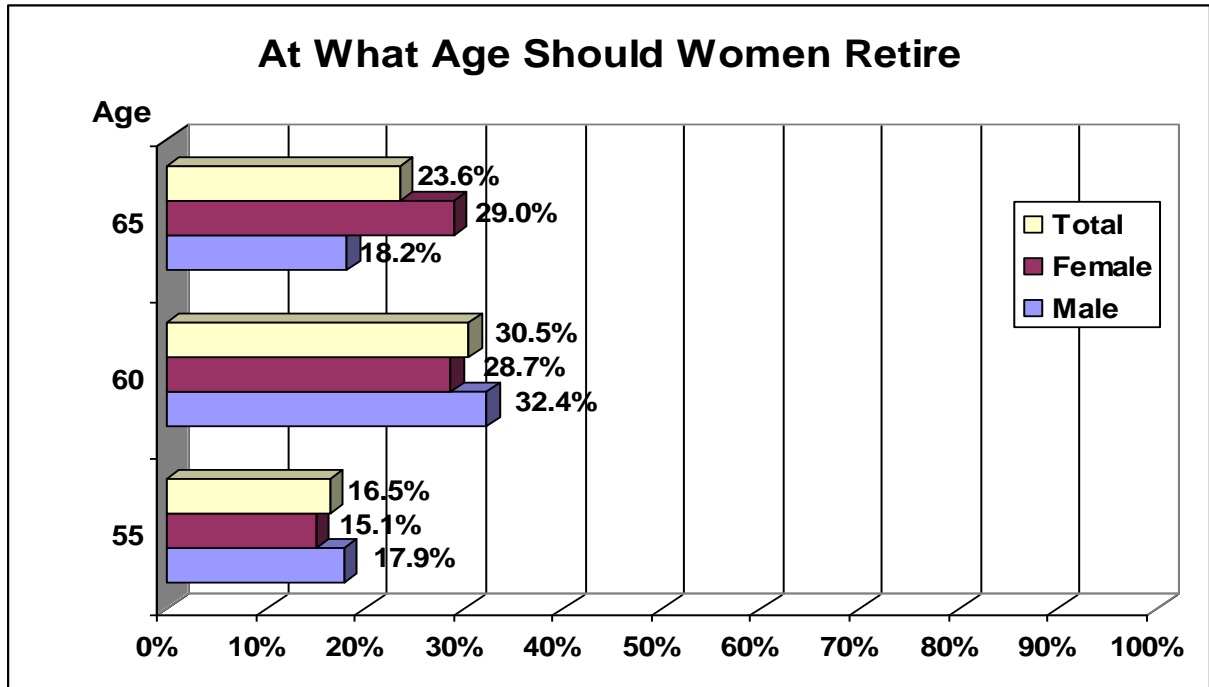


Chart 6 By Gender: At what age do you think women should retire?



Individuals’ views on their ideal plan for balancing work, leisure and money

Individuals’ view about what is their ideal plan of how they would like to balance work, leisure and money in the later stage of their life, reasons for working beyond retirement age and what could make working in later years attractive for them could offer important insights for Singapore’s re-employment legislation.

Table 6 By Age: Which one of the following best represents your ideal plan for how you would like to balance work, leisure and money in this stage of your life?

Age Group	Never Work for Pay Again	Work Full Time	Work Part Time	Go Back and Forth Between Periods of Work and Periods of Leisure	Total
18 - 29	25.2%	8.3%	25.2%	41.3%	100.0%
30 - 39	16.7%	8.5%	27.6%	47.2%	100.0%
40 - 49	21.1%	6.6%	28.6%	43.6%	100.0%
50 - 59	16.2%	4.6%	29.2%	50.0%	100.0%
60+	33.9%	3.9%	18.9%	43.3%	100.0%
Total	22.0%	6.9%	26.4%	44.8%	100.0%

Table 7 By Gender: Which one of the following best represents your ideal plan for how you would like to balance work, leisure and money in this stage of your life?

Gender	Never Work for Pay Again	Work Full Time	Work Part Time	Go Back and Forth Between Periods of Work and Periods of Leisure	Total
Male	24.3%	7.8%	24.5%	43.3%	100.0%
Female	19.7%	5.9%	28.1%	46.3%	100.0%
Total	22.0%	6.9%	26.3%	44.8%	100.0%

The above (Tables 6 and 7) revealed that more than four out of 10 (both genders) would like to go back and forth between periods of work and periods of leisure. Moreover, half of the respondents between the ages of 50 and 59 years old also wanted such work arrangements. This group will be between the ages of 57 and 66 in 2012 (since data for the Survey was collected in 2005), when the re-employment legislation will be implemented. A recent Baby-Boomers Survey of 3,000 Singapore Citizens and Permanent Residents aged 43 to 60 also revealed that *flexible work arrangement* as key factor in influencing retirement decisions (Singapore Ministry of Community Development, Youth and Sports, 2009). To increase employment rates of older adults, employers and labour market strategists and planners will need to consider how that could be implemented. One possibility is to allow an older worker to take a three to six-months' break and return to the job after that. Coverage of duties would have to be arranged and flexibility exercised. A system could be put in place, in the same way that women have gone on maternity or unpaid leave to look after their children. Another possibility is to have a job shared by two older persons, with each working for blocks of three to six months each time. Whilst there may be inconveniences and practical arrangements need to be worked out, the benefits are that it could result in a more energized, motivated, happier and appreciative group of employees. Moreover, the experience and skills of these workers could be tapped. With the current economic downturn, these breaks would allow companies to reduce costs without having to retrench workers, and yet have experienced workers when their businesses pick up.

Similarly, *part-time work* was also cited by more than a quarter of the respondents as an ideal plan for how they would like to balance work, leisure and money, with highest proportion coming from the 50 to 59 age range (29%). This finding is consistent with a recent Labour Force Survey conducted in June 2007 (Singapore Manpower Ministry, July 2008), which found that of the 25, 500 potential entrants (10, 000 men and 15, 500 women) aged 50 to 64 (who are economically inactive but intend to look for work within the next two years), 61% preferred part-time work. 71% of the women (or 11, 000) preferred part-time employment. However, the same survey revealed that most (almost 90%) of those aged 50 and over are in full-time work. The Baby-Boomers Survey (Singapore Ministry of Community Development, Youth and Sports, 2009) revealed that

36% thought the ideal post-retirement employment is part-time work. This proportion might have masked the fact that about two-thirds of the unemployed (mainly women) wanted part-time work and that an equally large proportion who were in part-time employment wanted to continue to work part-time. The same Survey also showed that 42% of baby-boomers did not want to work anymore, with a much larger proportion coming from those who are working full-time (45%) compared to those working part-time (13%) at the time of survey. This raises the question of whether the demands and stress of working full-time are so high that these workers are “burnt-out” and would rather not work. More qualitative research would be needed to uncover the reasons. Going forward, to make work more attractive to older persons, part-time or four-day work week may be an option worth exploring, even more so with the current financial crisis. Again, there is no reason why a job-sharing arrangement of two older persons working half-a-day each should not be explored.

Furthermore, an ad-hoc survey on Barriers to Work conducted by the Singapore Manpower Ministry (October, 2006) found that a quarter of economically inactive men and 28% of women between age 50 and 64 who did not intend to look for work within the next two years would consider doing so if one or more motivating factors were present. These factors are shown in Table 8, with part-time and flexible work arrangements, as well as jobs with low stress levels ranked among the top factors. Employers’ perception, attitudes and behaviours towards older employees are crucial, too, as shown below.

Table 8: Factors that would motivate economically inactive residents aged 50 to 64* to rejoin the workforce

Motivating Factor	Males	Females
Find jobs that are part-time or have flexible work arrangements	54.2%	61.0%
Find jobs near home	41.7%	53.0%
Find jobs which have low stress levels	41.7%	27.4%
Perceive the employers and the working environment are more open and friendly to older workers	35.4%	24.4%
Find jobs with reasonable pay	25.0%	18.9%
Find jobs that do not require working on shifts/ weekends	20.8%	22.0%
More information on job opportunities	18.8%	4.9%
Affordable training opportunities for skills upgrading	10.4%	8.5%
Affordable elder care facilities/support for aged family members	2.1%	4.9%
If my children were older	2.1%	6.7%
Affordable child care facilities for children	-	3.7%

Source: Survey on Barriers to Work, 2006, Singapore Ministry of Manpower

Notes: (1) *- Among those who did not intend to look for a job within the next two years and can be motivated to rejoin the workforce.

(2) Respondents are allowed to indicate more than one motivating factor.

(3) ‘-’ nil or negligible.

(4) The Survey on Barriers to Work, 2006 effectively covered 2,355 economically inactive residents, comprising older individuals aged 50 to 64 with work experience and females in their prime working age of 25 to 49 years (including those who have never worked before).

Yet another option worth considering is self-employment, given that it will provide greater flexibility in working hours, which could help older workers transit to retirement. Indeed 27% of older workers in 2007 were self-employed, higher than the 11% among those 15 – 49 age-group (Singapore Labour Force Survey, June 2007). However, to facilitate that, it might be necessary to make micro-financing more accessible to older persons to help them start up, particularly for those from the lowest income group without any financial resources. Some of the principles of the Grameen Bank could be used as a guide (Yunus, 2008). This is also a group of greatest concern to the government, a group with little or no savings in their Central Provident Fund.

Reasons For Working Beyond Retirement Age

The most important reasons cited for being willing to work beyond traditional retirement age are “Having something meaningful or valuable to do with your time” (29% overall and 31% for those 50 – 59 years old) and “Keeping physically active” (27% and 25% for those 50 – 59 age group) (Table 9). To promote re-employment, it is imperative that the work assigned to employees continues to be viewed by them as meaningful and valuable. This might mean that employers may have to help employees see the meaning and value of their work e.g. making a useful contribution to others or society, aside from the other benefits.

Table 9 By Age: Which one of the following would be your MOST IMPORTANT reason for working beyond the traditional retirement age?

Age Group	Need the Money	Mental Stimulation	Keeping Physically Active	Connecting with Others	Having Something meaningful or valuable to do with your time	Nothing	Total
18 - 29	16.1%	15.2%	26.5%	8.1%	33.6%	0.4%	100.0%
30 - 39	19.4%	17.7%	26.2%	9.7%	26.6%	0.4%	100.0%
40 - 49	16.2%	17.6%	29.7%	10.4%	25.7%	0.5%	100.0%
50 - 59	16.5%	17.3%	25.2%	8.7%	30.7%	1.6%	100.0%
60+	23.5%	14.7%	29.4%	3.7%	26.5%	2.2%	100.0%
Total	18.1%	16.6%	27.4%	8.5%	28.6%	0.8%	100.0%

2. Making Working Life More Attractive in Later Years

The following section will compare the responses of individuals and employers on the following questions:

1. For all individual respondents: “Which of the following could an employer provide that would make working in later life more attractive?”
2. For individuals currently employed: “Which of the following does your employer provide those over 50 years of age?”
3. For employers: “Which of the following does your organization currently offer to workers aged 50 or older?”
4. For employers: “Whether or not your organization does it now, which of the following should your organization currently offer to workers aged 50 or older?”

For all the above questions, individuals and employers were given the following choices (multiple responses possible):

- a. The ability to guide and teach young workers
- b. The opportunity to work fewer hours
- c. The opportunity to learn new skills
- d. The ability to undertake less physically demanding work
- e. New kinds of work
- f. The ability to continue earning an income
- g. An enjoyable and stimulating work place
- h. Nothing
- i. Not sure
- j. Decline to answer (the last three items were not read out to individual respondents)

Opportunity to Guide and Teach Younger Workers

To make work more attractive, two-thirds of those in the 50 to 59 age-range wanted to have the opportunity to “guide and teach younger workers” (Chart 7). 76.7% of employers thought that they provided such opportunities, while 81.7% thought they should provide. In contrast, only 29% of individuals aged 50 – 59 responded that their employers provided such opportunities. Generally, larger companies provided more for older workers to guide and teach younger workers, as well as believed that they should provide more (Chart 8).

Chart 7: The ability to guide and teach younger workers

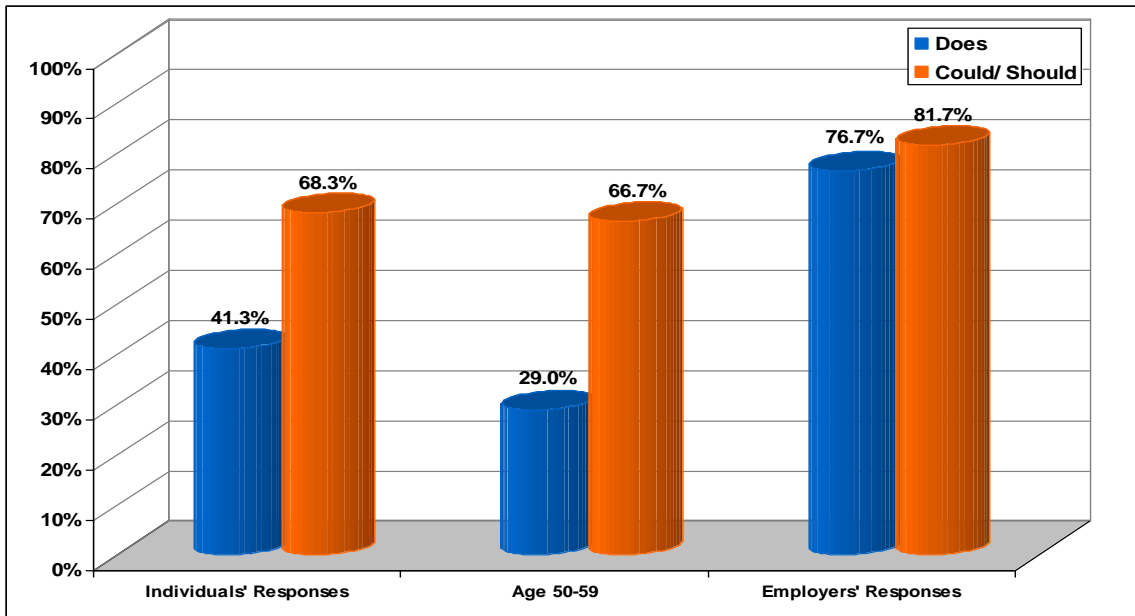
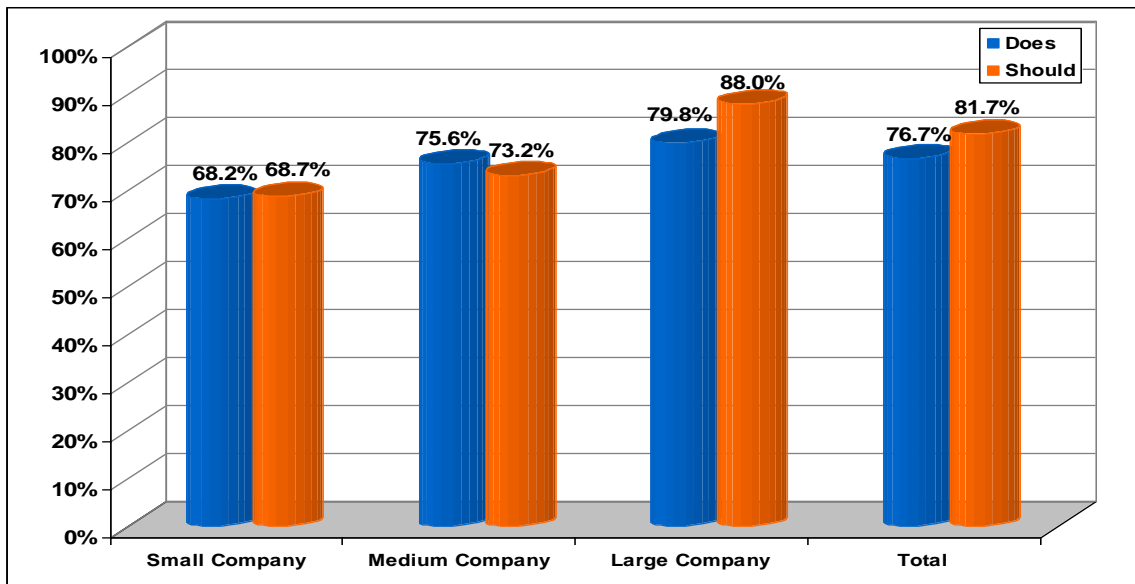


Chart 8: The ability to guide and teach younger workers

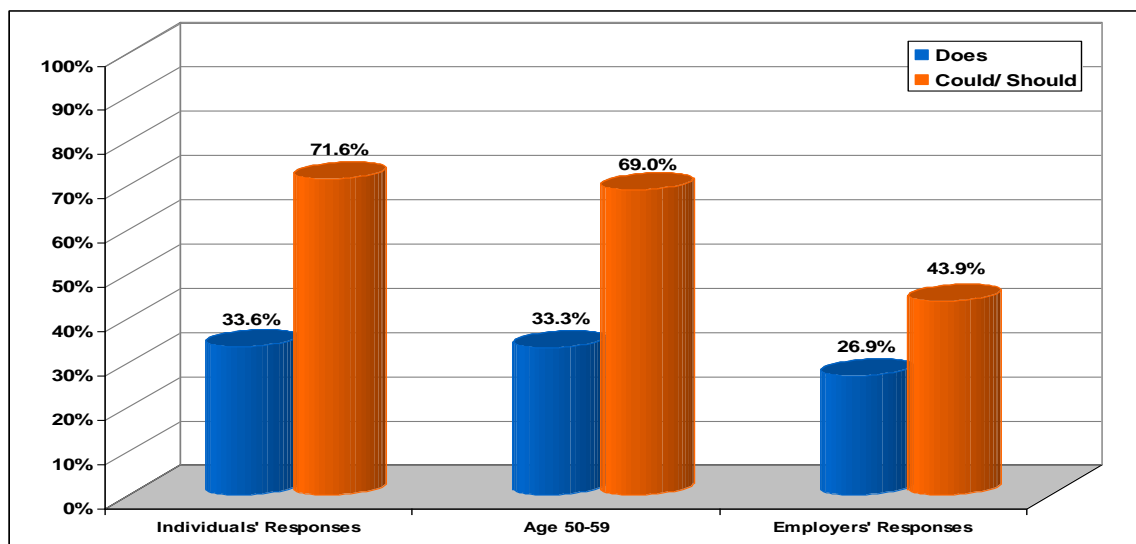


Opportunity to Work Fewer Hours

The majority of respondents across the different ages believe that opportunity to work fewer hours would make working life in later years more attractive (69%) (Chart 9). This further reinforced the findings above on individuals' desire to work part-time (Tables 6, 7 & 8). There is a huge difference between what individuals thought employers could provide (71.6%) in terms of the opportunity to work fewer hours and what employers believed they should provide (43.9%). Whilst it could be argued that it will not be possible to accede to all the wishes/needs of employees due to economic considerations, work processes and systemic considerations, this mismatch should nevertheless be considered and addressed.

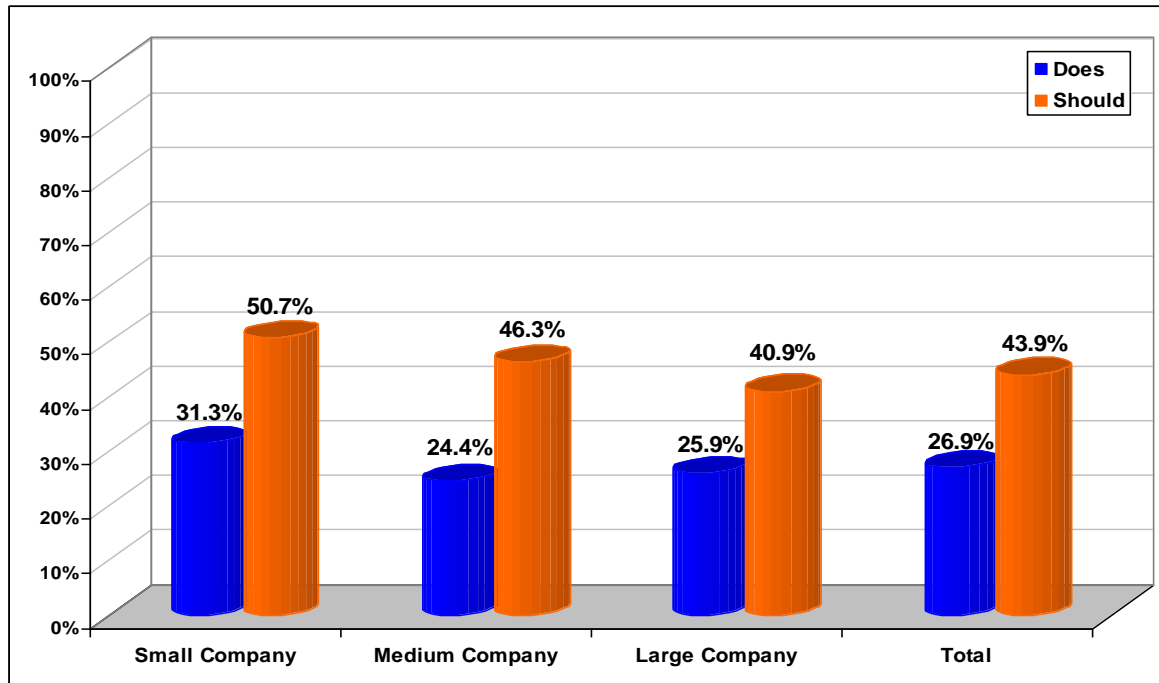
The concept of phased retirement should also be explored. Phased retirement means a gradual reduction in work hours and job responsibilities. A Watson Wyatt survey of workers 50 to 70 years old responded that they would postpone full retirement if they were offered phased retirement (Watson Wyatt Worldwide, 2004). In an AARP survey of Americans aged 50 and above, 38% expressed interest in the concept of phased retirement. Moreover, 78% of these stated that the availability of such programmes would encourage them to work beyond their anticipated retirement age (AARP, 2005). Indeed, there is no reason why work cannot be structured into a four-day or a three-day work-week or shorter hours of work each day for those who wish. It would require getting use to but just as Singapore has moved from a five-and-half-day work-week to a five-day week for the civil service and many companies, this is certainly a proposition worth considering and might well achieve a win-win situation for all i.e. for older workers by giving them income and something meaningful to do and less demanding, for employers in retaining experienced staff, and for society, in that the costs of supporting older persons in retirement could be ameliorated.

Chart 9: The opportunity to work fewer hours



In general, larger companies provided fewer opportunities to work fewer hours (31.3% small companies compared to 26.9% in large companies).

Chart 10: The opportunity to work fewer hours



Opportunity to Learn New Skills

It should be noted that those in the 50 – 59 age range continue to want to have the opportunity to learn new skills. However, there is a general perception that older workers are “less receptive to training and skills”. In fact, in a local survey (Singapore Ministry of Manpower, 2007), it was the third most common reason cited for mature workers aged 50 – 59 and 60 & above, for not fitting into companies.

Only slightly more than one third of those surveyed (aged 50 – 59) reported that their employers provide such opportunities, while 61.2% felt that their employers could have. Moreover, such opportunities decrease with increasing age. This finding could suggest that there is a need to re-educate employers i.e. that older workers also desire to learn. The perception that older workers are “less receptive to training and skills” begs another question i.e. is it the lack of motivation on the part of the older person or do the problems lie in the method in which the training is being delivered? Or could it be that the courses that individuals were sent to are not the courses which they are interested in? Or perhaps the older person does not see a connection between the skills/knowledge that he is to acquire and his goal e.g. of getting employment? Numerous studies on adult education have demonstrated that adults are motivated to learn if they see the relevance of the contents to the outcomes which they would like to achieve. There is limited information

and research on skills/knowledge acquisition of older adults and it would be useful to carry out further research on this subject.

More large companies compared to smaller companies offered that. It should also be noted that there is almost a hundred percent difference between what employers thought they offered (69.6%) and what individuals saw employers to be offering those 50 years and above (36.5%) (Chart 11).

Larger companies provided more opportunities to learn new skills compared to smaller companies (77.1% large companies compared to 53.7% in small companies) (Chart 12).

Chart 11: The opportunity to learn new skills

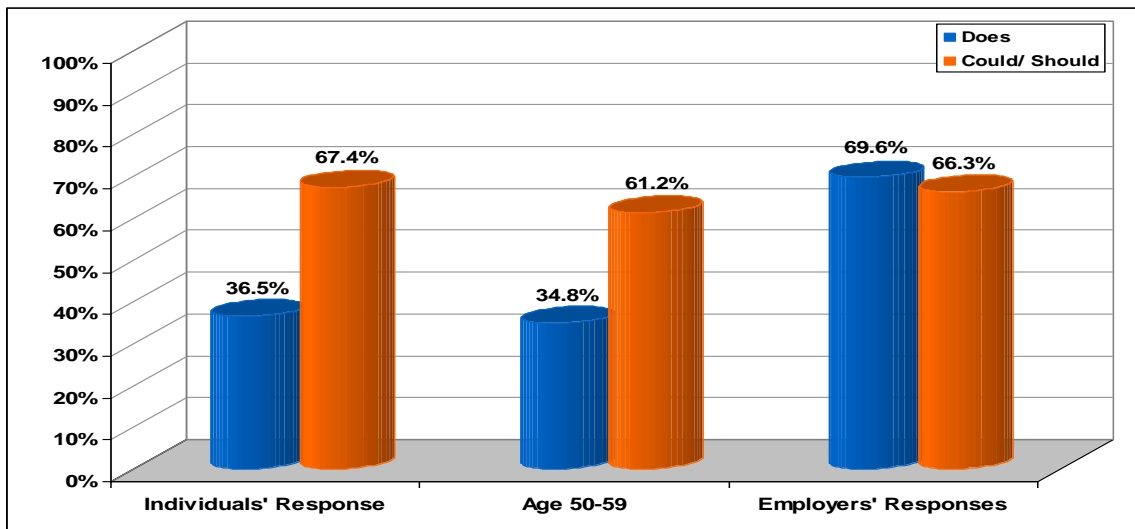
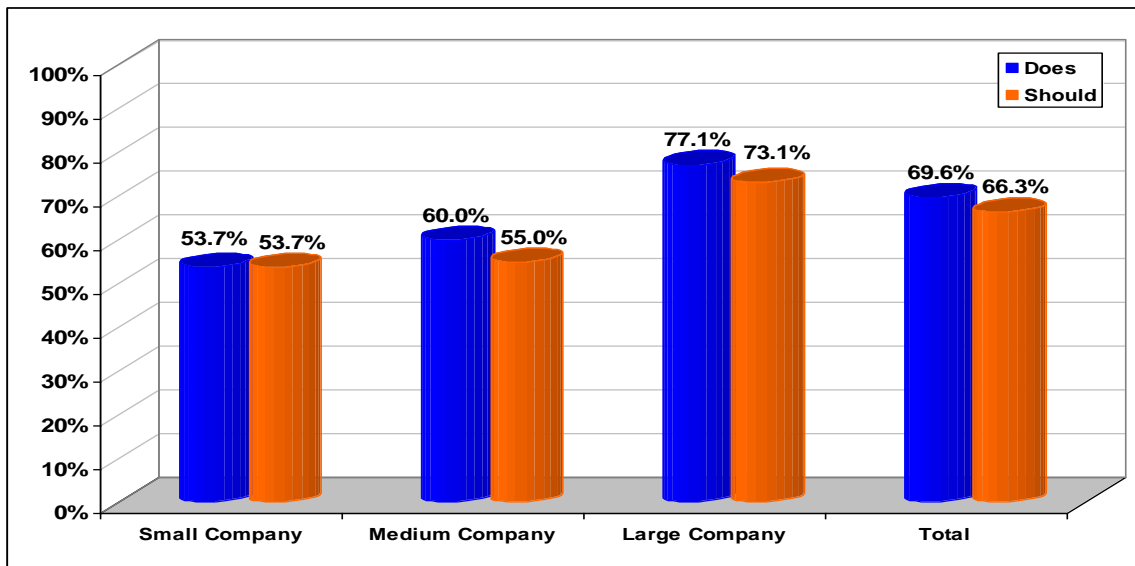


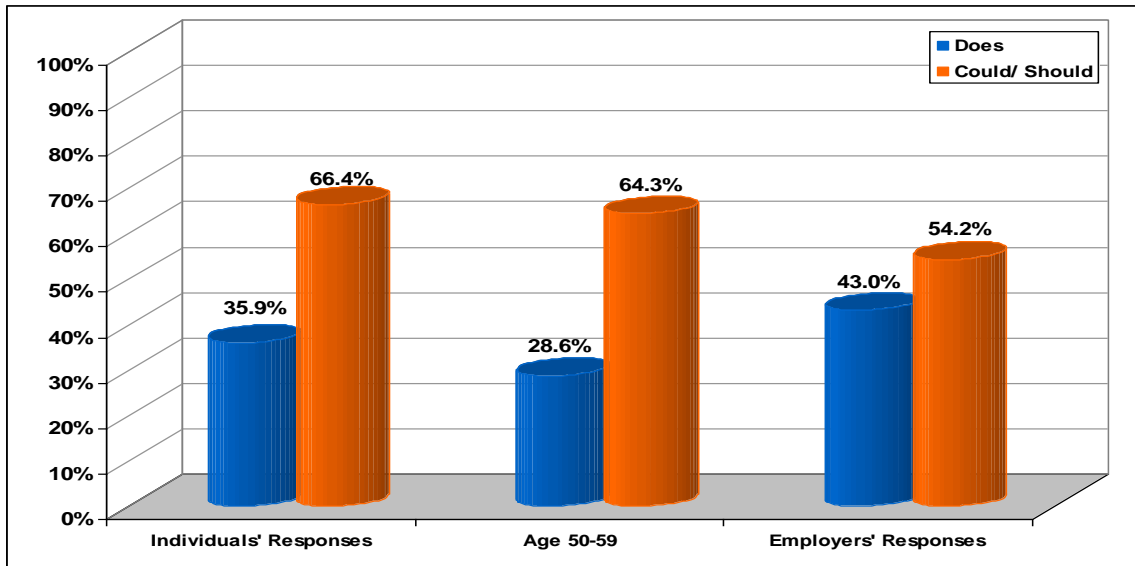
Chart 12: The opportunity to learn new skills:



The Ability to Undertake Less Physically Demanding Work

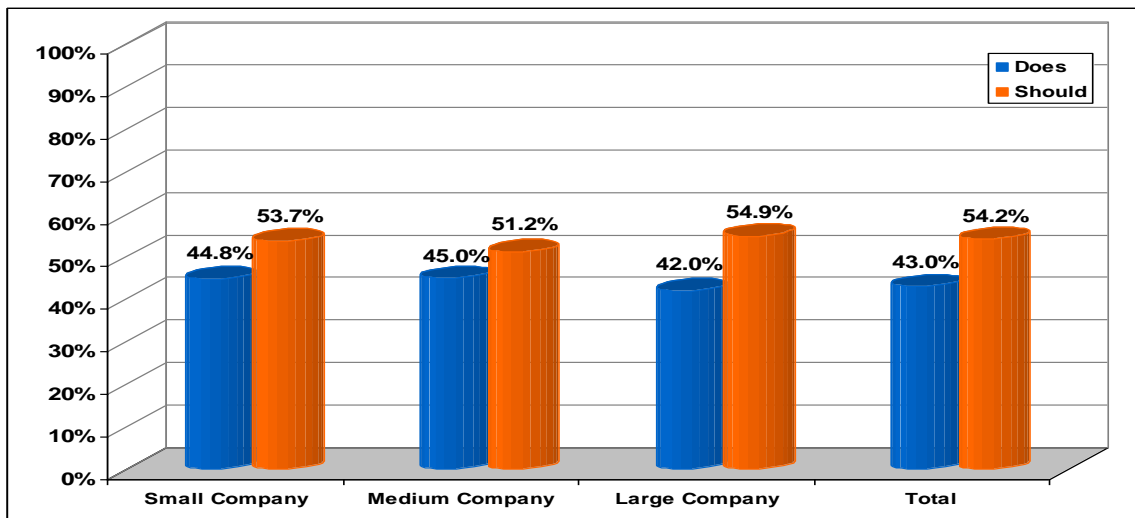
There is a huge difference between what individuals believed employers could offer and what they perceive their employers to offer. This is more than double for the 50 to 59 age group. It should be noted that difference between individuals' and employers' responses on what they offered is much smaller compared to all the other items, except for the ability to work fewer hours. (Refer to section on Employers Perceptions on Older Workers for a fuller discussion on this.)

Chart 13: The ability to undertake less physically demanding work



For employers' responses, there was not much difference across the different company sizes.

Chart 14: The ability to undertake less physically demanding work



The Ability to Continue Earning an Income

There is almost a 100% difference (83.4% compared to 42%) between what employers thought they offered those 50 to 59 with regards to this item and what this group perceived (Chart 15). Is this an indication of ageist attitudes and beliefs of employers? Or could it be that individuals' responses are influenced by their perceptions and expectations of individuals? Or are employers giving socially desirable answers? The reasons for such a huge difference in responses should be identified and addressed. (Refer to section on Employers Perceptions on Older Workers for a fuller discussion on this.)

The differences between what large, medium and small companies provided were minor.

Chart 15: The ability to continue earning an income

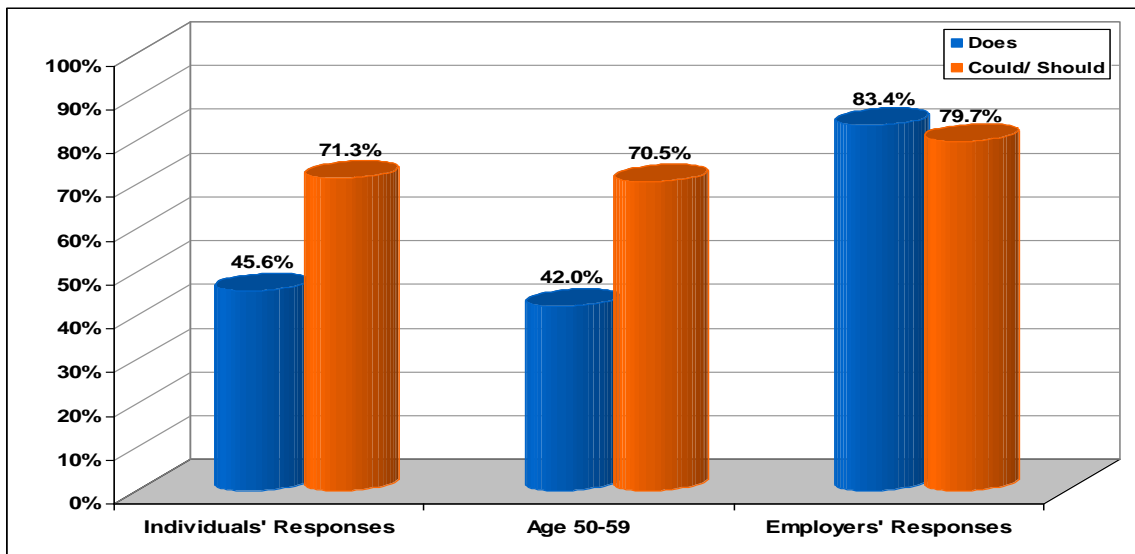
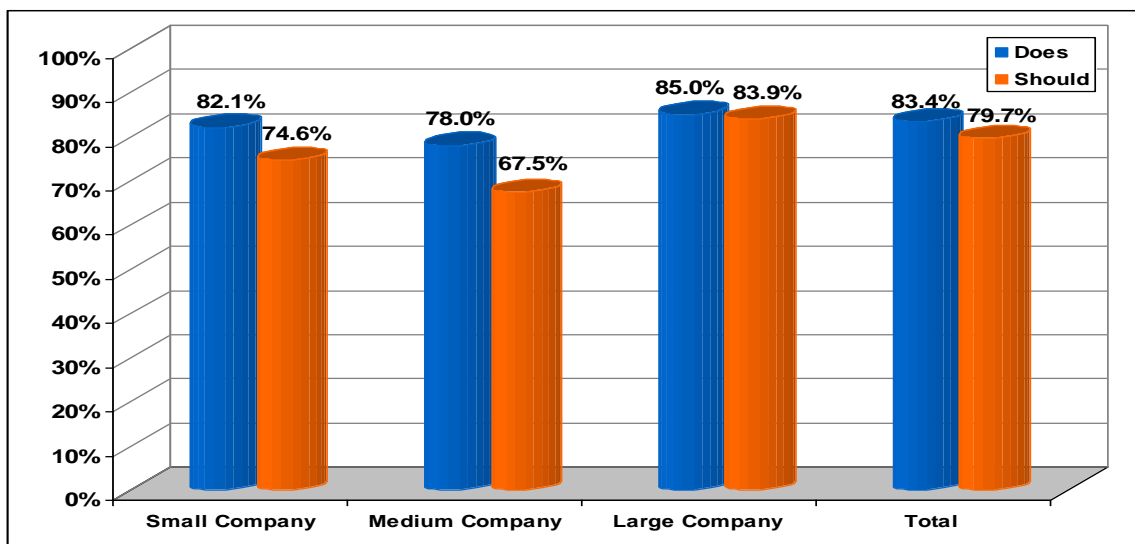


Chart 16: The ability to continue earning an income



New Kinds of Work

Again the Survey showed a huge difference between what employers thought they provided and what individuals perceived their employers offer. Larger companies generally offered more opportunities for new kinds of work than smaller companies. This is understandable, as larger companies are likely to have more opportunities to do so.

Chart 17: New kinds of work

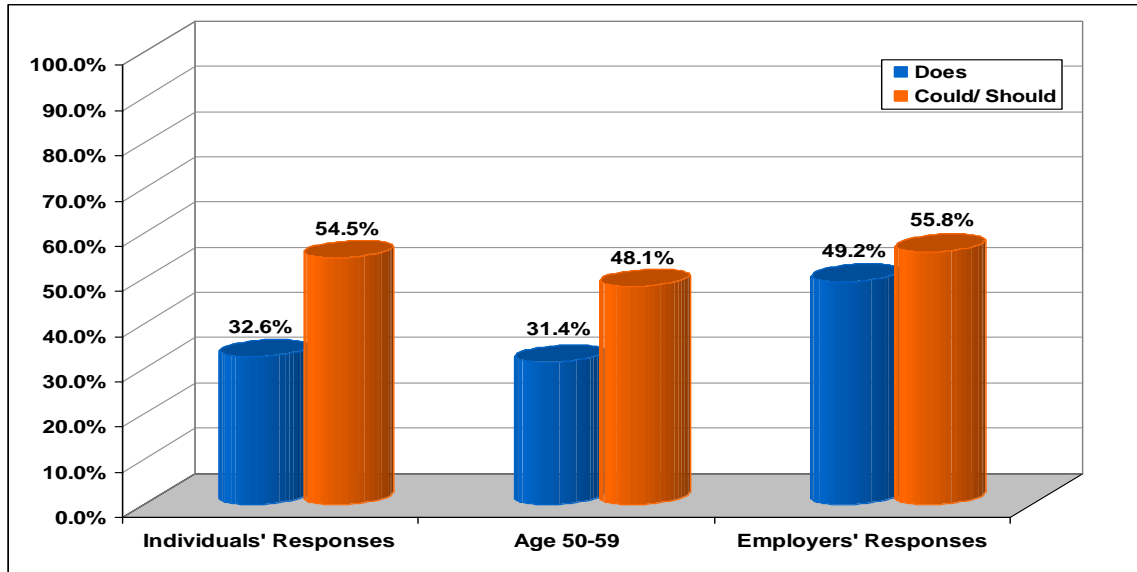
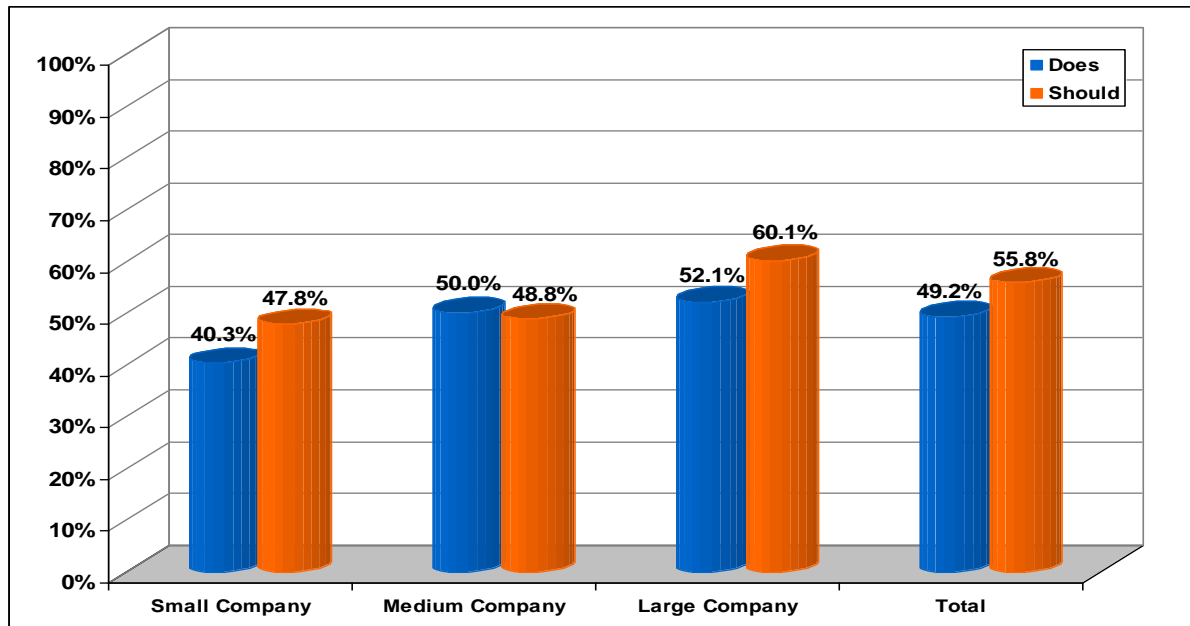


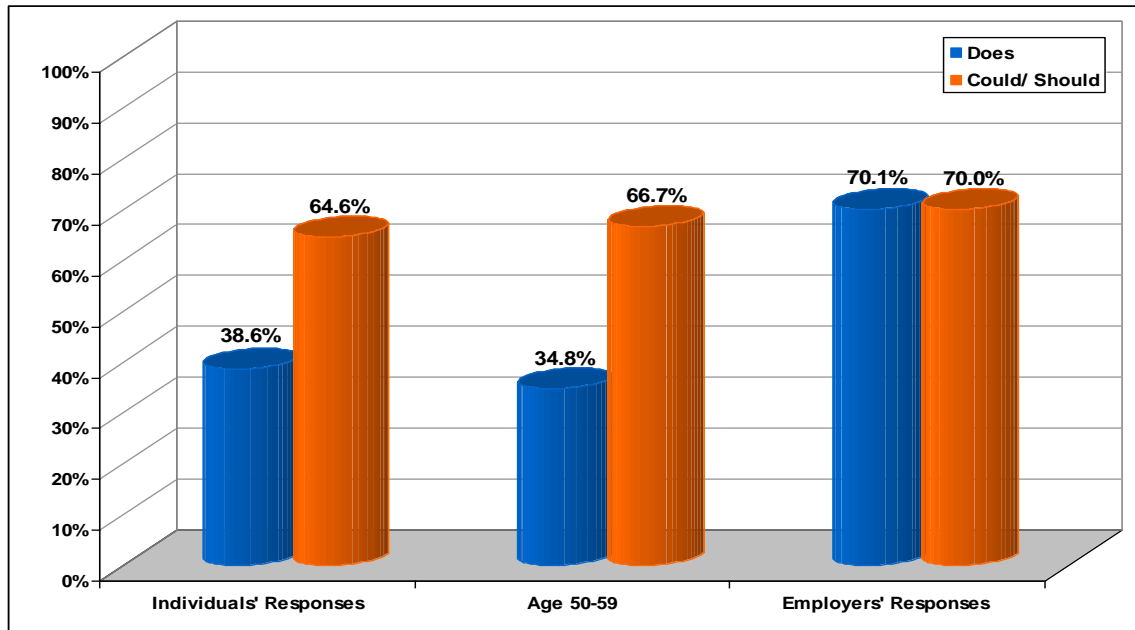
Chart 18: New kinds of work



An Enjoyable and Stimulating Work Place

Again there is a great disparity between what individuals thought employers could provide and what they thought they provided (Chart 19). Similarly, employers saw themselves as providing much more than what those in the 50 to 59 age-group perceived them as providing (70.1% compared to 34.8%). The responses by company size are quite similar.

Chart 19: An enjoyable and stimulating work place



In summary, for all the above items, except “the opportunity to work fewer hours”, the data consistently showed that employers thought that they offered more than what individuals perceived (Charts 7, 9, 11, 13, 15, 17 & 19). While it may not necessarily reflect the actual practice of employers, it may however be useful to ask if there are some actions, behaviours or attitudes that employers have adopted which have created such perceptions and what could be done to change them. It should also be noted that in five out of the seven items, the data revealed that there is a stark difference between what employers saw themselves as providing and what individuals said they experienced. There could be several plausible reasons for such responses.

Firstly, employers may be giving socially desirable answers i.e. employers did not want to be regarded as ageist. However, since there were a couple of items that do not reflect such disparity in responses i.e. “the ability to work fewer hours” and “the opportunity to undertake less physically demanding work”, this may not be the case. But it could also be argued that these items may be regarded by employers as simply reflecting the nature/requirements of the work, and hence responding in the way they did would not render them age-discriminatory.

Secondly, it could be reasoned that individuals would naturally perceive that they were given less than what they were actually given and employers would naturally feel that they were already giving more than the actual and that these have to do with expectations. However, the *magnitude of the disparity cannot be adequately accounted for by this reason alone.*

The third possible reason for such differences is that employers may actually be unaware that they are not providing what they thought they had provided, from the perspectives of individuals. In fact, it should be noted that for all items, employers thought that they had provided what they should or close to what they should. This could imply that there is a need for greater *employer education* to enhance awareness of what individuals desire, particularly older workers aged 50 to 59, to facilitate re-employment. It may also underscore the need for *better communication* between employers and employees.

The data also revealed that the older the respondents are, the more likely they are to see their employers as offering fewer opportunities for all the above items, except for “an enjoyable and stimulating workplace”. Does this suggest some degree of intergenerational conflict? Should more work be done to promote understanding and mutual respect and appreciation of the different generations’ skills/abilities/attributes? Older workers’ perception that they are not valued will work against their desire to want to continue working, as seen in Table 8.

3. Philosophy about the Balance of State, Employers, Employees and Family’s Contribution in Financing Retirement Needs

How individuals perceive their roles and responsibilities towards themselves and their families will also affect their retirement decisions. In Singapore, the philosophy of self-reliance is prevalent. Most individuals believed that they should and will ultimately bear most of the financial costs of supporting themselves in retirement (Chart 20). More females than males think that their families and family member will bear most of the financial costs of supporting them in retirement (Table 12 & 13). This belief is not surprising, given the cultural traditions of Singapore, where many women gave up their jobs/careers when they have children, and filial responsibility is still the expected behavioural norm. There is thus an expectation of reciprocity from their children. It should be noted that this could be an influencing factor in older women’s participation in the labour market, in that they may feel that there is no need to remain or re-enter the workforce as they will be supported by their families, since they have contributed through their care-giving and home-making roles. In fact, this is supported by a more recent survey, where 50.5% of women 50 years and above cited housework as the main reason for economic inactivity (Singapore Labour Force Survey, June 2007).

In general, the majority, whether their monthly household income is above or below \$5,000, do not expect their children to help pay for their living expenses or their medical care. However, it should be noted that those with lower household incomes expect to rely more on their children compared to those with higher household incomes (\$5,000 or more)

and that the older age-groups expect more support than the younger age-groups. (Tables 10 and 11 below)

Table 10: Individuals (By age-groups): Who do you believe should bear most of the financial costs of supporting you in retirement?

Age Group	You	Your children or other family members	Your employer and/or previous employers	Your government (either local or national)	Total
18 - 39	66.8%	22.2%	0.8%	10.1%	100%
40 - 59	68.0%	23.4%	1.7%	6.9%	100%
60+	54.3%	38.4%	0.7%	6.5%	100%
Total	65.5%	24.9%	1.1%	8.4%	100%

Table 11: Individuals (By age-groups): And who do you believe will ultimately bear most of the financial costs of supporting you in retirement?

Age Group	You	Your children or other family members	Your employer and/or previous employers	Your government (either local or national)	Total
18 - 39	66.5%	22.9%	1.5%	9.2%	100%
40 - 59	63.8%	29.8%	1.4%	5.0%	100%
60+	47.5%	46.0%	0.0%	6.5%	100%
Total	62.7%	28.8%	1.2%	7.2%	100%

Individual respondents believe that they should and will ultimately bear most of the costs of supporting themselves in retirement. However, the data suggest that the older the age group, the more likely they are to depend on their children or family members. This could mean that there is a growing recognition amongst younger respondents of the need for them to build up enough for their retirement nest-egg and thus strengthening their desire to work longer.

Females are more likely than males to believe that their children and others should (30.8% compared to 19%) and will ultimately bear the costs (34.7% compared to 22.9%) of supporting them in retirement. This is consistent with the findings of the Baby-Boomers Survey (2009, Ministry of Community Development, Youth and Sports). However, about two-thirds believed that they should be responsible for supporting themselves financially in retirement. Although the proportion could be further improved, it augurs well for the re-employment legislation.

Table 12: Individuals (By gender): And who do you believe will should bear most of the financial costs of supporting you in retirement?

Gender	You	Your children or other family members	Your employer and/or previous employers	Your government (either local or national)	Total
Male	71.0%	19.0%	1.0%	8.9%	100%
Female	60.1%	30.8%	1.2%	7.9%	100%
Total	65.5%	24.9%	1.1%	8.4%	100%

Table 13: Individuals (By gender): And who do you believe will ultimately bear most of the financial costs of supporting you in retirement?

Gender	You	Your children or other family members	Your employer and/or previous employers	Your government (either local or national)	Total
Male	68.8%	22.9%	2.1%	6.3%	100%
Female	56.7%	34.7%	0.4%	8.2%	100%
Total	62.7%	28.9%	1.2%	7.2%	100%

The charts below (Charts 20 to 22) reveal that those above 60 expected to rely more on their children for living and medical expenses. Not surprisingly, those with lower household income also expected to rely more on their children for the same expenses. Consistent with the above findings, females expect to rely more on their children than males.

Chart 20: By Age group: To help pay for your living expenses - Do you expect to rely upon your children to care for you in old age, in any of the following ways?

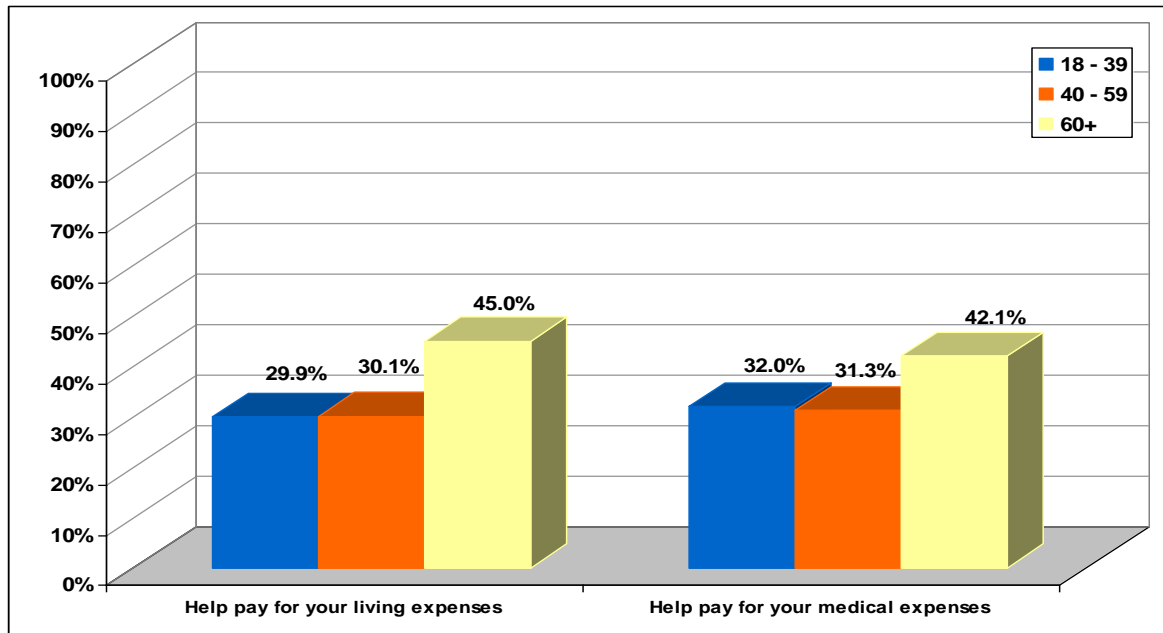


Chart 21: By Household income: Do you expect to rely upon your children to care for you in old age, in any of the following ways?

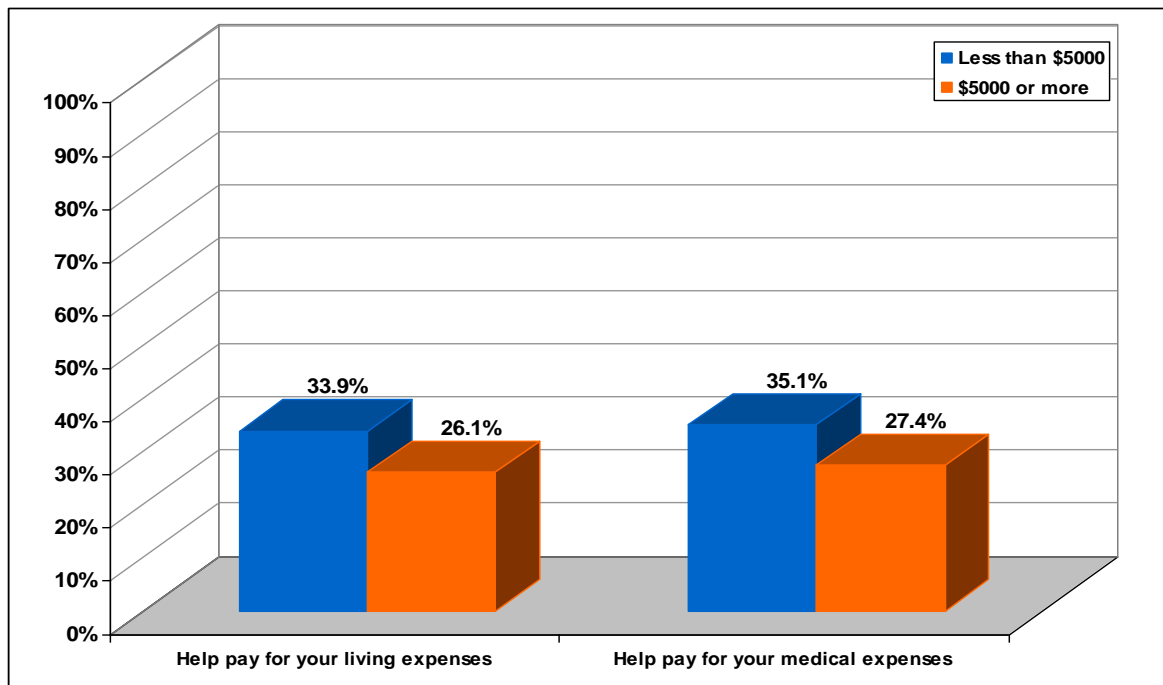
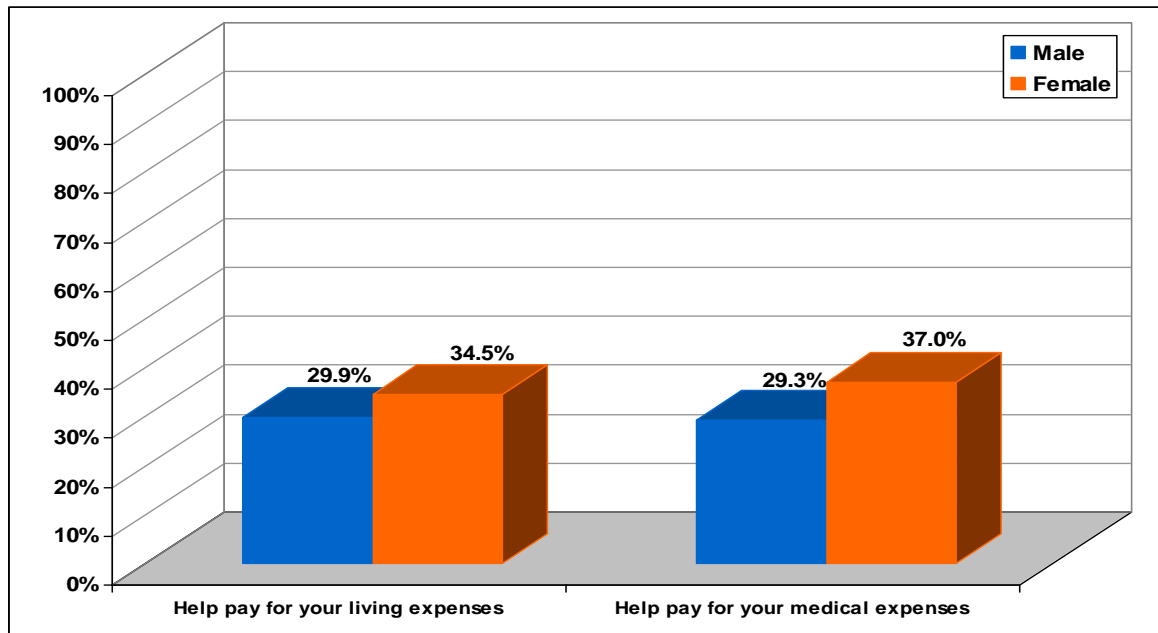


Chart 22: By Gender: To help pay for your living expenses – Do you expect to rely upon your children to care for you in old age, in any of the following ways?



It is noteworthy that companies also think that the government should increase retirement age or enforce additional savings (top two items picked), in supporting and financing an ageing population (Table 15). Moreover, almost eight out of 10 employers said that employees should go on working as long as they are able to (Chart 23). This could indicate that employers not only believed in the importance of giving employees a choice, it may also suggest that they subscribed to the philosophy of individuals relying on themselves in meeting their own financial needs. This seemed to be agreed by individuals, as seen in their responses to the question on how governments might need to make difficult economic choices, with 48.1% saying that government should increase retirement age and 33.6% proposing enforce additional private savings (also top two items selected) (See Table 14). Watson Wyatt Asia Pacific’s Aging Workforce Study (2006) found that in Singapore, only 5% of employers believe that they have a moral obligation to assume full responsibility for their employees’ retirement and healthcare needs, compared to 35% across Asia Pacific.

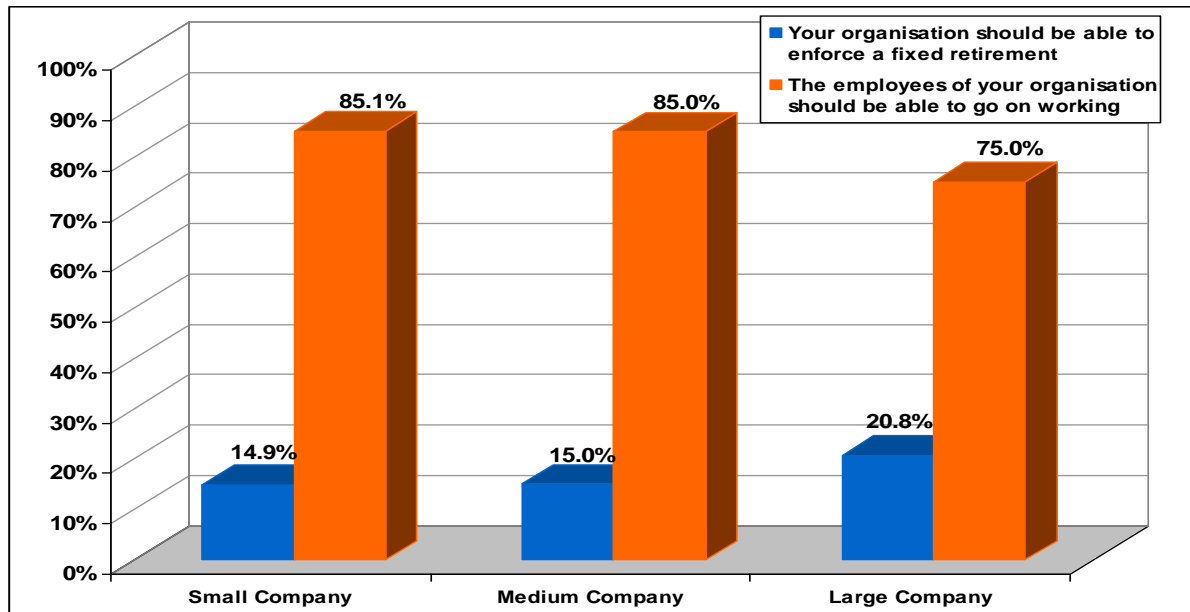
Table 14: Individuals (By Household income): As the number of old people increases substantially, governments might need to make difficult economic choices

Ave. Monthly Household Income	Reduce pensions	Raise taxes	Increase retirement age	Enforce additional private savings	Total
Less than \$5000	11.2%	7.3%	51.4%	30.1%	100%
\$5000 or more	8.7%	9.4%	42.6%	39.2%	100%
Total	10.2%	8.1%	48.1%	33.6%	100%

Table 15: By Company size: Which one of the following does your company think the government in this country should do first in supporting and financing aging population?

Company Size	Reduce pensions	Raise taxes	Increase retirement age	Enforce additional private savings	Not Sure	Decline to answer	Total
Small Company	13.4%	3.0%	41.8%	35.8%	4.5%	1.5%	100.0%
Medium Company	12.5%	2.5%	45.0%	32.5%	5.0%	2.5%	100.0%
Large Company	2.1%	6.2%	37.8%	40.9%	10.9%	2.1%	100.0%
Total	6.0%	5.0%	39.7%	38.7%	8.7%	2.0%	100.0%

Chart 23: Employers: Do you think that.....



4. Employers' Perceptions of Older Workers

The attitudes, perceptions and practices of employers, as well as external and environmental factors, are important factors that could influence the outcome of the re-employment legislation.

In the Survey, almost six out of 10 employers thought that recruiting and retaining older workers was not an urgent or pressing issue. 34% did not feel a need to (Table 16). This could be because at that time when the Survey was conducted in 2005, the issue was not seen to be urgent and labour market condition was not tight. With the current financial meltdown, the demand for older workers may again not be an urgent issue. However, if the economy picks up within the next two years, the issue may become more pressing.

Almost 30% of employers gave “our work is too physical to employ people past a certain age” as the reason for not doing more to attract or retain older workers (Table 16). This is consistent with the findings of the Survey on Conditions of Employment for Older Workers, 2006 (Singapore Manpower Ministry, 2007). In that Survey, the most common reasons that firms gave for not employing workers in their 50s and 60s was their inability to meet the physical demands of the job (34% and 38% respectively) (Table 18).

It should be acknowledged that age-related changes in the musculoskeletal function usually does result in the deterioration of physical health, particularly alteration/loss of balance, change of posture and a decrease in mobility/movement. According to the Ontario's University' Back Pain Study, low back pain seems to be a function of both the physical demands of the job and a number of worker's perception. Both physical and psychosocial factors were related to the reporting of low back pain and should be addressed in the design and modification of work. Moreover, current general psychological and medical literature suggests that there is sufficient evidence for the association of psychological factors and back pain (Linton, 2001). Therefore, rather than use “inability to meet the physical demands of the job” as a “reason” for not employing older workers, work could be re-designed or re-tooled and psychological barriers addressed.

Table 16: Employers: What would you say are the main reasons your company does not do more to attract or retain older workers? Please mention all that apply.

1. Not an urgent or pressing issue	57.7%
2. Don't need to	34.4%
3. Our work is too physical to employ people past a certain age	29.9%
4. Older workers are more expensive	19.9%
5. Government regulations/policies get in the way	18.3%
6. Older workers are not as capable as younger workers	9.3%
7. Unions get in the way	5.4%
8. Older workers are not as valuable as younger workers	4.3%

Table 17: Employers: Are Older Workers More, Less or About the Same As Younger Workers in Being:

	Less	About Same	More
Expensive	10.6 %	44.5 %	38.9 %
Productive	22.3 %	48.3 %	22.0 %
Reliable	3.0 %	35.0 %	57.7 %
Flexible	34.0 %	39.0 %	22.0 %
Loyal	1.0 %	23.6 %	73.1 %
Motivated	24.6 %	38.2 %	28.9 %
Technologically-oriented	56.5 %	24.6 %	13.6 %
Quick Learners	51.7 %	32.0 %	9.0 %

Table 18: Reasons Mature Workers Do Not Fit Into Establishment by Age Group, June 2006

	40 - 49	50 - 59	60 & Above
Unable to Meet the Physical Demands of the Job	25.4%	34.2%	38.4%
Not Flexible & Adaptable to Changes	10.0%	18.2%	18.9%
Less Receptive to Training & Skills	13.4%	14.1%	16.9%
High Wage Expectation	31.1%	11.7%	6.7%
Less Positive Working Attitude	9.1%	8.1%	9.5%
Lack Poise & Confidence	4.8%	5.8%	7.3%
Costly Medical Expenses	3.8%	9.7%	15.3%
Others	-	2.9%	0.8%

Note: (1) Figures do not add up to 100% as firms are allowed to give multiple reasons.
(2) Cells shaded indicate 3 of the most commonly cited reasons for the respective age groups.

Another important point is the perceptions that workers are more expensive (19.9%) and not as capable as younger workers (9.3%) (Table 17). The perception of older workers being more expensive may be the result of a seniority-based wage structure, which has been in operation in Singapore for many years, or it could merely be an assumption by employers i.e. older workers are expensive relative to the value-add that they bring. The implication is that they are not as productive, efficient or effective as younger workers. Indeed as the table shows, older workers are perceived as being more expensive than younger workers (38.9%) and majority saw them as being slower learners compared to younger workers. Unfortunately, the prevalence of such myths has at times resulted in older workers themselves subscribing to these myths. Consequently, they do not attempt and try the things that they are actually capable of. Whilst it is acknowledged that there are some real differences due to the ageing process, such as an increase in reaction time, the fact is that differences which affect actual work performances are minor in most jobs. For example, the increase in reaction time is only a fraction of a second (Cerella, 1995). For most jobs, this minute increase in reaction time does not impact work performance significantly. Since older workers also tend to use compensatory mechanisms, such as through experience or having a wider network of contacts that they could draw on, the difference in performance would be negligible (Rowe and Kahn, 1997).

Interestingly, “high wage expectation” was not as much an issue for workers 50 and above in the Singapore Ministry of Manpower Survey (2007). Rather, costly medical expenses was a more frequently cited reason for not employing those aged 60 and over. This might explain the above perception about older workers being more expensive.

It should also be noted that almost one in five felt that government policies/regulations get in the way in their recruitment and retention of older workers. It would be useful to find out what specifically these policies/regulations are and address them.

A small proportion (4%) did not regard older workers to be as valuable as younger workers (Table 16). However, the same survey also revealed that more than half of the employers in Singapore thought that retiring workers means a loss of valuable skills and knowledge (Table 20). Further research is needed to better understand the reason/s for this inconsistency.

While older workers are generally valued for their loyalty and reliability, they are seen as less technologically oriented, slower learners and less flexible (Tables 17 & 18 above). These are consistent with findings from OECD which generally perceive older workers to be rigid to changes and less participative in training (OECD, 2006). Studies conducted in Canada and United States also revealed that although older workers are highly valued for their stability and loyalty to the firm, their least positive attitude cited concerned their ability to adapt to new technologies. But it should be noted that “it is now widely recognised that very few capacity changes are directly related to decline due to chronological age alone. With the exception of sensory change, which does seem to deteriorate along a more or less fixed chronological continuum, albeit one that is subject to some environmental modification, the majority of so-called age-related decline is in fact closely linked to environment and behaviour. Most thus have a strong environmental

component, and can be modified or reduced. ... considerable adaptations can be made to the workplace to compensate for any decline in capacity” (Harper and Marcus, 2006, p.20). Thus, impairments can be mitigated by good ergonomic design (Benjamin and Wilson, 2005).

Moreover, inter-individual variation, due to differences in constitutions, lifestyles, education, work and life experiences, etc. and intra-individual variations e.g. of the different systems such as cardiovascular health and musculoskeletal condition amongst older adults, should mean that older workers are a very heterogeneous group (Reynolds et al., 1998).

Table 19: Employers: Does your organization actively...?

	Try to recruit older workers	Try to retain older workers with hard-to-replace skills	Encourage older workers to continue working	Encourage full early retirement
Small Company	23.9%	50.7%	85.1%	7.6%
Medium Company	14.6%	51.2%	85.4%	12.5%
Large Company	29.0%	66.8%	78.1%	5.2%
Total	25.9%	61.1%	80.7%	6.7%

Table 20: Employers: Which one of the following statements does management believe more strongly when older workers leave?

	It makes room for younger workers who are ready to take their place	We lose valuable knowledge and skills that are important to the company	Not sure	Decline to answer	Total
Small Company	40.3%	55.2%	4.5%	0.0%	100.0%
Medium Company	46.3%	46.3%	4.9%	2.4%	100.0%
Large Company	31.1%	54.9%	13.0%	1.0%	100.0%
Total	35.2%	53.8%	10.0%	1.0%	100.0%

Insights for Singapore & Future Directions

To summarise, the Future of Retirement Survey 2006 revealed that most individuals viewed retirement positively, as a time for relaxation and an opportunity for a new chapter in life. Many also associate it with happiness, satisfaction, freedom and hope. Although individuals viewed retirement positively, there are also signs of realism i.e. they also recognized that they need to continue working and support themselves financially. This is seen from their answers to the question on what they thought government should do as the number of older people increases substantially. Majority in the 50 to 59 age group said the government should increase retirement age. The second most commonly chosen strategy was “enforce additional private savings”. More than nine in ten in this age-group also responded that they should be able to go on working to any age if they are capable of doing so. These suggest that there is in general a desire to continue in employment and be self-reliant. Indeed, there is strong evidence to suggest that *individual respondents subscribed to the philosophy of self-reliance and reliance on their family, rather than the State or their employers. Employers also held similar views.*

It should be noted that individual respondents 50 to 59 years old felt that employers could provide much more of the following items than what they were offering to make work in later years more attractive: the ability to guide and teach young workers, the opportunity to learn new skills, the ability to undertake less physically demanding work, new kinds of work, an enjoyable and stimulating work place, the opportunity to work fewer hours (69%), the ability to continue earning an income (70.5%). The last two items were selected most frequently, indicating that those were the items that would make it most attractive for those in this age-group to remain. However, it should be noted that many employers thought that they were offering much more than what individuals experienced, except for the opportunity to work fewer hours and the ability to undertake less physically demanding tasks. This could be a result of a genuine lack of awareness of employers, or employers giving socially desirable answers. This could imply a need for greater *employer education* to enhance awareness of what individuals desire, particularly the desires of those in the 50 to 59 age bracket, to promote re-employment. It may also highlight the need to *retool and re-design workplaces* (so that they could undertake less physically demanding work), as well as the need to educate employers that older workers *do desire to learn new skills*, contrary to general perceptions. Government should take the lead in offering local and overseas *scholarships* (beyond the various funding schemes for skills upgrading) to those in the forties and fifties, which hitherto seemed to be exclusive to those much younger and in any case, not exceeding mid-thirties. This would send a message that age is no barrier to productivity. With the 60 plus being the new 40's, they may well have another twenty or more productive years. Chronological age should only be used as one of many factors for scholarship eligibility. Indeed, throughout history there have been numerous examples of older people making outstanding contributions to societies. Singapore has witnessed its share of these too.

There is also a need for more research on *how older workers learn* (methodologies/environment) or wish to learn, and what could enhance training

effectiveness and the desire to learn, for older workers. It also underscores the need for ***better communication between employers and employee***. The availability of ***part-time employment and flexible work arrangement*** should also be increased. Indeed, there is no reason why a shorter work-week or job-sharing cannot be offered to some older employees. ***Self-employment*** should also be expanded. How these could be achieved should be considered. For self-employment, some form of micro-financing may be needed as seed-funding, and should be made more accessible, especially for the lower income group. Low education levels of older women imply that more skills upgrading and work preparation programmes are needed as many women have limited or no labour market experience.

The data also revealed that many stereotypical views of older workers persist, particularly amongst employers, in spite of wide evidence to the contrary. Indeed, heterogeneity amongst older adults of similar ages must be recognized. This highlights the need for greater awareness through more ***public education***, so that employers could harness the abilities, skills and experience of older adults more effectively, and ***older adults themselves would recognize their own strengths and limitations and be able to optimize their strengths***. These would increase employers' willingness to employ older workers.

References:

Brown, S.K. (2003) Attitudes of Individuals 50 and older toward phased retirement (Research report). Washington, DC: AARP Knowledge Management. From <http://assets.aarp.org/rgcenter/post-import/phased-ret.pdf>

Benjamin, K. and Wilson, S. (2005) *Facts and misconceptions about age, health status and employability*. HSL/2005/20. Buxton, UK: Health and Safety Laboratory.

Cerella, J. (1995). In G. Maddox (Ed.) *The encyclopedia of aging*. NY: Springer.

Harper, S. and Marcus, S. (2006) Age-related capacity decline: A review of some workplace implications. *Ageing Horizons*, 5, pp. 20 – 30.

Linton, S.J. (2001) Occupational psychological factors increase the risk for back pain: A systematic review. *Journal of Occupational Rehabilitation*, 11(1), pp.53 – 66.

OECD (2006) *Live Longer, Work Longer*.

Reynolds, S.L., Crimmins, E.M., and Saito, Y. (1998) Cohort differences in disability and disease presence. *The Gerontologist*, 38, pp. 578 – 590.

Rowe, J.W. and Kahn, R.L. (1997) Successful ageing. *The Gerontologist*, 37, pp. 433 – 440.

Singapore Ministry of Community Development, Youth and Sports (Jan 2009) Baby-Boomers Survey.

Singapore Ministry of Manpower (Jan 2006) Interim Report of the Tripartite Committee on Employability of Older Workers.

Singapore Ministry of Manpower (Oct 2006) Survey on Barriers to Work.

Singapore Ministry of Manpower (May 2007) Firms' Adoption of Age-Positive Human Resource Practices.

Singapore Ministry of Manpower (July 2008) Focus on Older People In and Out of Employment.

Singapore Ministry of Manpower (Nov 2008) Singapore Workforce, 2008.

Singapore Ministry of Manpower (June 2006) Labour Force Survey.

Singapore Ministry of Manpower (June 2007) Labour Force Survey.

United Nations Population Division (2006) World Population Prospects: The 2006 Revision.

Watson Wyatt Worldwide (2004) Phased retirement: aligning employer programs with worker preferences.

Watson Wyatt Asia Pacific's Aging Workforce Report (2006).

Yunus, M. (2008) Creating A World Without Poverty: Social Business and the Future of Capitalism.