

DEMOGRAPHIC CHANGES IN TODAY'S SOCIETY REFLECTED IN THE ORGANIZATIONAL CONTEXT

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ABSTRACT

A new trend began to emerge with the improvement of living conditions and medical advancement: the trend towards longevity. This trend appeared slowly at beginning of the industrial revolution but has increased significantly in the 20th and the 21st centuries. This trend, which initially started hesitatingly in developed countries, has now extended to reach across the entire planet. Europe, as an initiator of the industrial revolution, is one of the world's regions with the most aged population. One consequence of an aging process compounded by a drop in fertility rates is reflected in the organizational context, where potentially available employees are also much older. This has led to many changes in the proportion of employees over 60 years of age, and will require other changes in order to provide the human resource necessary for the optimal progress of professional activities.

KEYWORDS: age, aging world, aged organizations, retirement

1. Introduction

When it comes to demographic features, the world has changed substantially over the last century (Naja, Makhoul & Chehab, 2017). The world has transitioned from very high rates of infant mortality to very low rates (Crampton, 2009), and there has been a transition towards greater longevity (Kontis et al., 2017). Relevant in this respect is to compare the longevity of a person from pre-industrialized periods with longevity today. It has been estimated that in pre-industrialized periods longevity was somewhere in the 20s, although compared to today it is not possible to accurately verify this (Wilmoth, 2000). In the 21st century, however, longevity has reached

somewhere in the 70s for developed countries; even as high as the early 80s (United Nations, 2013). A second feature of recent decades is a decrease in the number of births (Martin, Hamilton, Osterman, Curtin & Mathews, 2013) for every woman has 1 or 2 children (United Nations, 2013).

2. The Aging of the World

Significant increases in longevity alongside a decline of birth rates have made substantial changes in the age pyramid of the population. In the past, the base of the pyramid was broad, and the pyramid's peak was narrow, but in recent decades the same age pyramid looks different. The base segments and the segments from the peaks are comparable in length, especially in

developed countries (Kinsella & Phillips, 2005). This implies that societies in the 21st century are more aged. There are many people who reach old age, and children who are born today are an almost equal proportion compared to those who reach old age (United Nations, 2009; 2015; 2017a). It is estimated that today, worldwide, over 960 million people are aged 60+ years old: almost a billion – while the number of children under 9 years of age is 1.3 billion (United Nations, 2017b).

In the course of 37 years, the number of people over 60 years has doubled (United Nations, 2017b). Today, Europe is the part of the world with the oldest population due to the fact that for a long time it was characterized by increased longevity and a reduction in the number of births (Muenz, 2007). In 2012, Europe had a life expectancy at birth of up to the 83.1 years for women (Creighton, 2014).

Future perspectives show other increases in the proportion of old adults. For instance, up to the middle of the current century, the population over 60 years of age will reach up to 2 billion people (United Nations, 2017b). In Europe, one third of the population is expected to be old in the future (Creighton, 2014). It is estimated that other parts of the globe will also see massive changes, especially developing countries (Dobriansky, Suzan & Hobes, 2007).

The fact that today's society is aging at a fast rate, will lead to new changes in other contexts. This is the case in developed countries, where changes started several decades ago and now are visible in the organizational field.

3. Aging of the Workforce

One of the fields where the consequences of an aging society is visible is the organizational field. In this sense, specialists' attention has moved to the more advanced segments of the labour force; although there is no consensus on the demarcation limits of the older labour force.

For instance, for some, older workers are considered employees in their 40s; other authors consider those in their 50s or employees aged 60-65 years older (Phillips & Siu, 2012). Beyond this lack of consensus, one thing is certain: the labour force is aging (United Nations, 2007; Vodopivec & Dolenc, 2008) and this is seen in an overall increase in the proportion of older employees compared to the past decade. It is estimated that one out of seven people worked until their mid-70s in 2016 (Martin, 2018). For example, in Sweden there has been an increase in labour force participation of people aged 60-64 years from the year 2000, when only 57 % of older adults of this age range were employed or actively seeking employment, this can be compared with more recent years where around 75 % of older adults (between 60-64 years) were employed or seeking employment (Laun & Palme, 2018). In Belgium 45 % of people aged between 55-64 years old were employed in 2016, compared with 21% in 1990; and in the United Kingdom 63.6 % of people 55-64 years old were employed in 2016, compared with 49.2 % in 1990 (Martin, 2018). It is also estimated that in Europe almost 9 % of older adults aged between 65-70 years, are still working (Brunello & Langella, 2012).

4. Changes in Retirement

These higher rates of labour force participation by older adults indicates a change in retirement dynamics (Wheaton & Crimmins, 2013). The decision to retire or to remain active in the workplace depends on many factors: harsh working conditions, medical conditions, job satisfaction, retirement laws in each country, level of pension guaranteed by each country, level of personal income, the possibility of early retirement, financial benefits offered in pre-retirement time, general attitude of society that stereotypes workers of different ages and subjects them to discriminatory

practices (United Nations, 2007), fear of poverty (Phillips & Siu, 2012), and implications in the sense of personal well-being (Allen, 2008) and so on. These factors may create a smaller or greater difference between the effective age of retirement (when people decide to withdraw from work) and the official age of retirement (the age where people are eligible for a pension). In many countries, the tendency is to withdraw from work sooner (the effective age) than the official retirement age, with a few exceptions, for example Japan and Italy (Phillips & Siu, 2012).

5. Bridge Jobs and Jobs for Older Employees

Many older adults prefer so-called bridge jobs, a situation where employees continue to be active but with a reduced working time (Ruhm, 1990). For instance, more than 9% of Europeans aged between 65-70 years had this option (Brunello & Langella, 2012). But for many employees moving from a full-time job to a bridge job is not a guarantee of keeping the same profession or the same field of activity (Macunovich, 2009). One question may arise: which occupations have the highest proportion of older (55+ years) employees? According to one study in the United States of America, the highest proportion for older adults are in the following 10 jobs, and ranges from 39.1 % to 62.4 %: motor vehicle operators, funeral service workers, mathematicians, animal breeders, farmers and ranchers, paperhangers, tax preparers, models, demonstrators, product promoters, crossing guards, and funeral directors (Mermin, Johnson & Toder, 2008). But the study also points out that these jobs, even if they are more often conducted by older employees, will not necessarily be the best choices for future older employees because some of them are scarce or will decline in the future. In this respect, jobs that are expected to be favourable for older adults in

the future are: personal and home care aides, personal financial advisors, veterinarians, social and community service managers, miscellaneous entertainment attendants and related workers, surveyors, cartographers, and photogrammetrists, environmental scientists and geoscientists, registered nurses, animal trainers, and instructional coordinators. These jobs are projected to increase with a range between 23 % and 50% in the next decade (Mermin, Johnson & Toder, 2008). It is easy to see that jobs with higher levels of education are required in the future and this may be an issue for some older adults, due to the fact that a significant number have only a high school education or less (Albright, 2012).

Another important aspect of today's society is related with the fact that women are significantly more involved in the labour market. For instance, in 2000, women aged 55+ accounted for 26.1 % of the labour market, by 2015 this had risen to 34.7% (Toossi, & Morisi, 2017). This could buffer the impact of increased old age dependency (Phillips & Siu, 2012).

6. Changes to Help Organizations

Demographic changes have raised concerns among organizational and economic specialists. Concerns are related to the possibility of the decline of economic welfare and productivity, if society maintains its current position towards older employees, and if countries with ageing populations maintain their current retirement practices (Phillips & Siu, 2012). In this regard, a number of changes have been proposed to help organizations obtain the necessary workforce. Two solutions that have been proposed are related to labour force migration, and to offshoring production in less developed countries; this means that a younger labour force is effectively "imported" from less developed or developing countries into developed countries; offshoring means that organizations move their production to less

developed countries (United Nations, 2007). It is clear that many economically-developed countries are also at the top in terms of having ageing populations. Consequently, many developed European countries are in this situation (Creighton, 2014) while in many less developed countries, the population is much younger (Crampton, 2009).

Another solution for organizations is to hire older employees and to motivate them to stay in the organization (United Nations, 2002). However, this also means that governments have to create a legislative context that does not limit older adults when it comes to working after a particular age (United Nations, 2007). In order to create attractive job situations for older employees, organizations must adopt anti-discrimination policies to ensure that older employees are perceived in a realistic way. Studies have revealed that older employees are often subject to

negative and unrealistic characterization (McGregor & Gray, 2002).

To offset the effects of an ageing workforce it has also been suggested that the number of female employees to be increased (United Nations, 2007), given that women are currently less active in professional activities than men, although there have been significant increases compared to previous decades (Bianchi, 2011).

7. Conclusions

Contemporary and future organizations will be more aged, and more people in their 60s and 70s will actively work, which this will become more common in many parts of the world and in many fields. All of these demographic changes will have a increasing impact on the dynamics of organizational processes. In line with these changes there are also changes in retirement options.

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