

**CDSSES 2020****IV International Scientific Conference "Competitiveness and the development of socio-economic systems" dedicated to the memory of Alexander Tatarkin****LABOR DEMAND ANALYSIS IN THE ELDERLY MARKET SEGMENT**

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**Abstract**

The retirement age increase in Russia will entail not only reducing the costs of the Pension Fund of the Russian Federation, but also an increase in the number of working older people soon, so it is essential to analyse whether employers are ready to hire this category of people and whether there are vacancies for them. The study aimed to analyse the vacancies description of the labour market, which can be occupied by job seekers over 50. The study was carried out by the content analysis method, which is a semantic analysis of job advertisements identifying the words characterizing the desired candidate age. The information source was three job websites: Trudvsem.ru, HeadHunting.ru, and Zarplata.ru. The study revealed the percentage of vacancies targeted explicitly for older job seekers and the vacancies fraction in which such persons can apply. The qualitative characteristics assessment of vacancies for the elderly has been also carried out. The author also compares the number of vacancies for older job seekers with the predicted number of additional employees that will appear in Russia in connection with the retirement age increase.

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## 1. Introduction

One of the Russian labour market anomalies is the existence of two trends simultaneously - a qualified labour shortage and the older people employment problem although they have a high level of qualifications and experience just due to their age. The first trend was also one reason for the retirement age increase in Russia, although the main reasons were the high burden on the employed population in the solidarity pension conditions and the Pension Fund deficit. As a result of the pension reform started in 2018, the retirement age will be gradually increased by 5 years for both men and women. The author does not exclude that there have been positive expert opinions of some scientists on such a decision of the country's leadership but notes that most authors have opposed raising the retirement age in their scientific publications before the reform adoption [for more details see (Kulkova, 2017)]. The possible risks are currently being studied (Gerasimova & Fedosova, 2018) and the negative consequences of such decision (Kulkova & Sharin, 2019).

As one of the predicted negative consequences of the retirement age increase, professor Kashelov (2019) mentions the unemployment growth caused by the disparity between the number of additional employees forecast, which will appear due to the work period prolonging, and the labour demand changes forecasts. Some authors analyse the problems that older job seekers face to while the employment process [for more details see (Pan'kova, 2018)], proving their hypotheses only with statistical data (Sadkova, 2019). As for us, the predicted unemployment risks need to be proven empirically, which is the subject of this article.

## 2. Problem Statement

Refusal in employment problems due to age are commonly called ageism, this term was introduced by Robert Butler (1969) in 1969 to denote a special kind of labour market discrimination due to belonging to a young and, why not, an older age group. Along with other types of discrimination (sexism, racism and others), ageism somehow is found in all countries of the world (Abuladze & Perek-Bialas, 2018).

The theoretical foundation of ageism is not well-established. We can only assume that the neo-liberal concept is its economic basis, because this concept implies a market economy unregulated by the state and proclaims individualism as the main value. This concept's development is accompanied by close entrepreneurs' attention to profits increasing due to the highest labour productivity. However, only middle-aged employees achieve the highest labour productivity, and if young people have at least the potential to product development, can show the highest productivity in the future, then the older generation does not have such potential. From such a position, the older generation is out of employers' interests.

A lot of studies have been devoted to the older generation discrimination in hiring process, both in Europe process [for more details see (Engelhardt & Schmidt, 2013); (Karpinska et al., 2013)], where there is a population aging problem, and in Russia [for more details see (Maksimova et al., 2017); (Pashko, 2017)]. The growing interest in this problem is associated with the ongoing pension reforms in different countries (Croce et al., 2019), with the study of the social and economic effect of the transition from work

to retirement (Phillipson, 2019), and with analysis of ways to combat ageism (Lössbroek et al., 2019). Some studies are devoted to cross-country comparisons of the ageism prevalence and ways to combat it (Ivanova, 2019). Thus, comparing the discrimination by age in different countries, the researchers found that discrimination in Russia is most pronounced concerning older job seekers, while young people discrimination is weaker (Heuvel & Marc, 2011).

Despite many publications on the age discrimination topic, this problem is not studied enough in Russia, especially from the labour market empirical studies point of view, which can prove theoretical provisions.

### **3. Research Questions**

Within this study framework, the author made an empirical attempt to find answers to some questions about the modern Russian labour market capacity for older people; and what are the qualitative characteristics of jobs that older job seekers can occupy, whether they correspond to the labour force qualitative characteristics at older ages. Besides, the question of the congruence between the revealed labour market capacity and the increase in the number of employees forecast due to the retirement age increase in Russia is of scientific interest.

### **4. Purpose of the Study**

The purpose of the research is to analyse the quantitative and qualitative characteristics of labour market segment, where the older age group applicants are concentrated in current Russian economic conditions.

### **5. Research Methods**

Content analysis has been chosen as the empirical research method, which is essentially the semantic text analysis of the available vacancies advertisements. One advertisement was one document for analysis. The author studied ads from three job websites:

- Trudvsem.ru ("Rabota v Rossii"), as the largest state site for searching job and employees, contains information about practically 500 thousand advertisements, which promote about 1.5 million workplaces;
- HeadHunting.ru, which is the largest commercial website that has not only information about almost 700 thousand vacancies, but also an integral analytic application system that allows to find vacancies quickly and track the statistics;
- Zarplata.ru, which is one of the oldest regional job websites, it has information on about 20 thousand vacancies in Yekaterinburg and the Sverdlovsk region.

The study was conducted over a three-month period from March to July 2020, and it was suspended in April and May because of a halt in the economy due to the coronavirus pandemic. 5462 advertisements were studied totally, which was marked with the tags "for retirees" and "experienced

personnel", to identify the qualitative characteristics of the offered vacancies: the professional sphere, the proposed salary level, the demanded education.

An additional 200 advertisements from each website were also reviewed to determine if older employees were eligible for these jobs. These ads were selected at random. Phrases were identified in these additional 600 ads during the analysing process, that were supposed to indicate to older people that they should not waste time responding to such a vacancy - their possible employment for these vacancies has not been counted on. The study was carried out without special programs for semantic analysis, a content analysis card was created for each document, and the results were calculated in the excel program.

## 6. Findings

The study conducted by the author shows that the share of vacancies for older employees is only 0.46%. The highest share of vacancies for older ages is on the Zarplata.ru website with 5%, and the lowest is on HeadHunting.ru website with its 0.033%. On the state job searching website, the share of vacant jobs for experienced senior workers is 0.9%.

Using the content analysis method, the author identified the main qualitative characteristics of vacancies that are offered for older people (Table 1). These vacancies were tagged as "for retirees" or "experienced personnel". The analysis showed that such vacancies as a courier, a driver, a seller prevail for retirees and they do not require a high level of qualifications. The exception is professions related to information technology, and the author found such vacancies requiring high qualifications as a doctor (11 vacancies), an analyst (8 vacancies), a consultant (8 vacancies), a psychologist, a scientific worker and some others.

**Table 1.** Qualitative characteristics of vacancies offered for older applicants, vacancies %

Characteristics	Trudvsem.ru website	HeadHunting.ru website	Zarplata.ru website
Work and professions prevailing areas	Transport: Driver (8.2%); Trade: seller, cashier (5.8%); Service: Courier (5.3%); IT and telecommunications (1.4%)	Service: Courier (41.1%); IT: programmer (24.2%); Trade: seller, cashier (9.9%); "Blue-collar" jobs (8.2%)	Transport: Driver (22.4%); Trade: seller, cashier (14.4%); Service: Courier (8.8%); Catering: kitchen worker, cook (6.4%)
Higher educational level required vacancies	20.7	18.6	8.0
Wage level distribution, including:			
up to 30 000 RUB	45.0	34.0	46.4
30 000-50 000 RUB	26.6	28.6	30.3
50 000-65 000 RUB	17.6	26.9	13.9

65 000-80 000 RUB	8.7	8.6	6.0
over 80 000 RUB	2.1	1.9	3.4

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The percentage of vacancies for older people, where higher education is demanded, varies from 8 to 20% on the studied websites. The author compared this indicator with the labour supply characteristics. The latest data on the structure of the Russian population by age and educational level were obtained during the 2015 micro-census. The statistical compendium “Education Indicators 2020”, published by the National Research University - Higher School of Economics in 2020, provides data about the proportion of people with higher education among the population aged 45 - 54. This share in 2015 was 26.1%, to which 1.4% could be added - the share of people with incomplete higher education. This age category was taken, since it has reached the age of 50-59 by this year by shifting the ages. As for more older age category, the share of people with higher education is 20.9%.

As the analysis has shown, the structure of vacancies with different educational level requirements does not correspond to the applicants’ education level, and the required educational level for older employees in the Sverdlovsk region is generally 3.5 times lower than the existing labour force level, according to the website Zarplata.ru.

To analyse the salary level of available vacancies, the author takes the number of ads in which the salary is indicated, as 100%, since more than 70% of the ads indicate that the salary will be determined by agreement after the interview. The analysis shows that more than half of the vacancies suggest salaries below the average level in Russia and in the region to older job seekers, which may also indicate the age discrimination existence.

A study of ads that were not tagged showed that older people could try to present themselves as an employee only in 62% of cases, the rest of the ads indicated key phrases designed to show the elderly that they are not going to hire on these workplaces. The author identified:

- the following stop-phrases: "young team", "students or graduates are welcomed", "a young specialist is needed", "high performance, activity and stress resistance are applauded", "we offer work in a young and easy-going team and the opportunity for career growth", “Dynamic work, activity are demanded” and other similar;
- the use of slang in the advertisements, addressing the applicant as a child: “you are active and curious ... leave everything and call, an exciting adventure awaits you ... we will teach you everything ...”;
- focusing on the social benefits, which may be of interest to young people (the opportunity to combine working process with studying at the university, kindergartens, housing rent, funny corporate parties) without other proposals.

According to the author's calculations, the total number of vacancies for older people, which fluctuated during the study period, is an average of 0.5 million units. Simultaneously, an additional 4-5 million people, who have been retiring before the reform, will enter the labour market by 2024 due to the

retirement age increase, according to prof. Kashelov's forecasts (2019). The figures show that 90% of them will find it difficult to find a job, or they will take workplaces for youth, then young people will face severe difficulties in searching a job.

## 7. Conclusion

The author's semantic analysis of the labour demand through content analysis of job advertisements on the largest job websites showed the age discrimination in the Russian labour market in relation to people of pre-retirement and retirement age. Discrimination is manifested in the prejudice of at least 38% of employers regarding older workers, the unwillingness to hire them; offering senior job seekers vacancies that do not require high qualifications, which will inevitably lead to an over-qualification situation; the supply of wages which are lower than the national average and the average for the region.

The number of vacancies supplied for employment by older people is significantly lower than the number of additional workers who will enter the labour market due to the retirement age increase, which can worsen the labour market situation, including aggravating the employment problems not only for pensioners, but also for young people, their career advancement as workplaces will not be vacated.

By raising the retirement age, the Russian establishment has deprived older people of the opportunity to help in raising their grandchildren, on the one hand, which can lead to deepening fertility problems in the country, and it has aggravated the employment problems, on the other hand. While prolonging to work, pre-retirees will take young people's jobs and youth will postpone the child birth or refuse to give birth, trying to stay at work.

In the current circumstances, it is necessary to develop and implement measures aimed at increasing the total number of jobs, preventing discriminatory elements in the hiring process, and developing a system of preschool institutions that can replace the social institution of grandmothers which used to be in Russia.

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