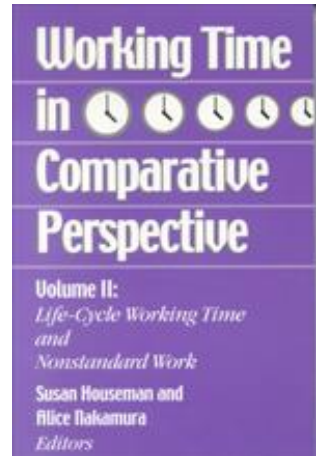# Early Retirees of a Telecommunications Firm: Patterns of Employment and Working Time

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6

Early Retirees of a Telecommunications Firm— Patterns of Employment and Working Time

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The aging population is a common phenomenon in many countries (Henretta 1997). In Canada, for instance, the median age of the population has increased from 17.2 years in 1851 to 33.5 years in 1991. It is estimated to be 37.5 years in 2001 (Singh 1998). At the same time, though, Canadian men over 65 years old have participated in the labor force at lower rates. In 1921, 70 percent of men from the 65+ age group participated in the labor force; by 1996, only 10 percent of them were doing so. Women from the 65+ age group have also participated at lower rates (e.g., 19 percent in 1921 and 3.5 percent in 1991), but recently, older women (65+ years) have participated at slightly increasing rates, with 3.6 percent in 1992 and 3.7 percent in 1993 (Singh 1998).

Ruhm (1991) concluded that the aging population and lower participation rates among workers above 65 years old have resulted in an "explosion" of interest in later-life labor force behavior. Another trend that has attracted widespread attention is related to a period of employment between career employment and full retirement (Herz 1995), known as bridge employment (Ruhm 1990; Doeringer 1990). Initial research on bridge employment has shown that it is primarily part-time in nature, it is often in a different sector and industry than career employment, and it is frequently characterized by lower wages than career employment (Doeringer 1990). In addition, bridge employment

has many implications for institutional and public policies. For example, a public-pension scheme which "clawbacks" benefits as a result of earned income is a clear deterrent to work after early retirement (Singh 1998). The implication is that bridge employment is increasingly becoming an important phenomenon which warrants further investigation (Doeringer 1990; Marshall 1995).

The purpose of this chapter is to propose and test a model of work after early retirement. In the next section, we review past research on the labor force behavior of older workers, bridge employment, and nonstandard employment. We then use the information provided by the literature to build a model of work after early retirement. The model consists of three basic elements. First, we propose that many individuals experience a period of bridge employment between career employment and full retirement. Second, those who return to work after early retirement are likely to accept nonstandard employment for both supply and demand reasons. And third, standard/nonstandard employment is hypothesized to be related to a multitude of factors, including health status, financial resources, work history, macroeconomic conditions, and individual and demographic characteristics. The next section outlines the research methods used to test the elements of the model. The last two sections provide the results and contain discussion and implications.

PAST RESEARCH

Labor Force Participation of Older Workers

The study of older workers' labor force behavior dates back to the 1940s, when descriptive studies were used to show a positive relationship between retirement and poor health (Wentworth 1945; Steckler 1955). In the late 1970s and early 1980s, economists examined work disincentives contained in Social Security (in the United States). Evidence indicated a positive relationship between retirement and the receipt of Social Security benefits (Boskin 1977; Boskin and Hurd 1978). At the same time, the emergence of private pension plans prompted investigations of the impact of the structure of such plans on

retirement. It was found that private pension plans subsidized early retirement and penalized delayed retirement, and once the subsidies were removed, older workers tended to postpone the age at which they left the labor force (Mitchell and Fields 1984).

In addition to poor health and inadequate financial resources, other factors were also seen as driving the retirement decision. First, Beck (1985) found that workers in high-status occupations and those who were employed in core industries were more likely to retire at or near their expected age. In addition, Hayward and Grady (1986) and Hayward and Hardy (1985) reported that individuals in occupations that require low physical demands and are characterized by high growth rate and substantively complex work were more likely to participate in the labor force. Second, Peracchi and Welch (1994) and McDonald and Wanner (1984) showed that the probability of leaving the labor force was highest during a recession. Finally, a small number of studies have shown that the retirement behavior of women and minorities is different from that of white men (Gustman and Steinmeier 1986; Ward and Dale 1992; Pienta, Burr, and Matchler 1994). For example, Pienta, Burr, and Matchler (1994) found that women who were more "family-oriented" (i.e., took time off to raise a family) were less likely to participate in the labor force in their later lives than those who were "work-oriented" (i.e., continuous attachment to the labor force).

Bridge Employment

Research on retirement has assumed that the retirement decision is a permanent and complete withdrawal from the labor force (Marshall 1995). Contrary to this assumption, Doeringer (1990) argued that a small but significant number of older workers return to work after their initial retirement. In Canada, Monette (1996) reported that 13 percent of individuals over 50 years old returned to work after their initial retirement. In the United States, Ruhm (1991) showed that 60 percent of the respondents from the Retirement History Survey ended their career jobs before the age of 60 years, but fewer than 20 percent were retired before the age of 60 years. Herz (1995) used three waves of the Current Population Survey to confirm that the level of bridge employment has increased over time.

Research on work after early retirement parallels that on retirement in terms of the factors that were investigated. Health status and financial resources received detailed attention. In this regard, Parnes and Sommers (1994) showed that work after early retirement was deterred by poor health. Ruhm (1990) reported that individuals with higher earnings or those who were receiving a pension were less likely to participate in postretirement work than those with lower earnings or no pension. Similarly, Boaz (1987) argued that work during retirement by both men and women is a response to low and moderate levels of nonwage income at the beginning of retirement, and for men work is a response to a decrease in the real value of nonwage income during retirement.

In addition to good health and inadequate financial resources, occupational characteristics were shown to affect postretirement employment. Myers (1991) reported that managers were more likely to participate in work after retirement than nonmanagers. Similarly, Beck (1985) showed that professionals, managers, proprietors, and farmers were more likely to reject retirement than other occupational groups. In addition, Holden (1988) found that men who performed more physically demanding jobs were less likely to work in retirement than those who performed less physically demanding jobs.

Nonstandard Employment

On one hand, it is clearly shown that many older workers return to work after their initial retirement. They are likely to do so for a number of reasons: 1) health, 2) financial resources, 3) work history, 4) macroeconomic conditions, and 5) other individual characteristics. On the other hand, there is evidence to show that nonstandard forms of employment have increased over the years. While there is no precise definition for nonstandard employment, it is generally accepted to be any form of employment other than full-time, full-year employment with an employer (Polivka and Nardone 1989; Cordova 1986; Bronstein 1991). Within this boundary, it is reported that nonstandard forms of employment account for 30 percent of the Canadian labor force (Betcherman et al. 1994). It is also argued that nonstandard employment is likely to become the norm with the institutionalization of flexibility in the allocation of labor (Lerner 1994; Rifkin 1996; Smith

1994). This is supported by Betcherman et al. (1994), who showed that nonstandard employment has increased from 24 percent in 1975 to 30 percent in 1993.

MODEL OF WORK AFTER EARLY RETIREMENT

Based on the literature reviewed above, we propose a model of work after early retirement that comprises three basic elements (Figure 1). Element 1 of the model proposes that many individuals return to work after early retirement for a period of bridge employment (Marshall 1995; Herz 1995; Ruhm 1990; Doeringer 1990; Singh 1998).

Returnees are likely to face a different labor market than the one which existed at the time they initially entered a phase of career employment. The "new" labor market is characterized by less demand for workers on the whole (i.e., organizations seek to "do more with less"). More importantly, there exists a tendency against the employment of older workers (Hutchens 1988). This behavior may stem from negative stereotypes which employers entertain about older workers (Mazerolle and Singh 1999). For example, employers often assume that older workers are less likely to retrain, to remain for a long period of time in the labor market, to be regular, and to be productive (CARNET 1995). In fact, research has shown that bridge employment is characterized by part-time employment (Monette 1996; Iams 1987; Ruhm and Sum 1988; Ruhm 1991) and lower wages (Doeringer 1990; Ruhm 1991). Hence, Element 2 of the model proposes that as retirees return to the labor market, they are more likely to be found in nonstandard employment such as part-time employment and self-employment.

Element 3 of the model proposes that standard/nonstandard employment is related to 1) health status, 2) financial resources, 3) work history, 4) macroeconomic conditions, and 5) individual and demographic characteristics. Individuals in good health have stronger desire and ability to return to work (Quinn 1977; Anderson and Burkhauser 1985; Breslaw and Stelcner 1987; Parnes and Sommers 1994; Morrow-Howell and Leon 1988; Holden 1988), and those in good health, who return to work, are more likely to do so in standard

Figure 1 A Model of Work after Early Retirement
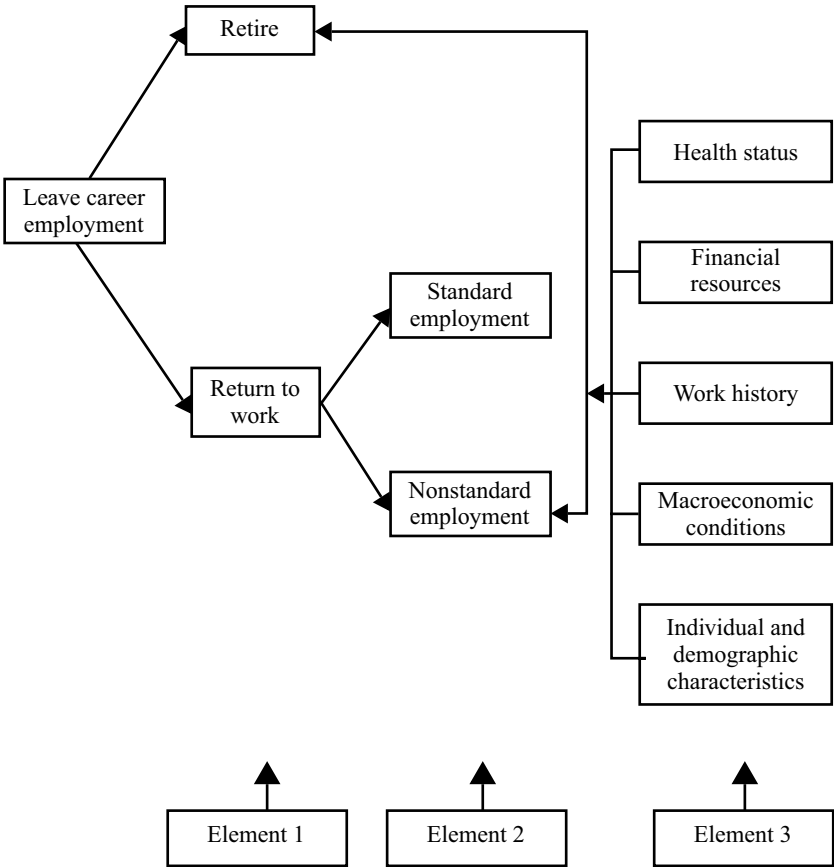
employment. The reservation wage for individuals who have fewer financial resources is likely to be lower than those who have greater financial resources. As such, those who have fewer financial resources are more likely to return to work. They are also more likely to do so in standard employment (Burtless and Moffitt 1985; McDonald 1994; Ruhm 1990). Life course theorists argue that it is important to examine later-life labor force behavior in terms of work history because of the interrelationship between the main life course events of school, work, and retirement (Marshall 1995). High levels of unemployment can reduce the likelihood of labor force participation (i.e., the discouraged-worker effect). Periods of high unemployment are also characterized by fewer standard employment opportunities. Individuals who left career jobs during periods of high unemployment are less likely to return to work, and if they do so they are more likely to occupy non-standard employment (Peracchi and Welch 1994; McDonald 1994). Individual and demographic characteristics can also affect the decision to return to work. For example, women follow different retirement patterns than those of men (Honig 1985).

In summary, we propose three basic elements of a work after early retirement (return-to-work) model.

1) For many early retirees, we expect a period of bridge employment between career employment and full retirement.

2) For those who return to work, we expect them to do so primarily in nonstandard employment (i.e., part-time employment and self-employment).

3) We expect the standard/nonstandard employment decision to be related to health status, financial resources, work history, macro-economic conditions, and individual and demographic characteristics.

RESEARCH METHODS

Data

The data for this study are taken from the Survey of Work and Lifestyle Activities (SWLA), conducted among 6,846 Bell Canada employees who left the company between 1985 and 1995. Questionnaires were sent by mail to a sample of 3,614 of the 6,846 individuals in July 1995. This sample was arrived at by enumerating the 45–50 age group and randomly selecting 50 percent of the remaining group (above 50 years old).[1]   Enumerating the 45–50 age group was done to ensure enough respondents from the "younger retirees" group. From the 3,614 potential respondents, 38 did not reply due to poor health, death, or relocation. Two thousand one hundred forty-seven individuals returned completed or partially completed questionnaires, resulting in a 60 percent response rate. Of the 2,147 respondents who returned the questionnaire, 1,772 provided complete information to examine their patterns of employment and working time after early retirement.

The SWLA has many advantages. It was conducted among retirees of Bell Canada, Canada's largest telecommunications firm. The sample includes respondents who voluntarily retired from a long-term career job. The majority of them left with a special financial settlement, and they were all entitled to a private pension from Bell Canada at the time of the Survey. The data allow us to distinguish standard from nonstandard forms of postretirement employment. The data also contain health, financial resources, work experience, and other individual and demographic characteristics. Macroeconomic conditions at the time of the transition were available from secondary sources, thus allowing for a comprehensive analysis of work after early retirement.

The SWLA also has some limitations. The respondents are not representative of the general Canadian population, in that SWLA respondents were generally more wealthy than the Canadian population (CARNET 1995). The data set does not contain important information on race and the size of private pensions, which are important explanations of older workers' labor force behavior. And it is not explicitly known whether the respondents prefer their chosen work patterns. Nevertheless, we conclude that the advantages far outweigh the

disadvantages. Further, the data provide a good window to examine patterns of employment and working time among a selected set of early retirees.

Variables and Measures

Dependent variable

We created a nominal-category variable with three mutually exclusive groups as the dependent variable. The respondents were asked to state either "yes" or "no" to the following question: "Have you ever worked for pay since leaving Bell?" Those who returned to work were asked to report the following information on their four most recent postcareer jobs: 1) "Were you working for someone else or were you self-employed?", 2) "Was this job full-time or part-time work?", and 3) "Was this a full-year job or part of a year?", with one to six months being part year. We then used the information from these questions to allocate the respondents into three groups: 1) retired (i.e., did not work for pay since leaving Bell Canada); 2) returned to standard employment (i.e., full-time full-year); and 3) returned to nonstandard employment (i.e., part-time and self-employment).

Independent variables

Individuals were asked to report either "yes" or "no" to the following question: "Are you limited in the kind or amount of activity you can do because of a long-term condition or health problem; that is, one that is expected to last six months or more?" We consider those who responded "yes" to the question to be in "poor health."

Six financial-related variables were examined. Entitlement to a full and immediate pension, the receipt of public pension benefits (Canada/Quebec Pension Plan and Old Age Security), the ownership of investments, and a mortgage-free home all indicate greater financial resources. The ownership of a debt over $5,000, on the other hand, signifies fewer financial resources.

Six work-related variables were also investigated. Tenure at Bell Canada was measured in years. Occupations were separated into four groups based on union membership—managers, white-collar workers, blue-collar workers, and union members who were either from the white-collar or blue-collar group but did not provide information to

categorize them into either group. Career mobility followed four different patterns: 1) upward, 2) upward and lateral, 3) lateral, and 4) downward. We used 10 questions to distinguish intrinsic job satisfaction from extrinsic job satisfaction.[2] And we created a measure for the centrality of work to individuals.[3]

The post-1990 period was characterized by higher levels of unemployment than the 1985–1990 period. As such, we created a dummy variable with 1 representing the post-1990 period and zero otherwise.

Seven individual and demographic variables were also examined. Gender, postcareer training, marital status, working status of spouse, and male with a working spouse were all defined by a dummy variable with one representing respectively female, undertook postcareer training, married, has a working spouse, and is a male with a working spouse. Education was divided into three categories: below high school, between high school and university, and university education. Age at leaving was measured in years.

Data Analysis Techniques

In order to test the first two elements of the model, we examined the frequency distribution for the sample to detect retirement, return to standard employment, or return to nonstandard employment. We then used multinomial logistic regression analysis to simultaneously control for the effect of health status, financial resources, work history, macroeconomic conditions, and individual and demographic characteristics on standard/nonstandard employment. Multinomial logistic regression analysis is the most appropriate technique given that the dependent variable is defined as a nominal-category outcome with three mutually exclusive categories (Singh 1998). This analysis shed light on the third element of the model.

RESULTS

Table 1 provides descriptive results. The first row of Table 1 shows the distribution of the sample in terms of retirement, returning to standard employment, or returning to nonstandard employment. It pro-

Table 1 Descriptive Statistics[a]

Dependent variable	Percentage of the sample
Retired	61
Returned to standard employment	7
Returned to nonstandard employment	32
Independent variables	Means
Health limitation	0.19
	(0.39)
[Full and immediate pension][b]	0.18
	(0.38)
Reduced pension	0.72
	(0.45)
Deferred pension	0.10
	(0.30)
Canada/Quebec pension plan	0.50
	(0.50)
Old age security	0.23
	(0.42)
Investments	0.66
	(0.45)
Mortgage-free home	0.73
	(0.44)
Debt over $5,000	0.20
	(0.40)
Tenure	32.1
	(6.22)
[Managers]	0.49
	(0.50)
White-collar workers	0.17
	(0.38)
Blue-collar workers	0.26
	(0.44)
Unknown union member	0.08
	(0.28)
[Upward career mobility]	0.15
	(0.36)
Upward and lateral career mobility	0.49
	(0.50)

Table 1 (continued)

Independent variables	Means
Lateral career mobility	0.20
	(0.40)
Lateral and downward career mobility	0.16
	(0.37)
Intrinsic job satisfaction	21.17
	(3.96)
Extrinsic job satisfaction	8.91
	(1.56)
Work attachment	0.24
	(0.43)
Left after 1990	0.54
	(0.50)
Female	0.36
	(0.48)
Age at leaving	55.72
	(4.17)
[Below high school education]	0.64
	(0.48)
Between high school and university	0.28
	(0.45)
University education	0.08
	(0.27)
Postcareer training	0.15
	(0.36)
Married	0.83
	(0.38)
Working spouse	0.30
	(0.46)
Male with working spouse	0.22
	(0.41)
Number of observations	1,772

[a] Standard deviations are in parentheses.
[b] Square brackets represent reference category for subsequent multivariate analysis.

vides strong support for the first element of the model. The first element of the model proposes that, for many older workers, a period of bridge employment exists between career employment and full retirement (Herz 1995; Marshall 1995; Doeringer 1990). Thirty-nine percent of the respondents returned to either standard or nonstandard employment after early retirement.

The results also provide strong support for the second element of the model. The second element of the model proposes that postretirement employment is likely to be characterized by nonstandard employment (Hutchens 1988; Mazerolle and Singh 1999; CARNET 1995; Monette 1996; Iams 1987; Ruhm and Sum 1988; Ruhm 1991). Of the 39 percent who returned to work, 83 percent of that group returned to nonstandard employment. Retirement was the most likely choice (61 percent), followed by nonstandard employment (32 percent) and standard employment (7 percent).

Standard Employment

Multinomial logistic regression of standard employment, relative to retirement holding nonstandard employment constant, provides strong support for the third element of the model (Table 2). The third element of the model hypothesizes that standard/nonstandard employment significantly relates to health status, financial resources, work history, macroeconomic conditions, and individual and demographic characteristics. Individuals who reported a health limitation were less likely to return to standard employment than those who did not report a health limitation. Although this relationship is consistent with *a priori* expectation (Quinn 1977; Anderson and Burkhauser 1985; Breslaw and Stelcner 1987; Parnes and Sommers 1994; Morrow-Howell and Leon 1988; Holden 1988), it is not statistically significant at conventional levels.

But the results show strong associations between standard employment and the financial-related variables. Individuals who were entitled to a deferred pension relative to a full and immediate pension as well as those who owned a debt over $5,000 were more likely to become employed in standard employment. In contrast, the ownership of a mortgage-free home was associated with a lower probability of standard employment. Clearly, the results provide strong support for the

Table 2 Multinomial Logit Estimates of Standard and Nonstandard Employment[a]

Independent variables	Standard employment/ retirement	Nonstandard employment/ retirement
Health limitation	–0.23	–0.12
	(0.15)	(0.27)
[Full and immediate pension][b]		
Reduced pension	0.25	0.69
	(0.24)	(0.48)
Deferred pension	1.16	0.32
	(0.32)***	(0.60)
Canada/Quebec pension plan	–0.04	0.73
	(0.17)	(0.32)**
Old age security	0.21	0.38
	(0.22)	(0.46)
Investments	–0.21	–0.23
	(0.14)	(0.25)
Mortgage-free home	–0.34	0.22
	(0.15)***	(0.25)
Debt over $5,000	0.57	0.10
	(0.16)***	(0.25)
Tenure	0.02	–0.01
	(0.01)	(0.03)
[Managers]		
White-collar workers	–0.16	0.07
	(0.23)	(0.53)
Blue-collar workers	–0.58	0.38
	(0.18)***	(0.38)
Unknown union member	0.31	–0.03
	(0.24)	(0.41)
[Upward career mobility]		
Upward and lateral career mobility	–0.01	–0.60
	(0.17)	(0.36)*
Lateral career mobility	–0.26	–0.89
	(0.21)	(0.42)**

Independent variables	Standard employment/ retirement	Nonstandard employment/ retirement
Lateral and downward career mobility	−0.85 (0.25)***	−0.70 (0.56)
Intrinsic job satisfaction	−0.003 (0.02)	−0.04 (0.03)
Extrinsic job satisfaction	−0.02 (0.04)	−0.06 (0.08)
Work attachment	0.56 (0.15)***	−1.05 (0.23)***
Left after 1990	−0.63 (0.15)***	0.43 (0.26)*
Female	−1.10 (0.20)***	0.24 (0.42)
Age at leaving	−0.07 (0.02)***	−0.06 (0.04)
[Below high school education]		
Between high school and university	0.19 (0.14)	−0.10 (0.24)
University education	0.17 (0.23)	−0.15 (0.36)
Postcareer training	0.94 (0.17)***	0.12 (0.25)
Married	0.08 (0.19)	−0.35 (0.40)
Working spouse	0.31 (0.25)	0.87 (0.70)
Male with working spouse	0.03 (0.29)	−0.76 (0.73)
Constant	3.56 (1.53)**	5.22 (2.68)**
−2*Log likelihood ratio	2436.70***	
Number of observations	1,772	

[a]Standard deviations are in parentheses. ***= $p \leq 0.01$, **= $p \leq 0.05$, *= $p \leq 0.10$.
[b]Square brackets represent reference categories.

hypothesis that fewer financial resources induce standard employment after early retirement (Burtless and Moffitt 1985; McDonald 1994; Ruhm 1990).

The results also show clear associations between standard employment and various dimensions of work history. Blue-collar union members were less likely to return to standard employment (Beck 1983, 1985; Myers 1991; Morrow-Howell and Leon 1988; Hayward, Hardy, and Liu 1994). Blue-collar union members, it can be argued, have fewer skills that are applicable in the general labor market (Singh 1998). Lateral and downward career mobility is associated with a lower probability of standard employment than upward career mobility. Singh (1998) argued that lateral and downward career mobility reflect "blocked career goals." Lateral and downward career mobility recipients are less likely to return to standard employment because they may see no prospects for career growth. And the respondents who reported an above average attachment to work were more likely to become employed in standard employment (Parnes and Sommers 1994).

The macroeconomic environment at the time of the transition from career employment was also an important factor in the standard employment decision. The post-1990 period was characterized by higher levels of unemployment that translated into a lower probability of standard employment (Peracchi and Welch 1994; McDonald 1994).

And finally, the results show strong associations between standard employment and many individual and demographic characteristics. Females were clearly less likely to become employed in standard employment (Honig 1985). The older one left career employment, the less likely he or she was to become employed in standard employment (Hardy 1991). Postcareer training activities were positively correlated with standard employment after early retirement (Hill 1995; Myers 1991).

Nonstandard Employment

Multinomial logistic regression of nonstandard employment, relative to retirement holding standard employment constant, also provides support for the third element of the model (Table 2). Receiving Canada/Quebec Pension Plan benefits was associated with a higher probability of nonstandard employment. Canada/Quebec Pension Plan

recipients are more likely to explore part-time employment (nonstandard employment) where they are allowed to earn approximately $7,000 before earned income is used to "clawback" Canada/Quebec Pension Plan benefits (Singh 1998). Respondents who experienced upward and lateral as well as lateral career mobility were less likely to return to nonstandard employment than those who experienced upward career mobility. According to Singh (1998), there is no room to explore "blocked career goals" in nonstandard employment. Interestingly, respondents who reported an above average attachment to work were less likely to become employed in nonstandard employment. For these workers, it was either standard employment or retirement, not nonstandard employment. And periods of high unemployment (post-1990) were clearly associated with a higher probability of nonstandard employment.

Summary of the Results

The results show strong support for all three elements of the work after early retirement model. Thirty-nine percent of the respondents returned to work after early retirement. A large majority (83 percent) of those who returned to work had done so in nonstandard employment. And the standard/nonstandard employment decision was affected by a number of factors that include financial resources, work history, macroeconomic conditions, and individual and demographic characteristics.

Perhaps the only surprising result is the relationship between the return-to-work decision and poor health. Although the sign on the health-limitation variable is negative as expected (Quinn 1977; Anderson and Burkhauser 1985; Breslaw and Stelcner 1987; Parnes and Sommers 1994; Morrow-Howell and Leon 1988; Holden 1988), the relationship is not statistically significant at conventional levels. Many reasons can account for this result. Potentially, poor health plays a less important role in the labor force participation decision among Canadian workers who do not have to "carry" the cost of health care. Also, the accommodation of health limitations engendered in Ontario's statute may work to diminish work disincentives. And finally, self-reported health status may contain biases. Stated differently, older workers may justify the retirement decision on poor health.

DISCUSSIONS AND IMPLICATIONS

In the traditional life course, individuals progressed through the main life course events of school, work, and retirement in an orderly sequence. Moreover, the transition from one event to another was often irreversible. For instance, an individual who made the transition from work to retirement did not go back to work. Retirement was construed as an event in which an individual made a complete and a permanent withdrawal from the labor force (Singh 1998). The model proposed and tested in this chapter provides an alternative to this widely conceived view. Our results clearly show that 39 percent of the respondents returned to a period of bridge employment after early retirement. Hence, the results of our chapter are consistent with an "emerging" view of the life course (Marshall 1995; Singh 1998). Individuals often "juggle" two or more of the life course events (e.g., school and work, work and retirement, or school, work, and retirement). Moreover, the orderly sequence of the traditional model is no longer applicable for many individuals.

Nonstandard employment has become increasingly important in the labor market (Polivka and Nardone 1989; Cordova 1986; Bronstein 1991; Betcherman et al. 1994), perhaps because of the institutionalization of the flexible allocation of labor (Lerner 1994; Rifkin 1996; Smith 1994). Our results show that 83 percent of the respondents who returned to work had done so in nonstandard employment. Two possible scenarios emerge from this relationship. If nonstandard employment accords with the preferences of early retirees, then they may become an invaluable source of labor in a market which "fosters flexibility." But if nonstandard employment does not match the preferences of early retirees, then the situation reflects a "suboptimum" use of older workers. Our results imply support for the second scenario. Individuals who were more "attached" to work were more likely to become employed in standard employment relative to retirement. At the same time, though, these same workers were less likely to become employed in nonstandard employment relative to retirement. In addition, periods of high unemployment were more likely to lead to nonstandard employment. Nevertheless, our evidence only implies that early retir-

ees would prefer standard employment after career employment. This relationship clearly warrants further investigation.

Research on the labor force behavior of older workers has shown a clear link between the retirement decision and poor health as well as adequate financial resources. This perhaps relates to the assumption that retirement means a complete and a permanent withdrawal from the labor force. More importantly, the factors that surround the work-to-retirement transition (such as poor health and adequate financial resources) are most important. Our results indicate that in addition to the "conventional determinants" of later-life labor force behavior, there are other important factors. Work history clearly affected the decision to become employed on a standard/nonstandard basis. Blue-collar union membership and lateral and downward career mobility deterred standard employment, while above average work attachment promoted standard employment. An investigation of the relationship between later-life labor force behavior and work history must continue for one important reason—the world of work has undergone a significant transformation (Kochan, Katz, and McKerzie 1994). Changes such as the "end of the psychological contract," technological advancement, and diversity are likely to change work behavior. And changes in work behavior can subsequently affect the ways in which an individual decides to divide his or her time in terms of labor market activities and leisure (Singh 1998).

The return-to-work decision runs counter to the assumption that retirement means a permanent and complete withdrawal from the labor force. This assumption is the basis for many public and institutional policies. In Canada, for instance, an individual cannot accrue partial pension benefits for work after early retirement. Annuities are calculated at the "retirement time," and subsequent employment spells are not the basis for additional pension benefits (Singh 1998). In addition, our results show that nonstandard employment is positively related to the receipt of Canada/Quebec Pension Plan benefits. We argue that this relationship may be driven by the fact that an individual is allowed to simultaneously receive Canada/Quebec Pension Plan benefits and income from employment up to about $7,000. Unemployment rates are also directly related to standard/nonstandard employment. It is also noteworthy that postcareer training activities are positively related to standard employment. The implication is that the Canada/Quebec Pen-

sion Plan, macroeconomic policies, and training initiatives can all be used as policy instruments to promote either standard or nonstandard employment.

The results also have implications for human resource management. The decision to return to standard/nonstandard employment after early retirement is affected by both extrinsic and intrinsic reasons. Inadequate financial resources clearly underlie the standard employment decision, but so does work attachment. Compensation practices must reflect this reality. One of the most important challenges in terms of compensation is associated with the deferred compensation model. This model of compensation assumes that a worker is entitled to a lifetime income that is tied to his or her productivity. In the first half of the employment period, the individual is paid below his or her productivity level. In the latter half of the employment period, the individual is paid above his or her productivity level. The crucial question for employers is whether to treat returnees as "new" entrants and restart the deferred compensation model. Currently, work after early retirement is characterized by lower wages (Ruhm 1990; Doeringer 1990). This may be a powerful deterrent to a committed and motivated older workforce, but this is an untested assumption that warrants further investigation.

Beginning in the year 2011, the front end of the baby boom generation will approach the conventional age of retirement (65 years old). Issues of when and how they decide to make the work-to-retirement transition are likely to become increasingly important. Our results indicate that they do not have to follow the traditional model of a permanent and complete withdrawal from the labor force. Many of them are likely to gradually withdraw from the labor force. This means rethinking the issue of retirement and public and institutional policies, which are increasingly becoming outdated.

Notes

1. The results presented in this study are based on weighted data which corrected for the initial stratification by age.

2. A factor analysis (extraction = principal component, number of factors = 2, and rotation = varimax) of the following 10 items—1) there was a lot of freedom to decide how I do my work; 2) I did the same thing over and over; 3) the pay was good; 4) my chances of promotion for career development were good; 5) I like my job; 6) I enjoyed the people I worked with; 7) the work I did was one of the most satisfying parts of my life; 8) some of my main interests and pleasures in life were connected with my work; 9) to me, my work was just a way of making money; and 10) the benefits were good. These resulted in the identification of two underlying factors: Items 1), 2), 5), 8), and 9) loaded onto one factor, and items 3), 4), and 5) onto the other. The first factor is interpreted as intrinsic job satisfaction, and the second factor as extrinsic job satisfaction. Scales using the respective items were subsequently constructed. The Cronback Alpha for intrinsic satisfaction was 0.75 and that for extrinsic satisfaction was 0.46.

3. Work attachment is measured with a multidimensional scale. Respondents were asked to indicate (on a four-point likert-type scale, with 1 being "never" and 4 being "often" how often did they: "miss the feeling of doing a good job"; "feel that [they] want to go back to work"; "worry about not having a job"; and "miss being with other people at work." The responses to these items were added (Cronback Alpha = 0.79).

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