



A conceptual framework for analysing determinants of older people's employment trajectories related to firms

Question of analysis:

To what extent are the consequences of aging for individual employment trajectories influenced by the structures and the decisions of firms?

Focus of the empirical analysis:

Persons between 50 and 64 years of age (older people) in Germany between 1993 and 2006

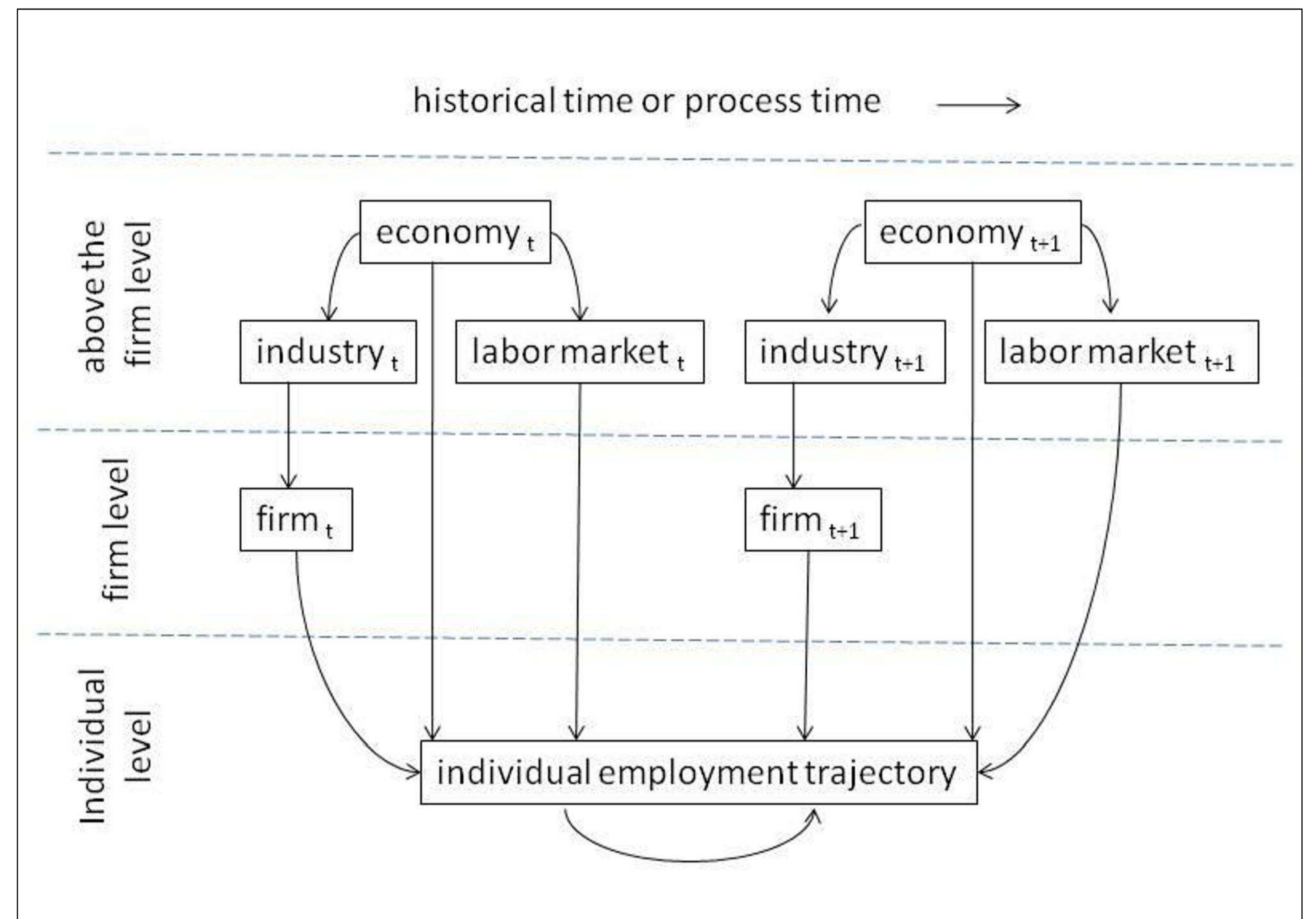
Data base used:

Linked-Employer-Employee-Data (LIAB) of the Institut für Arbeitsmarkt- und Berufsforschung (IAB)

Events defining older people's employment trajectories:

E1:	The risk of being disband
E2:	The chance to get hired during the state of unemployment
E3:	The chance of being financially secured by a social institution when being disband
E4:	The chance of changing the employment position directly - as well within as between firms - accompanied by a gain of social status
E5:	The chance of changing the employment position directly - as well within as between firms - accompanied by a loss of social status
E6:	The probability of changing the employment position directly - as well within as between firms - without a shift of social status

Determinants of older people's employment trajectories as a multi-level structure:



Hypotheses on determinants of the employment trajectories of older people above the firm level:

H1:	The more positive the deviation of the economic growth from the longer-term trend is, the lower are E1 and E5; and the larger are E2, E4 and E6.
H2:	The more negative the deviation of the unemployment rate from the longer-term trend is, the lower are E1 and E5; and the larger are E2, E4 and E6.
H3:	The bigger the shares of firms which are member of an employer association, have a work council or accept a collective wage agreement are, the lower are E1 and E2; and the larger is E3.
H4:	The higher the degree of competition, the more sensible firms react to deviations of the economic growth rate and the unemployment rate from the longer-term trend, and therefore the more marked are the effects specified in H1 and H2.
H5:	The larger the number of persons within the labor force of the whole economy or a specific occupation is, the larger the labor supply of younger people tends to be, and therefore the larger is E1; and the lower is E2.
H6:	The larger the share of older people within the labor force of the whole economy or a specific occupation is, the larger the average age of the employees tends to be, and therefore the less marked are the negative effects of upward deviations of the individual age from this average specified in H19.

Hypotheses on determinants of the employment trajectories of older people on the firm level:

H7:	The more pronounced the orientation towards the external labor market of a firm is, the more sensible it reacts to deviations of the unemployment rate from the longer-term trend, and therefore the more marked are the effects of these deviations specified in H2.
H8:	Under the condition of simpler production processes, E1, E3 and E5 rise with the number of employees in a firm; while E2 declines.
H9:	Under the condition of more complex production processes, E1 and E5 decline with the amount of tenure within a firm and within an occupation comparatively stronger than under other conditions of production; while E2 and E3 rise comparatively stronger.
H10:	Under the condition of more complex production processes, the relevance of tenure within a firm in comparison to the relevance of tenure within an occupation increases with the number of employees of a firm, and therefore E4 and E6 within a firm rise comparatively stronger with the amount of tenure within a firm; while E2 as well as E4 and E6 between firms rise comparatively stronger with the amount of tenure within an occupation.
H11:	The more negative the balance between inflow figures of younger people minus outflow figures of people of all ages of the staff, the better the self-assessment of the profit situation, and the larger fraction of the turnover used for investments of a firm is, the larger is E2. The more negative the balance between inflow figures of people of all ages minus outflow figures of younger people of the staff under the same conditions of a firm is, the lower is E1.
H12:	The larger the growth of the share of part-time positions in the whole amount of positions in the staff of a firm under the conditions of a bad self-assessment of the profit situation and a small fraction of the turnover used for investments of a firm is, the lower is E1; and the larger is E5.
H13:	The more prone towards the capital market the ownership structure of a firm is, the more marked are the effects on older people's employment chances related to the parameters of success on the firm-level specified in H11 and H12; as well as those related to parameters above the firm-level specified in H1.
H14:	If a firm is member of an employer association, has a work council or accepts a collective wage agreement, E1 and E2 are lower; and E3 is larger.

Hypotheses on determinants of the employment trajectories of older people on the individual level that have to be controlled for:

H15:	The more years of schooling an individual had, the lower are E1 and E5; and the larger are E2, E4 and E6.
H16:	The more years of vocational training an individual had, the lower are E1 and E5; and the larger are E2, E4 and E6.
H17:	The more tenure within a firm an individual has, the lower are E1 and E5; and the larger are E2, E3, E4 and E6.
H18:	The more tenure within an occupation an individual has, the lower are E1 and E5; and the larger are E2, E4 and E6.
H19:	The larger the upward deviation of the individual age from the average age of the labor force is, the larger are E1 and E5; and the lower are E2, E4 and E6.
H20:	If tenure within a firm and an occupation is controlled for, then E1, E2, E3, E4, E5 and E6 are the same for older women and men.