

Who reduces work hours before retirement?

Plans and reality

“Reducing work hours before retirement is more common when organizations provide opportunities for it, especially for employees facing high job pressure.”

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What is the focus of the paper?

This paper examines whether older employees in the Netherlands plan to reduce their working hours before retirement and whether they actually do so. It analyzes how job demands, caregiving responsibilities and health conditions relate to these decisions, and how organizational work hour reduction arrangements influence both plans and behaviors. The study uses longitudinal data from the NIDI Pension Panel Survey, following 1,241 full-time employees aged 60-63 over eight years. The focus is particularly on work hour reductions occurring before reaching the statutory retirement age.

What are the key findings?

About one in four older employees plans to reduce working hours before retirement, while roughly one in three eventually does so. The availability of a formal work hour reduction arrangement strongly increases both planned and actual reductions. High job pressure is consistently linked to reducing work hours, particularly when such arrangements are available. Contrary to expectations, chronic health conditions and caregiving burden are not associated with either planned or actual reductions. Having a plan substantially increases the likelihood that work hours are eventually reduced.

What are the implications?

- Organizational work hour reduction arrangements play a key role in enabling reductions before retirement.
- Work hours reductions before retirement are more common among employees experiencing high job pressure, but not among all workers in demanding situations.
- Policymakers and pension stakeholders should assess whether existing arrangements effectively promote sustainable employment and reach their intended target groups.

Want to know more? Read the paper:

Who Reduces Work Hours Before Retirement? Plans and Reality