Older Workers' Training Opportunities in Times of Workplace Innovation

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Abstract

Stylized facts stress that constraints in achieving preferred working hours have major impacts on job satisfaction. Consequently, hour constraints may lead to workers’ job mobility and older workers’ retirement. Firms internalize the risk of workers’ mobility by reducing their training investments in these workers. I contrast this model with a signalling model of hour constraints where, in the face of asymmetric information over workers’ quality and reliability, and so over profitability of training, workers may trade present hour constraints (at the current wage), for training (and future wage) opportunities. I use two matched employer-employee datasets, for Australia and Canada respectively, to test the competing empirical implications of these two models for the link between hour constraints and training. The main result of this study is that there is little support for hour constraints as a signal of future reliability and productivity. Rather, hour constrained individuals appear to have less chance to receiving training. Institutional differences in the retirement funding system, and the differential appeal of outside option (the option of exiting the labour force) in Australia and Canada in the two survey years contribute to explain the different patterns of training and hour constraints older workers face in these two countries.