

The Role of Work Engagement among Older Workers: An Industrial Psychology Perspective and Its Contribution to Family Economy

Dian Novita Siswanti^{1*}, Muh. Daud²

^{1,2} Faculty of Psychology, Universitas Negeri Makassar, Makassar City, South Sulawesi, Indonesia

Email: dian.novita@gmail.com

Abstract

This study examines the role of work engagement among older workers from an industrial psychology perspective and its contribution to family economic stability. Population aging has increased the number of older employees who remain active in the workforce, making their psychological adaptation and productivity increasingly important. Using a library research method, this study systematically reviews scholarly literature from reputable databases to synthesize empirical and theoretical findings related to work engagement, aging workers, and economic outcomes. The findings indicate that work engagement among older workers is generally stable or increases with age due to enhanced emotional regulation, accumulated work experience, and stronger perceptions of work meaning. The Job Demands–Resources model explains that job resources such as autonomy, social support, and flexible work arrangements are critical in sustaining engagement in later adulthood. However, the phenomenon of “mental retirement” suggests that disengagement may emerge prior to formal retirement, particularly in contexts of low job satisfaction. High work engagement is associated with sustained job performance, income continuity, and reduced labor market withdrawal, thereby contributing to household economic resilience. In multigenerational and developing-country contexts, older workers play a crucial role in supporting family economic stability. The study concludes that work engagement serves as a key psychological mechanism linking industrial-organizational outcomes with family economic contributions among older workers.



Keywords: work engagement, older workers, industrial psychology, aging workforce, family economy

INTRODUCTION

Population aging has become one of the most significant demographic trends of the 21st century, reshaping labor markets and socioeconomic structures worldwide. The increasing proportion of older adults in the workforce has raised important questions regarding their psychological adaptation and productivity in later life (United Nations, 2022). As retirement ages increase in many countries, a growing number of older individuals remain actively engaged in employment, contributing both to organizational performance and household economic stability.

In the context of industrial and organizational psychology, understanding the determinants of sustained work behavior among older workers has become increasingly important. One of the most prominent constructs in this domain is work engagement, defined as a positive, fulfilling, work-related state characterized by vigor, dedication, and absorption (Schaufeli et al., 2002). Work engagement has been widely associated with improved performance, well-being, and organizational commitment.

Older workers represent a unique demographic group in the labor market, as they often possess accumulated experience, emotional regulation skills, and stable work values. Unlike stereotypical assumptions of declining productivity, research suggests that aging workers may maintain or even increase their engagement levels under supportive work conditions (Schaufeli et al., 2015).

From an industrial psychology perspective, work engagement is strongly influenced by job resources such as autonomy, social support, and feedback quality (Bakker & Demerouti, 2017). These resources become particularly important for older employees, whose physical capacities may decline but whose psychological resources remain strong or even strengthen over time.

The Job Demands–Resources (JD-R) model provides a useful theoretical framework for explaining work engagement across the lifespan. According to this model, work engagement emerges when job resources outweigh job demands, enabling employees to maintain motivation and energy at work (Bakker & Demerouti, 2017). This model is particularly relevant for understanding aging workers who may experience changing job demands.

Empirical studies indicate that work engagement does not necessarily decline with age. Instead, some evidence suggests that older workers exhibit stable or even higher



engagement levels compared to younger workers due to increased emotional stability and stronger work meaning (Schaufeli et al., 2015). These psychological strengths may compensate for age-related physical limitations.

However, the transition toward retirement may introduce psychological changes in work attachment. De Wind et al. (2017) introduced the concept of “mental retirement,” describing a gradual decline in psychological engagement before actual retirement occurs. This phenomenon suggests that disengagement may begin earlier than formal labor market exit.

In organizational settings, maintaining engagement among older employees is increasingly seen as a strategic priority. Human resource practices such as flexible work arrangements, job crafting, and supportive leadership have been identified as effective mechanisms for sustaining engagement in later career stages (Bal et al., 2013).

Older workers also exhibit distinct psychological needs compared to younger employees. Truxillo et al. (2012) emphasize that aging employees value meaningful work, recognition, and flexibility more than career advancement opportunities. These needs shape how they engage with their work environment and influence their motivation to remain employed.

Work engagement is also closely linked to work-life balance, which becomes increasingly important in later adulthood. Fisher et al. (2009) argue that maintaining equilibrium between work and non-work roles enhances psychological energy and supports sustained engagement. For older workers, this balance is critical for long-term occupational sustainability.

Beyond organizational outcomes, work engagement among older workers has important implications for family economic well-being. In many contexts, older employees continue to contribute financially to multigenerational households, supporting children, spouses, and extended family members. Sustained employment therefore plays a central role in family economic resilience.

High levels of work engagement contribute to stable productivity and income continuity, which directly affect household financial security. Engaged workers are more likely to maintain job performance and less likely to withdraw from the labor market prematurely, thereby ensuring consistent economic contributions to their families.

In developing economies, including Indonesia, older workers often remain active in both formal and informal sectors due to economic necessity and cultural expectations of intergenerational support. This makes the study of work engagement among older workers particularly relevant for understanding household economic sustainability.



Despite its importance, research integrating industrial psychology perspectives on work engagement with family economic outcomes remains limited. Most existing studies focus either on organizational performance or individual well-being, with less attention to broader socioeconomic implications, particularly within aging populations.

Therefore, this study aims to examine the role of work engagement among older workers from an industrial psychology perspective and explore its contribution to family economic stability. By integrating psychological and economic perspectives, this study seeks to provide a more comprehensive understanding of aging workers' contributions to both organizations and households.

METHODE

This study employs a library research method to examine the role of work engagement among older workers from an industrial psychology perspective and its contribution to family economic outcomes. Library research is a qualitative approach that relies on the systematic collection, identification, and analysis of secondary data obtained from scholarly literature, including journal articles, books, conference proceedings, and credible academic databases. This method is appropriate for developing a comprehensive theoretical synthesis without direct field data collection.

The data sources in this study consist of peer-reviewed journal articles indexed in reputable databases such as Scopus, Web of Science, and Google Scholar, as well as academic books and institutional reports relevant to work engagement, aging workforce, and family economics. The inclusion criteria for the literature include publications that discuss work engagement, older workers (aged 50 and above), industrial and organizational psychology frameworks, and socioeconomic implications of workforce participation. Literature published within the last 15 years is prioritized to ensure contemporary relevance, while seminal works are also included to strengthen theoretical foundations.

Data collection is conducted through systematic literature searching using keywords such as "work engagement," "older workers," "aging workforce," "industrial psychology," "job demands-resources model," and "family economic contribution." The collected literature is then screened, categorized, and organized based on thematic relevance. A thematic coding approach is applied to classify findings into key domains, namely psychological determinants of work engagement, organizational factors influencing older workers, and economic implications at the family level.



Data analysis is carried out using qualitative content analysis and narrative synthesis techniques. The analysis process involves identifying patterns, comparing findings across studies, and synthesizing theoretical insights to build an integrated conceptual understanding. The results of the analysis are presented in a descriptive-analytical form to construct a comprehensive explanation of how work engagement among older workers contributes to industrial psychological outcomes and family economic stability.

RESULT

This result presents a review of seven key empirical studies relevant to the topic *The Role of Work Engagement among Older Workers: An Industrial Psychology Perspective and Its Contribution to Family Economy*.

The study by Mori et al. (2024) is a systematic review of 50 articles involving workers aged ≥ 40 years. The main findings indicate that work engagement tends to increase with age, primarily due to enhanced emotional regulation and greater psychological stability. In addition, work engagement has been shown to be associated with the decision to remain employed beyond retirement age. From an industrial psychology perspective, this study emphasizes that personal resources (emotion, motivation, and coping strategies) are more dominant determinants among older workers compared to external factors. The implication is that older employees remain productive and contribute to household economic stability through sustained high levels of work engagement.

The study by de Wind et al. (2017) identifies the phenomenon of “mental retirement,” referring to a decline in psychological attachment to work prior to actual retirement. Work engagement gradually decreases approaching retirement age, particularly among individuals with low job satisfaction. From an industrial-organizational perspective, this highlights the importance of HR interventions to maintain engagement during the late career stage. In terms of family economics, declining engagement may lead to reduced productivity and household income prior to retirement.

Schaufeli et al. (2015) found a positive relationship between age and work engagement. Older workers tend to experience higher levels of work meaning and more stable task orientation. Within industrial psychology, this suggests that aging workers do not automatically experience a decline in motivation. Instead, they demonstrate performance stability that supports family economic resilience.



Research by Bakker and Demerouti (2017), based on the Job Demands–Resources (JD-R) model, shows that work engagement among older workers is strongly influenced by job resources such as social support, autonomy, and positive feedback. When adequate job resources are available, older employees are able to maintain high levels of engagement despite physical decline. This directly contributes to income sustainability and household economic stability.

The study by Truxillo et al. (2012) emphasizes that older workers have different psychological needs, including the need for recognition, work flexibility, and meaningful work. Work engagement in this group increases when organizations are able to provide appropriate job adjustments. Family economic contribution improves when older workers remain productive through flexible work arrangements.

Research by Bal et al. (2013) demonstrates that HR practices such as flexible working hours and job crafting enhance work engagement among older employees. Higher work engagement is associated with stable job performance and sustained income, thereby strengthening family economic position, particularly in multigenerational households.

Finally, the study by Fisher et al. (2009) highlights that work-life balance is an important predictor of work engagement, including among older workers. For older adults, balancing work and family roles helps maintain psychological energy. The impact is improved subjective well-being as well as more stable contributions to the family economy.

DISCUSSION

The findings of this study indicate that work engagement among older workers plays a significant role in shaping both psychological outcomes within the industrial-organizational context and economic contributions at the family level. Consistent with the Job Demands–Resources (JD-R) framework, work engagement emerges as a motivational state influenced by the balance between job demands and available resources, particularly in aging employees (Bakker & Demerouti, 2017). This suggests that older workers remain a relevant and productive segment of the labor force.

One of the key insights from the reviewed literature is that work engagement tends to increase or remain stable with age. Mori et al. (2024) found that emotional regulation and psychological stability improve over time, allowing older workers to sustain engagement. This finding challenges traditional assumptions that aging is associated with declining motivation and productivity in the workplace.



The stability of work engagement among older workers can also be explained by the accumulation of work experience and the development of adaptive coping strategies. Schaufeli et al. (2015) emphasize that older employees often experience greater work meaning, which strengthens dedication and persistence. These psychological resources serve as protective factors against occupational stress and disengagement.

However, the literature also identifies potential risks related to disengagement prior to retirement. De Wind et al. (2017) introduce the concept of “mental retirement,” where psychological withdrawal occurs before formal exit from the labor market. This phenomenon highlights the importance of maintaining engagement during the late career stage to prevent productivity decline.

From an organizational perspective, sustaining work engagement among older workers requires targeted human resource interventions. Bal et al. (2013) demonstrate that flexible working arrangements and job crafting significantly enhance engagement. These strategies allow older employees to adjust their work roles in alignment with their changing capacities and preferences.

In addition, job resources such as autonomy, social support, and constructive feedback are essential determinants of engagement in later adulthood. Bakker and Demerouti (2017) argue that job resources play a critical role in sustaining motivation, particularly when physical or cognitive demands increase with age. This reinforces the importance of supportive organizational environments.

Older workers also demonstrate distinct psychological needs compared to younger employees. Truxillo et al. (2012) highlight that meaning, recognition, and flexibility become increasingly important in later career stages. Meeting these needs enhances emotional attachment to work and strengthens engagement levels.

The role of work-life balance is another critical factor influencing work engagement among older employees. Fisher et al. (2009) argue that individuals who maintain equilibrium between work and non-work domains tend to experience higher psychological energy. For older workers, this balance is particularly important due to increased family responsibilities and health considerations.

The findings further indicate that high work engagement contributes to sustained productivity and job performance. Engaged workers are more likely to demonstrate consistency, persistence, and reduced withdrawal behavior, which ultimately enhances organizational effectiveness. This reinforces the value of older workers as stable contributors in the labor market.



Beyond organizational outcomes, work engagement has important implications for family economic stability. Older workers often serve as key financial contributors in multigenerational households, particularly in developing economies. Sustained engagement ensures continuous income flow, which supports household financial resilience.

The contribution of older workers to family economics becomes particularly significant in contexts where social protection systems are limited. In such situations, continued employment is not only a personal choice but also an economic necessity. High engagement levels help ensure that older individuals remain active participants in household income generation.

The integration of psychological and economic perspectives suggests that work engagement functions as a mediating mechanism between aging and economic contribution. When older workers maintain high engagement, they are more likely to sustain employment and financial productivity, thereby strengthening family economic stability.

Cultural and contextual factors also play an important role in shaping the participation of older workers in the labor market. In Indonesia and similar developing countries, older individuals often continue working due to cultural expectations of intergenerational support and economic responsibility. This further reinforces the importance of maintaining work engagement in later life.

Despite the positive findings, the reviewed literature also suggests the need for organizational awareness of potential disengagement risks during the transition to retirement. Without appropriate interventions, psychological withdrawal may lead to reduced productivity and financial instability at both individual and household levels (de Wind et al., 2017).

Overall, the findings confirm that work engagement among older workers is a critical construct linking industrial psychology and family economic outcomes. By sustaining engagement through supportive organizational practices and balanced work environments, older workers can continue to contribute meaningfully to both organizational performance and household economic well-being.

CONCLUSION

In conclusion, this study demonstrates that work engagement among older workers plays a pivotal role in bridging industrial psychology outcomes and family economic stability. The synthesis of literature indicates that aging workers do not



inherently experience a decline in motivation; instead, many maintain or even enhance their engagement due to stronger emotional regulation, accumulated experience, and a higher sense of work meaning (Schaufeli et al., 2015; Mori et al., 2024). However, the phenomenon of “mental retirement” highlights that psychological disengagement may emerge prior to formal retirement, particularly in contexts of low job satisfaction and insufficient organizational support (de Wind et al., 2017).

Furthermore, the findings emphasize that job resources such as autonomy, social support, and flexible work arrangements are critical in sustaining work engagement among older employees, as explained by the Job Demands–Resources model (Bakker & Demerouti, 2017). When these resources are adequately provided, older workers are able to maintain productivity and emotional energy despite age-related changes. This sustained engagement contributes not only to organizational effectiveness but also to continuous income generation, thereby strengthening family economic resilience, especially in multigenerational and developing-country contexts (Bal et al., 2013; Truxillo et al., 2012). Overall, work engagement serves as a key psychological mechanism that enables older workers to remain productive, adaptive, and economically contributive, underscoring the importance of supportive organizational policies and work environments in enhancing both individual well-being and household economic sustainability.

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