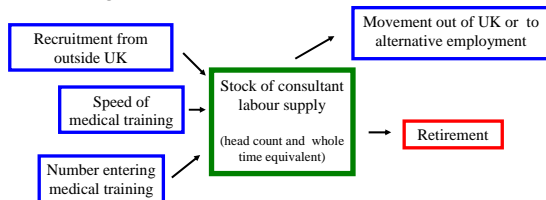


Do changes to pay and working conditions influence hospital consultants' retirement plans?



Background: Consultants are an important resource to the NHS. There are a number of factors that influence the amount of this resource that is available to the NHS (see figure 1). The increasing average age of hospital consultants suggests that retention of older consultants may become an increasingly important policy instrument to influence workforce numbers. It is important therefore to analyse the projected career durations of the existing workforce and to investigate how demographic and employment characteristics influence decisions about future labour market participation. New contracts for consultants were introduced in 2003 in the UK aiming to improve recruitment and retention through improved working conditions. They resulted in substantial pay rises and sought to restrict working hours to a maximum of 48 per week.

Fig 1 Influences on the consultant resource



Aim: To analyse the determinants of consultants' planned retirement ages and investigate whether improved working conditions had an effect on planned retirement ages.

Methods: Analysis of data from a repeated national survey (2001 and 2006) of all NHS hospital consultants in Scotland. Response rates were 61% [1793/2923] and 56% [1920/3405] in 2001 and 2006 respectively. Consultants were asked to state their planned retirement age and their level of certainty. We first investigate the two surveys separately and compare effects of employment and personal characteristics on planned retirement age using cross sectional linear regression models. We then use the matched sample of consultants who replied to both surveys to investigate changes in planned retirement ages using fixed effects regression. Responses are weighted throughout according to consultants' certainty about their plans.

Results: Table 1 reflects the ageing consultant workforce, average planned retirement age and the subsequent planned time left in the labour force. The data indicate that the increase in the average age of the consultant workforce has been partially offset by an increase in the planned retirement age.

Table 1 Average age of consultants and retirement decisions

Survey	Average current age (years)	Average planned retirement age (years)	Average planned years of continuing work
2001	46.5	59.7	13.2
2006	48.0	60.3	12.3
Change	+1.5	+0.6	-0.9

Fig 2 Planned retirement age by age group

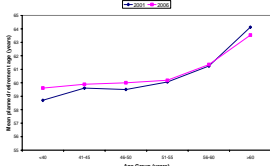
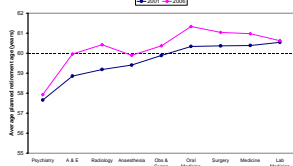


Fig 3 Planned retirement age by speciality



The difference in planned retirement age is largest in the youngest cohorts of consultants and differs across specialities¹ across the two survey periods (fig 2 and 3).
¹Note: Psychiatry is covered by separate retirement conditions

Regression results: Cross sectional regression shows that on average, female consultants plan to retire earlier than males. Consultants working in large general hospitals plan to retire at a significantly younger age than those in teaching hospitals. Pay had no significant effect on planned retirement age in either year. Hours worked had a positive and significant effect on planned retirement age in both years. In both surveys we found positive, significant effects of overall job satisfaction and having young children on planned retirement age (table 2).

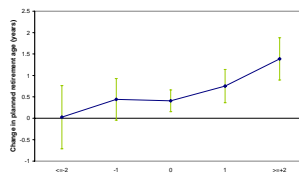
Table 2 Cross-sectional OLS analysis

	2001 COEFFICIENT	T	2006 COEFFICIENT	T
Age	-0.624***	-4.92	-0.782***	-4.36
Female	-0.921***	-4.87	-1.026***	-5.56
Weekly hours NHS	0.016**	2.35	0.031***	3.34
Weekly hours private work	-0.139***	-2.91	-0.043	-0.64
Large general hospital	-0.728***	-4.65	-0.559***	-3.25
Youngest child under 5	1.622***	6.4	0.844***	2.7
Youngest child 5 to 14 yrs	1.285***	6.73	1.030***	4.8
Youngest child 15 to 18 yrs	0.709**	2.45	0.637**	2.17
NHS salary	-0.005	-1.26	-0.002	-0.51
Overall job satisfaction	0.426***	6.42	0.361***	4.79
Deal (1)	-0.466***	-2.33	-0.134	-0.66
Staff (2)	0.483***	2.63	0.155	0.95
Constant term	69.534***	22.82	74.817***	16.89
Number of observations	1,461		1,165	
F	(27, 1,433)		(27, 1,137)	
	20.88		12.81	
Prob >F	0.0000		0.0000	
R-sq	0.3106		0.2616	

^a Regression includes specialty effects

In the matched sample the only significant determinant of changes in planned retirement age between 2001 and 2006 was the change in overall job satisfaction (see fig 4).

Fig 4 Changes in job satisfaction and retirement plans



Conclusion: Increasing the career duration of existing doctors is a valuable potential source of labour supply. Overall job satisfaction increased between 2001 and 2006 and was the only influencing factor on changes to individual consultants' retirement plans. It consequently provides a partial explanation for the increase in mean planned retirement age. Recent changes to NHS salary and working hours do not appear to directly influence individual retirement decisions. They could, however, be the underlying cause for the increase in job satisfaction.

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National Survey of Doctors (Scotland) : Background

- Joint with North Deanery of NHS Education for Scotland
- Postal survey of Consultants, General Practitioners and Staff and Associate Specialists in 2001/2 and repeated in 2006
- 2006 Survey funded by Scottish Executive Pay Modernisation

Survey includes

- Demographics and family circumstances
- Hours worked, contractual commitments
- Job satisfaction, attitudes to workload
- Retirement plans
- Discrete Choice Experiment of preferences for job characteristics
- Perceptions of new contracts

Analysis based on surveys includes:

- Medical labour supply**
 - Retirement plans
 - GPs re-providing out-of-hours service
- Job satisfaction**
 - Formal comparisons between doctor groups
 - Changes over time for individual consultants
- GP Quality and Outcomes Framework**
 - Variety and motivation of GPs views
 - Development of an econometric method for evaluation

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