

★ Preferences for early retirement: The role of work related factors

There are many factors that may lead to an older worker making the decision leave the workforce, and these factors can be substantially influenced by organisations and employers. Toni Fowlie presented at the CDANZ National Symposium 2016.



Introduction

Due to New Zealand's ageing population in this country, maintaining the employability and employment of older workers for as long as possible is vital for economic growth and sustainability (Loretto & White, 2006). Identifying the work-related factors that may influence early retirement preferences of older workers may lead to a better understanding of ways to maintain these workers in employment. Retirement preferences are important to study as often these preferences are precursors to actual retirement (Barnes-Farrell, 2003). The aim of the study that is the subject of this article was to contribute to the understanding of factors which can be influenced directly by organisations such as norms and attitudes towards older people within the workplace. A person was considered to have early retirement preferences if their preferred retirement age was earlier than their expected retirement age. Specifically, this study investigated some work factors related to the retirement preferences of 132 full time older workers, defined by the New Zealand Department of Labour as those aged 55+, in a range of New Zealand organisations.

The research proposed that perceived age discrimination, satisfaction with job flexibility, attitudes towards information and communication technologies (ICTs), perceptions of techno-complexity, and perceived threat from organisational downsizing, would have a direct relationship with early retirement preferences. It was predicted that the above factors would affect older workers' feelings of job satisfaction and job security, and that these in turn would be associated with early retirement preferences.

Results

Correlation and regression analyses were performed to test the hypotheses. Several hypotheses were supported: perceived age discrimination was positively related to early retirement preferences; perceived age discrimination was negatively related to job satisfaction; job flexibility satisfaction was positively related to job satisfaction; perceived threat from organisational downsizing was negatively related to job security; job satisfaction was negatively related to early retirement preferences; and job security was negatively related to early retirement preferences.

Some other significant relationships were also found. Perceived age discrimination was significantly related to job flexibility satisfaction, job security, and perceived threat from organisational downsizing. Job satisfaction and job security were also found to be negatively related to perceived threat from organisational downsizing. Overall, the results suggest that other factors not explored in this study might also influence the retirement intentions of older workers in New Zealand organisations. Further research in this area could explore to what extent personal circumstances such as finances influence retirement intentions, when compared with work related factors.

Implications

Due to the ageing population in New Zealand (as well as other countries), and having to maintain the employment of older workers, this research has value in exploring the factors affecting early retirement intentions. The results showed that perceived age discrimination, job satisfaction and job security correlated with early retirement intentions, indicating that the retirement intentions of participants in this study were potentially influenced by these factors.

New Zealand organisations should strive to create working environments that take into consideration the needs of older workers, and which encourage older workers to want to stay working, even past the age they are eligible for New Zealand Superannuation. Older workers who feel as though they have limited choice when it comes to making decisions about their retirement may have difficulty adjusting to post-retirement life, thus organisations should be doing all they can to encourage flexible transitions to retirement.

Take home points for organisations and employers

- Employers should be wary of potential age discrimination in their organisations. The results indicate older workers who perceived age discrimination also had earlier retirement preferences.
- For organisations aiming to retain older workers in employment, regular organisational surveys amongst older workers which assess job satisfaction may be of benefit.
- For organisations who have recently been through organisational downsizing, employers should be mindful of the negative impacts this can have on older workers, especially job security and job satisfaction. Organisations should do all they can to enhance older workers' feelings of security and job satisfaction, which will then be incentives for them to stay working for a longer period of time.



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