

Early Retirement Intention in Workers from the Industry and Service Sectors: Influence of the Perception of Benefits from Retiring or from Continuing to Work

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Abstract

This study aims to identify the factors that favor the intention to continue working or to retire in workers over 50 years old. The sample consisted of 186 workers of both sexes from the industry and services sectors who answered a questionnaire which recorded their perceived health, job quality and their perception of the benefits or drawbacks of continuing to work or taking early retirement. The results indicated that to continue in active employment is mainly seen as economically beneficial but negative for family life and health. In contrast, early retirement is seen as beneficial for family life and self-actualization but economically negative. A regression analysis revealed that the motivation to stay active occupationally depends on the perceived health and social support given at work, but mostly to have a positive vision of being active workforce.

Keywords

Early-Retirement, Older Workers, Perceived Health, Job Quality

1. Introduction

Demographic data about the European Union countries show a high increase in the percentage of elderly people.

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Population aging endangers the sustainability of pension systems, and for this reason in 2001 the European Council made a proposal for half the population aged between 55 and 64 years old to be employed in 2010, and among other measures it also proposed that retirement age should be increased [1]. These objectives were not met [2]; in fact, it was not until 2008 with the growing economic crisis that EU countries began to raise the retirement age as occurred in Spain in 2010, where retirement is at 67. However, raising the retirement age has not increased the percentage of the older workforce, but completely the opposite [3].

The reasons that explain this situation are diverse and interconnected. On the one hand, from the short term socioeconomic view, the productive system prefers a younger age and lower cost structure of the workforce; and on the other hand, there is a social perception of the significance of aging as a decreasing in skills. All this means that potential human resources, which correspond to the older more experienced workers, are no longer being taken advantage of [1]. For the above reasons, raising the retirement age is seen as something negative by many workers and in the older population there is still a tendency to withdraw from the labor market [2] [3].

In the last decade a lot of research has been carried out to analyze the psychosocial causes of the individual intention of workers to take early retirement. In a sample of Finnish workers, it was found that 55% of women and 52% of men had intentions of retiring early [4]. Siegrist and colleagues [5] studied the responses of a wide sample of employees from 10 different countries: Germany, Austria, Denmark, France, Greece, Holland, Italy, Sweden and Switzerland, and found that 48% of the employees studied express the intention to retire as early as possible—Holland being the country with the lowest intention to retire early (29.7%), and Spain being the country with the highest prevalence in the intention to retire early (67.2%). Naturally, there is a great variation between professions, for example in a study with nurses, it was found that 72% had the intention of retiring early [6].

Among the causes behind the intention to retire early, a first approach was that workers with low well-being and bad mental health would be more inclined to want to take early retirement [4]. But, it has been demonstrated that among older workers, the perception of low job quality (defined as an imbalance between effort and reward and a low level of control over their job), is associated to the intention to retire and that this relation is independent from the association between well-being and intention to retire [5].

Other studies [7] [8] have demonstrated that other factors unrelated to the working environment, such as marital relations or social isolation can influence the intention to retire interacting with factors related to job quality.

Apart from job quality, the importance of the loss of income also has an influence on reducing the intention to retire early. However, the perception of having bad health increases the importance of early retirement, even if the loss of income is greater, as long as there is a belief that they could enjoy retirement in good health [9].

Determinants of intention are found in each worker's job and their personal circumstances, but not exclusively. The social representation of retirement can also interact with the factors mentioned so far. Radl [10] studied internalized social norms about the more suitable retirement age, showing that in European countries there is a wide approval for early retirement although with certain limits, considering 61 as the ideal age for retirement in men and 58.5 in women. However, retirement under 52.8 for men and under 50 for women is not seen as suitable. This study, based on the European Social Survey and applied in 14 countries, has brought to light that some social perceptions about retirement linked to gender and social class could exercise a strong influence on personal decisions about early retirement.

To sum up, it has been shown that although it would be socially beneficial for older workers to continue their professional activity to the maximum age, there is a tendency to prefer early retirement [11]. This is favored by the lack of well-being at work and the perception of low job quality, and to the contrary, hindered by the possible loss of income. These specific factors, however, could be influenced by the social perception of the benefits from continuing to work or to retire.

Recently, a qualitative study with workers over 50 years aimed at identifying the perceptions of continuing to work to the maximum possible age in the current European economic situation was made [12]. Workers did not link continuing in employment so much with job quality and lack of stress, but rather more with having intrinsic satisfaction, perceiving social support from colleagues or superiors and believing that staying in employment benefited their health. These results did not coincide with the high importance given to the perception of job quality contrasted in the reviewed studies. Since the economic situation has changed in the last few years, it would be fitting to address this issue again. Therefore, this study aims to evaluate the predictive capacity of the different factors that are positively or negatively associated to the intention to retire early or continuing to work:

both those related to the evaluation of the workers' current job, and those related to the social perception of the future benefits from retirement or continuing to work.

2. Methodology

2.1. Sample

The sample was incidental with representative quotas for sex, employment sector and being in charge or not of other workers. Civil servants, workers with temporary contracts and those in other particular situations were excluded.

Employed workers over 50 years old from the industry or services sector who had not been off work in the last month were invited to participate. They were each handed an envelope with the questionnaire inside. The first page of the questionnaire contained an explanation of the study objectives, the commitment to anonymity of the data collected and that participation was voluntary. The participants who filled out the questionnaire replaced it in the envelope and sealed it. A total 200 questionnaires were given out, and 186 were returned with valid data (93%). 56.5% of the final participants were men and 43.5% were women; 80.6% were married and 76% had children. The minimum age was 50 years old and the maximum age was 67, with the average age being 55.6. 10.8% were workers from the industry sector and were in charge of staff, and 18.3% were from the industry sector that were not in charge of staff.

2.2. Instruments

A questionnaire was developed to quantitatively evaluate the following aspects.

1) Socio-demographic data of the participants: sex, age, marital status, number of children, dependents, level of education, professional category, salary level, employment sector, company size and work schedule.

2) Health data: Perception of health [13] measured by a five-points rating scale, number of days off sick in the last year, and the presence of illness or injuries according to list included in the Work Ability Index [14].

3) Intention to continue working: They were asked about their intention to continue working until the mandatory retirement age according to the question used by Siegrist [5], measured by a five-point rating scale.

4) Perceived personal competence at work. The Spanish adaptation [15] of the Perceived Personal Competence scale by Wallston [16] was used in their version adapted to the working environment ($\alpha = 0.83$).

5) Demand, control and social support. Selected items of demand, control and social support factors from the Spanish adaptation [17] of the Job Content Questionnaire (JQC) by Karasek [18] were used. The demand scale consisted of 2 items ($\alpha = 0.68$), control—6 items ($\alpha = 0.75$) and social support—6 items ($\alpha = 0.88$).

6) Benefits from continuing to work until retirement age. There were four yes/no possible responses which referred to economic situation, personal and family life, self-actualization, and health, more than one yes answer could be indicated. Likewise, the same question was given but referring to the benefits from early retirement. Consequently, these two questions generated eight dichotomous variables, four referring to each of the perceived benefits from staying in employment and another four referring to the perceived benefits from early retirement.

2.3. Data Analysis

The analysis of the data obtained through the survey was made using the statistical software SPSS 17 for Windows and a statistical significance of $p < 0.05$ has been assumed.

3. Results

3.1. Intention to Continue Working

Overall, 55% of workers wished to continue in employment until mandatory retirement, 25.4% disagreed and 19.6% neither agreed nor disagreed. No differences were noted in either sex ($t = -0.523$; $gl = 166$; ns) or in age ($t = -0.517$; $gl = 166$; ns) with respect to the intention to continue working until mandatory retirement.

The intention to continue working did not relate to the level of education ($F = 0.87$; $gl = 2$; ns) or to professional category ($F = 1.58$; $gl = 3$; ns). If we analyze the intention to continue working in relation to whether they are in charge of staff or not, no difference was noted in either the industrial sector or in the services sector ($t =$

1.48; $gI = 112$; ns). Likewise, neither the company size ($F = 0.14$; $gI = 3$; ns), nor work schedule ($F = 2.23$; $gI = 4$; ns) nor salary level ($F = 2.75$; $gI = 3$; ns) affected the intention to continue working. In relation to health, 13.6% percent considered that their health is bad or stable, in contrast to 86.4% who considered it to be good or very good.

3.2. Benefits of Continuing to Work

A significant majority of the participants manifested that continuing to work until the mandatory retirement age favors their economic situation (75.26%; $\chi^2 = 47.5$; $p < 0.01$), but undermines family life (80.25%; $\chi^2 = 47.5$; $p < 0.01$) and health (85.48%; $\chi^2 = 47.5$; $p < 0.01$). However, with respect to self-actualization and feeling useful, the participants were divided into two opposing groups since 56% manifested that staying in employment benefited them and 44% believed the opposite. There was no statistically significant difference ($\chi^2 = 3.1$; ns) in this distribution.

3.3. Benefits of Early Retirement

With respect to early retirement, the majority of the participants believed that it favors family life (67.74%; $\chi^2 = 23.4$), but undermines their economic situation (94.62%; $\chi^2 = 148.2$; $p < 0.01$) and self-actualization (76.88%; $\chi^2 = 53.8$; $p < 0.01$). On the other hand, with respect to health, 54% believed that early retirement benefited their health and the rest believed the opposite, there were no significant differences in this case either ($\chi^2 = 1.1$; ns).

3.4. Perceived Benefits and Intention to Continue Working

Workers who believed that staying in employment benefited family life had a greater intention to continue working ($t = 2.23$; $df = 182$; $p < 0.05$). The same occurs with self-actualization; workers who believed that continuing in employment benefited self-actualization had a greater intention to continue working ($t = 6.27$; $df = 180.52$; $p < 0.05$). Beliefs about whether staying in employment benefits their economic situation or health did not show statistically significant differences in the intention to continue working among workers who believed in either one aspect or the other

With respect to the benefits from early retirement, there were no statistically significant differences in the intention to continue working between the workers who believed that early retirement was beneficial for their economic situation and those who did not. In relation to health, the workers who believed that early retirement would be beneficial for their health, had less intention of continuing to work than those who believed the opposite ($t = 4.81$ $df = 182$; $p < 0.05$). In the same sense, those who believed that early retirement would be beneficial for family life also had less intention of continuing to work ($t = 2.02$; $df = 182$; $p < 0.05$), and those who believed that early retirement provided benefits for self-actualization also had less intention of continuing to work ($t = 2.77$; $df = 182$; $p < 0.5$).

3.5. Predictors of Intention to Continue Working

Finally, a multiple lineal regression analysis was made, taking intention to stay in active employment until mandatory retirement age as the dependent variable. The independent variables were: demand, control, social support, perceived job competence, perceived health, and the variables that reflect the perceived benefits from continuing to work and the perceived benefits from early retirement. The results from this analysis (see **Table 1**) give 3 models: the first model contemplates the social support variable alone and explains 8% of the variance; the second contemplates social support and perceived health and explains 11% of the variance; and the third explains 37% of the variance and contemplates social support, perceived health, the belief that staying in employment benefits self-actualization and health, the belief that early retirement benefits their economy, family life, health and self-actualization—the latter four have a negative influence on the dependent variable.

4. Discussion

55% of the sample studied were found to have a clear intention of continuing to work, and if we include those who had doubts, this percentage reaches 74.6%. These figures are higher than those found in previously published studies and much higher than those found by Siegrist [5] for Spain. It is possible that this percentage is influenced by the general perception of the economic situation, since in a worse economic situation people hope to

Table 1. Multiple regression analysis of predictors of continue working.

Variable	Intention of Continue Working		
	Model 1 B	Model 2 B	Model 3 B
Constant	1.51**	1.43*	0.96*
Social Support	0.07**	0.06**	0.05*
Perceived Health		0.43*	0.34*
Working benefits economy			0.12
Working benefits family life			0.39
Working benefits Health			0.48*
Working benefits self-actualization			0.61**
Retirement benefits economy			-0.73*
Retirement benefits family life			-0.43
Retirement benefits health			-0.73**
Retirement benefits self-actualization			-0.42*
R ²	0.08	0.11	0.37
F	12.31**	8.84**	7.72**

*p < 0.05; **p < 0.01.

stay in active employment-this explanation, however, is speculative and should be confirmed by broader studies. Given the high variability of prevalence found in the intention to retire in the studies analyzed, it would be risky to take this figure as a completely high or low value, but it can serve as a reference level for comparison with future studies.

No significant differences were found in the intention to retire early between men and women, or between other socio demographic variables or in relation to companies or workplace. The reason for this could be due to the inclusion criteria, which makes the sample very homogenous, or also to the fact that the change of tendency towards a preference for continuing to work has equalized the variability between these variables.

It has been possible to prove that there is one general perception of retirement as a situation which favors family life, health and self-actualization, but it has a financial cost. The majority of participants see continuing in employment as detrimental to health and family life, but economically beneficial. Overall, it seems that early retirement is valued as something positive and staying in employment is perceived as negative.

However, these social perceptions are not definitive, since some conflicting perceptions have appeared with regard to self-actualization at work and health in retirement. It is necessary to be aware that the questions were asked separately; that is to say, for one participant the benefits from continuing to work do not prevent him from also seeing it as beneficial to take early retirement. This has made it possible to see the complexities of the social perception of retirement.

In reference to self-actualization, the majority of participants consider that retirement facilitates self-actualization. However, in the evaluation of whether continuing to work benefits self-actualization, the sample is divided into two halves according to whether work is seen as an intrinsic value which goes beyond that of receiving a salary or not [19].

With respect to health, the majority of the participants see staying in employment as a health risk, while for retirement there is divided opinion between those who think it is beneficial and those who do not. Taking into account that from what we know, staying in employment is more beneficial to health than retirement [20], here, we once again find ourselves before the negative social perception of work as negative. However, this could be due to the fact that if bad health is perceived, then retirement is desirable, despite not being optimistic that it will improve. These results are coherent with and complement those found by Bidewell and colleagues [9], which clearly show the desire to reach retirement age in good health so as to be able to enjoy it. In which case, the per-

ception of a deterioration in health would be related to a desire to retire as soon as possible, despite a belief that health will not improve through retirement.

The regression analysis has made it possible to value the relative importance of all these factors when they are studied all together. Perceived health is closely related to general well-being and to the intention to take early retirement, as has already been shown in previous studies. Furthermore, social support is the only factor related to job quality that has an influence on the intention to take early retirement. It should be pointed out that neither demand, nor perceived effort or control, nor any other variable related to work stress have proven to be significant predictor factors unlike the results from previous studies.

However, along with perceived health and social support, we have found other predictors in the intention to continue working which are related to the image people have of retirement and continuing to work. To be exact, it is considered that continuing to work benefits self-actualization and health, possibly because it denotes a positive perception of work. On the other hand, the positive perception of retirement in relation to health, to economy, to family life and to self-actualization is associated with the intention to take early retirement. To sum up, for the sample studied, we can conclude that the perception of good health, social support at work and perceiving work as an intrinsic value are factors involved in the intention to continue working, while the factors which operate in the opposite direction are the perception of retirement as a beneficial situation.

5. Conclusions

It can be concluded that the intention to continue working not only depends on factors related to individual well-being, like perceived health, and on job related factors, like social support, but also depend on the perceived future benefits from continuing to work and those from early retirement that are related to other factors unconnected to the job itself. One explanation about why this study, in comparison to previous studies, has not found any important influence in job quality, like demand or control, could be because of the inclusion of the perception of the benefits from continuing to work and the benefits from retirement, which are variables that had not been considered in previous studies.

These results have a clear implication in support programs addressed to encourage older worker to continue working. Older workers perceive to continue working like a loss for their health and their personal and family life. This loss can be compensated for economic incentives but only partially, keep older employees working may be easier if it is offered specific health assistance and flexible work time for allow other personal and family activities.

The fact that this study takes active workers' opinions into account is an advantage in contrast to the studies based on retrospective opinions of retired workers. Nevertheless, in spite of this, this study has some limitations, such as the sample used. Since, although it was representative of the employment distribution of workers from the industry and services sectors, it was a convenience sample and not the product of a random selection.

It is important to be aware that this study has been carried out with workers from the industry and services sectors, excluding civil servants or public workers. This fact can imply some differences in the intention to retire among these workers.

To sum up, based on the data found in this study, it can be concluded that motivation to continue working depends on perceived health and social support that is received at work, but mostly to have a positive vision of being employed.

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