

**AGING EMPLOYEES' RETIREMENT PERCEPTIONS, INTENTIONS AND  
BEHAVIOURS**

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## ABSTRACT

This study is designed to evaluate the source which develops perceptions, intentions and retirement behaviours in aging employees. Basically, this study is extending the earlier research on the subject. Job strain, job insecurity, perceived satisfaction of retired life is taken into account for the analysis of aging employees' self-directedness towards the retirement intentions and behaviors. 251 male participants qualified from the sugar factories to take part in this study aging from 35 to 65 years. Correlation statistics and Structural Equation Modeling were employed to obtain logical and comprehensive results. Findings suggest that adolescence age is not only and significant predictor for the retirement. Job strain, insecurity and perceived satisfaction on retired life accounted for retirement intentions and retirement behaviours. However, analyses revealed that the effect of retirement intentions on retirement behaviours was mediated by self-directedness. Organizations are most likely to be affected by the timely or untimely retirement of such employees and therefore they have their interest and concerns over the issue. Similarly, the perception that developed in the mind of aging employees who are close to their superannuation age (proximity to retirement) is an important factor to be analyzed.

## 1. INTRODUCTION

*"It is not true that people stop pursuing dreams because they grow old, they grow old because they stop pursuing dreams" (Gabriel García Márquez).*

In every organization employees continue to age and retirement becomes predetermined phenomena and reality. In this study we examined the most important and valuable assets of this universe are aging peoples' retirement perceptions, intentions and behaviours. The most important asset of this universe are aged people because they already know how to become successful and why can't be successful. Therefore people are not like old machines or medicines that become useless after a period of some time, they remain useful, essential and productive and fecund consultants for younger generations. Therefore we did not examine saving behaviours of aging employees but experience and knowledge selling or sharing behaviours of aging employees at proximity of their retirement, however this is not gerontology research but an attempt to gauge some social preretirement issues and associated factors.

**The concept of retirement, perspectives and predictors: Review of related literature**

Retirement represent an important life event in any employee's life, basically on or after the superannuation age, a person transits from one stage of life to another and this transition from world of work to state of inactiveness somewhat effects on the overall personality, collective behavior, quality of life, social connectivity, cultural approaches and ethical & moral values. "Retirement is then not an isolated stage of one's life; rather, it is a part of one's life history in which the past shapes the present" (Tougas, Lagace, La Sablonniere, & Kocum, 2004). The study revealed that positive attitudes of an employee towards the retirement are correlated with positive work experiences; "Retirement is then not an isolated stage of one's life; rather, it is a part of one's life history in which the past shapes the present" (Tougas, et al., 2004).

Atchley (1976) observed that employees at the age of superannuation begin to settle themselves to the forthcoming exit from their work environment and the associated social situation, whereas most retirees' tries to adjust with the situation as quickly as possible which might indicate that individuals already started their adjustment process prior to the actual retirement transition (Van Solinge & Henkens, 2005). To preclude an unsettling transition from work to retirement, employees can be expected to gradually disengage from their work and there is preretirement process existed (Evans et al., 1985).

During pre-retirement phase of employment, the forthcoming challenges that a common employee can face on retirement, becomes blurred and sensitivity of the issue surges as an outcome. However, "both the decision making process during the retirement transition as well as the actual retirement behavior are related to available resources"(Dingemans, 2012).

The economy, labour market, demographic changes, local culture, and social fabric are important to frame such metaphors. Management needs to evaluate the pre-retirement processes in such context. People are sensitive towards their work life, career and earning ability or capacity, researcher attempt to ascertain diverse sensitive aspects of pre-retirement behaviours and sentiments in employee and organizational perspectives and its likely impact on throughput. According to Mature Workforce Survey Results (2004) it has been revealed that a lot of companies are going to face challenges of short of skilled, knowledgeable and experienced employees due to their retirement which will be resulted in performance gaps and productivity loses in future. Further executives are unaware about substantial vacuum between aging employees and "tangible business impact" that definitely affects the competitiveness of the organizations. Dr. DeLong, (2004) who collaborated with CPI in analyzing the results, observed,

*“Many leaders know their organizations will be hurt by the wave of retirements that’s about to hit. But, right now, they aren’t planning to invest in solutions to increase their ability to retain high-performing mature workers, or to recruit younger staff more effectively. Thus, we are looking at the ultimate predictable surprise when business performance suffers as critical capabilities are lost. What is most concerning is that industries that expect the most serious impacts from retirements seem least likely to change their recruitment and retention programs. My research shows much of the talent management infrastructure in place in large organizations is relatively superficial and not delivering the results needed to build long-term workforce and leadership capabilities” (“Mature Workforce Survey results,” 2004, p-17).*

The above survey results also showed that majority of aging employees from 64-75 years are willing to work if their health permits. Management found concerned about the potential of lost capabilities and the increased likelihood of skill shortages but they were failed to observed a clear connection between those threats and resulting risks of increased product costs or decreased service delivery capabilities” (DeLong, 2004).

The impact of age on physical and cognitive skills of worker and its transitions in productivity potential was seriously viewed in different studies as productivity is influenced by employees’ physical and cognitive skills (Skirbekk, 2008); and In between 30-45 years of age, productivity is likely to reach on its peak (Jones, 2005), whereas workers in their forties years of age are now being considered old (Allen & Pifer, 1993; One Voice, 1994).

Decrease in human physical conditions normally appears from the age of 45 onwards; however “physical skills obsolescence is particularly in manual jobs and often related to unskilled jobs (Hidding et al., 2004; Nauta et al., 2004). Although cognitive skills are significant and strong predictors of the smooth operations and productivity in the organization but still physical skills are important as it is less ambiguous to cognitive skills (Conen, Henkens, & Joop, 2012). Whilst it has observed that aging workers usually sense nervousness and exhaustion when they reach at age of superannuation and “felt free to admit doubts about the quality and demands of their jobs” (Ekerdt & DeViney, 1993, p. 41).

Contrariwise several studies ratified either a positive or a non-existent link between age and work performance (Avolio, Waldman & McDaniel, 1990; Forteza & Prieto, 1994; Smith, 1990; Warr, 1994), “it was demonstrated that, as workers age, they either improve or do not change, in some cases, when there is a decline in basic capacities, it can be compensated for by experience” (Tougas, Lagace, La Sablonniere, & Kocum, 2004, p- 23). It is also evident that experience is

better predictor of performance than age, regardless of high or low skill complexity jobs (Avolio et al., 1990).

However, a recent study on Decline of functional capacity in healthy aging workers in December 2012, found that;

“The main results of this study confirm that material handling, hand strength, and coordination tests are nonlinearly related with age in healthy workers. Overall, capacity of coordinative tests and strength tests decline faster in subjects of 45 years of age and older compared with younger than 45 years of age. Static tests do not decline with higher age and energetic capacity appears to decline already before 45 years of age. Together, all these physical factors are responsible for a decreased capacity for work after 45 years of age; however, in most cases, functional capacity of aging workers was sufficient to meet their work demands” (RemkoSoer, 2012, p-2331).

This relationship of age and performance is however complicated (Tougas, Lagace, La Sablonniere, & Kocum, 2004). Weldman&Avolio (1986) defined this association as;

*“Although chronological age may be a convenient means for estimating performance potential, it falls short in accounting for the wide range of individual differences in job performance for people at various stages” (Waldman & Avolio, 1986, p. 37).*

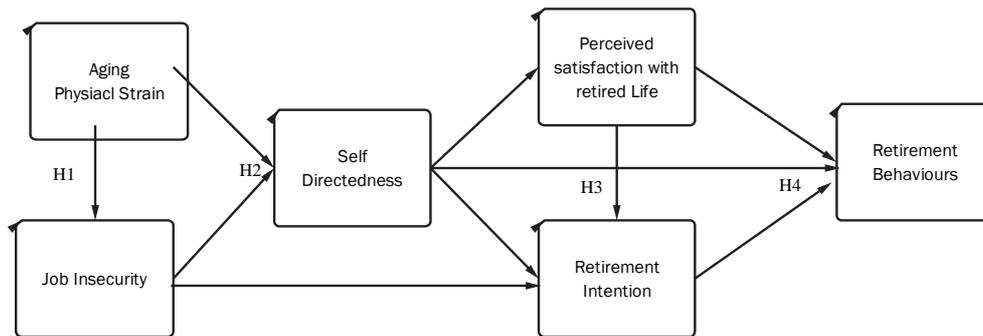
It may be perceived that such discrimination on the basis of age at workplace lowered the self-esteem among aging employees. Mutran and colleagues revealed in their study that “positive work experiences are linked with positive attitudes toward retirement”.

Retirement is then not an isolated stage of one’s life; rather, it is a part of one’s life history in which the past shapes the present (Elder, 1995; Moen, 1996). This is also revealed in a study that a positive work environment always has positive impact on aging employees’ retirement processes (Atchley, 1993).

## **HYPOTHESES**

The conceptual framework of this study regarding the aging employees’ retirement intention and its impact on work environment is shown in Figure 1.

**Figure 1 Conceptual Model**



### **Aging employees' physical strain, Job insecurity and Self-directedness**

Health issues are found to be very important predictors of early retirement, particularly aging employees “perceived it as a health investment strategy” (Feldman, 1994; Henkens, 1999, Wang & Shultz, 2010). As hypothesized by Desmette and Gaillard (2008) that due to physical constraints, decremented amount of working capacities and increased valuation of leisure time, aging employees are expected to be less motivated and less working orientated, therefore a higher level of preretirement work disengagement can be seen. “Physical job strain, low autonomy in the task, and low commitment to the organization consistently appear to be associated with retirement intentions and/or behavior” (Gaillard, 2008, p-169).

Job insecurity is directly related with decreased mental and physical health (Cheng & Chan, 2008; Sverke, Hellgren, & Näswall, 2002), employers are also tend to discriminate against aging employees under the perception that older employees are less flexible, less productive and costly (Taylor & Walker, 1994; Van Dalen et al., 2009). Cognitive or affective Job insecurity <sup>1</sup>(e.g. as differentiated by Anderson & Pontusson, 2007) both resulted in mental and physical health conditions and it is increased in precarious workplace, in particular. From the employer viewpoints, aging employee of 65 years physical strength decrease from 25-30%, flexibility decreases from 18-20% and sight deteriorates from all aspects, therefore 50% chances of job loss are there and job insecurity so likely to arise in the mind of aging employees. Aging employees' physical constraints and decreased performance capacities develops a sense of job insecurity in their minds.

<sup>1</sup> “Anderson Pontusson (2007: p-214) suggests distinguishing ‘cognitive job insecurity’, which “is an individual’s estimate of the probability that he or she will lose their job in the near future”, from ‘affective job insecurity’, which “refers to worry or anxiety about losing one’s job”. The latter is considered to be a function of the former and individuals’ perceptions of the consequences of losing their jobs. The two dimensions of subjective job security might be affected in different ways by properties of older workers’ social context” (Karsten Hank & Marcel Erlinghagen, (2009: p-13) Mannheim Research Institute for the Economics of Aging)

In order to demonstrate this sense of job insecurity, people used to take “personal responsibility in managing their career and to obtain psychological success (Hall, 2005); and Individuals who are self-directed in developing career paths are more likely to select those jobs enabling them to achieve personally meaningful career-related decisions” (Coen, Forrier, & Sels, 2013). In another study Park (2007) concluded that physical exertion and job insecurity is major predictor of physical strain.

Therefore physical strain and job insecurity is important predictor of self-directedness which leads to retirement intention decisions or behaviours.

*H1. Physical strain is significantly correlated with perceived job insecurity.*

*H2. Physical strain and perceived job insecurity contributes significantly towards self-directedness.*

### **Retirement intention and perceived satisfaction with retired life**

Proximity to retirement influences aging employees to accelerate post retirement arrangements and search for areas where a retired person can dwell by the satisfaction with retired life.

Whilst, when aging employee perceived that they have nominal likelihood to further their career, job strain and age discrimination reduces their progression opportunities, they usually shift their attention from their work and career to the alternative of retirement. Studies postulated that when negative situation persists and aging employees lacks personal control to improve the situation and rise within, they use accommodative coping processes by disengagement and “they may focus on what they might gain instead of lose in a particular situation” (Brandstädter and Renner, 1990).

This is evident from several studies (Adams, Prescher, Beehr and Lepisto, 2002, Munderlein, Templer, Armstrong-Stassen and Cattaneo, 2010, Ybema and Koster 2013) that aging employees who has satisfaction with their work environment, work role and career has less inclination to accept retirement. Such older employees are more attached to their organization and work environment and want to keep continue their career. The satisfaction level determines the future of aging employees’ desire for continue working or retiring from the work.

Retirement satisfaction is related with various factors and numerous psychological and sociological researchers have examined the retirement satisfaction relationship with other social variables. Relationship with spouse and family members, friends,

society, leisure activities and planning were considered as important indicators for the perceived satisfaction with retired life (Elder et al., 1999). Perceived satisfaction with retired life usually linked with the adequacy of financial planning and it has a significant positive impact on the level of retirement satisfaction (Brunson, Snow & Gustafson, 1998). Similarly health was also considered as positive variable related to post retirement satisfaction (Atchley & Robinson, 1982; Taylor & Shore, 1995).

The perceived satisfaction of retired life mostly depends on the retirement planning and intentions (Dorfman, 1989; Cope, 1990; Knesek, 1992; Floyd et al., 1992; Reis & Gold, 1993; Cooper, 1993; MacEwen et al., 1995; Brunson, 1996; Gall, Evans and Johnson, 1997). Based on the above studies and assumptions it is conveniently assumed that aging employees who planned to get retirement has clear perception about to lead a satisfied retired life.

H3. Retirement intentions are significantly correlated with perceived satisfaction of retired life.

And in line with the preceding, it is also hypothesized that;

H4. Retirement intentions and perceived satisfaction with retired life positively relates with retirement behaviours

## **METHODS**

### ***Participants & Procedure***

Participants ( $N = 251$ ) were male from different age group like 56 to 62 years were 54.6% ( $N = 137$ ), 63 years and above were 18.7% ( $N = 47$ ), 46 to 55 years were 13.9% ( $N = 35$ ) and 35 to 45 years were 12.7% ( $N = 32$ ). Ages ranged from 35 to 65 (Mean = 51; Mode = 55 and SD = .892).

The sociological composition of the sample population comprising on 98% ( $N = 246$ ) were domiciled in rural areas with very obvious reason that mostly sugar factories are situated in countryside of this region and only 2% ( $N=5$ ) were domiciled in urban areas of this region. 99.6% ( $N= 250$ ) sample population was married and having large families, 50.6% sample population has 4 to 6 dependents and 42.6% has 7 or more dependent in their credit.

Whereas 86.1% ( $N = 216$ ) were below 10 grade (Matric), 44.2% ( $N = 111$ ) were of supervisory level and 46.6% ( $N = 102$ ) were skilled workers. Total experience or service tenure was reported as 31 years & above 49.4% ( $N = 124$ ), 21 to 30 years 25.5% ( $N = 64$ ), 11 to 20 years 11.6% ( $N = 11.6$ ), 6 to 10 years 7.6% ( $N = 19$ ) and 1 to 5 years 6% ( $N = 15$ ). Demographic details have summarized in Table 1.

**Table 1 Demography**

<b>Demography</b>	<b>Descriptors</b>	<b>Frequency</b>	<b>Percent</b>
<b>Distance</b>	1-5km	173	68.9%
	5.1-15km	61	24.3%
	15.1-30km	9	3.6%
	30.1km & above	8	3.2%
<b>Marital</b>	Unmarried	1	0.4%
	Married	250	99.6%
<b>Domicile</b>	Urban	5	2.0%
	Rural	246	98.0%
<b>Dependent</b>	1 to 3 persons	17	6.8%
	4 to 6 persons	127	50.6%
	7 persons or above	107	42.6%
<b>Age</b>	35 to 45 years	32	12.7%
	46 to 55 year	35	13.9%
	56 to 62 years	137	54.6%
	63 & above	47	18.7%
<b>Experience</b>	1 to 5 years	15	6.0%
	6 to 10 years	19	7.6%
	11 to 20 years	29	11.6%
	21 to 30 years	64	25.5%
	31 & above	124	49.4%

<b>Education</b>	BA or Equallant	1	0.4%
	Matric-Intermediate	34	13.5%
	Below Matric	216	86.1%
<b>Rank</b>	Manual Work	11	4.4%
	Clerical Work	16	6.4%
	Skilled Work	102	40.6%
	Unskilled Work	11	4.4%
	Supervisory	111	44.2%
	<b>Total</b>	<b>251</b>	<b>100%</b>

### *Instruments*

**Retirement Behaviours:** This scale was developed with four items rated on a Likert Scale ranging from 1 (strongly disagree) to 5 (strongly agree). This four items scale of retirement behaviours (London, 1993) used to measure the ways aging employee behave, react and respond to work environment indicating their willingness for retirement. Sample items are ‘I think retirement of employee triggers a change in the organizational culture and work behaviour?’ and ‘I don’t want work at the age of 62 because it would be difficult to do hard and physical work?’ In reliability analysis the Cronbach’s alpha for this scale was found = .96.

**Retirement Intention:** To measure retirement intention variable, we utilized four items taken from Coen, Forrier, & Sels (2013) on 5 points likert scale. In this scale we assess workers intentions for the retirement. The sample items were “To what extent you will feel at ease in your new role as a retiree?” and “If I were dismissed, I would immediately start searching for another job” (reversed scored). In their study (Coen, Forrier, & Sels, 2013) the scale’s reliability was acceptable .61, whereas in this scale Cronbach’s alpha was = .81.

**Satisfaction with retired life:** To measure satisfaction with retired life we adopted Diener, Emmons, Larsen & Griffin (1985) scale for satisfaction with life. The three items scale was containing items like “If they propose me to leave the labor market tomorrow, I will seriously consider to do so” and “For a long time now, working is no longer my main concern”. Previous studies (Tougas, Lagace, La Sablonniere, & Kocum, 2004; Mutran, Reitzes, & Fernandez, 1997) the reliability of the scale was set at .85, whilst in this study Cronbach’s alpha was = .94.

**Physical strain of the job:** The physical strain of the job and the tasks undertaken by the job play a role, therefore this measure has coherence with Karasek’s Job Content Questionnaire (JCQ) (Karasek 1985). Accordingly, this was measured by three items on 5 point Likert scale coded from 1 (strongly disagree) to 5 (strongly agree), used

and adopted from Blekesaume and Solem (2005) and an item developed by Karasek, (1985). Sample items contains “Your job requires a lot of physical effort”, “You have to work in uncomfortable or tiring positions every day”. In this scale Cronbach’s alpha was = .90,

Job insecurity in aging employees: Job insecurity was measured with three items from the JCQ Scale (Karasek 1985) and Job Insecurity Scale (De Witte, 2010) Sample itemsare “I think I will lose my job in the near future” and “your job security is good”.The items were rated on a five-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree), The Cronbach’s alpha coefficient was .80, indicating good internal consistency (Nunnally& Bernstein, 1994).

Self-Directedness: We adopted three items from the scale created by Briscoe et al. (2006) to measure self-directedness. Each item was coded on 5 point Likert scale coded from 1 (strongly disagree) to 5 (strongly agree), and respondents had to specify to what extent they agreed or disagreed with each item. Sample items are “I am in charge of my own career” and “Ultimately; I depend upon myself to move my career forward”. Since it is altered and modified subscale of Briscoe (2006) therefore in this scale coefficient alpha was = .61.

Control variables: In the analysis demographic variables of age, designation, career length, educational, marital status, functional leveletc are included as control variable because of their known effect and can be expected to confound relationships between outcome variables (Karasek and Theorell, 1990; Schaufeli and Van Dierendonck, 1994; Kasl, 2000). The age was used as a control variable due to its decisive nature for the retirement eligibility in Pakistan as the 60 and some provinces 62 years of age is set for official retirement. The rank (Functional level) and career length was included as dichotomous and continuous variables (Seitsamo 2010; Wang and Shultz 2010).

## **Results**

### *Statistical Analysis*

Analysis of data was conducted in two phases. Normality assumptions, linearity, descriptive statistic, correlation of observed variables were tested in due course. The data cleaning and screeningfor univariate outliers provides ease and support for the accuracy and consistency of analysis. Assumptions of linearity were verified between pairs of variables. We ensure that all steps from data administration, collection, entrance, coding and cleansing followed on spot and complete logical check in different phase of raw data evaluation process.Thus the data were well suited for parametric statistical analyses. Survey instrument consisting on 20 items measuring

retirement behaviours, retirement intentions, job security, self-directedness, physical strain of job and perceived satisfaction of retired life, distributed among five sugar factories' employees aging 35 to 62 & above. Total 350 questionnaire dispatched, 273 received and after cleaning and deletion of missing data 251 employees selected to participate in this study showing the response rate of 78%. The reliability of scale was found ( $\alpha = .85$ ) for internal consistency among scales was higher to that level, whereas individual scales reliability varied from .96-.74. Descriptive statistics however is shown in table 2.

**Table 2 Summary of Descriptive Statistics**

Scale	Mean	SD
RTBH	3.340	1.164
RTIN	4.156	0.897
ASRL	3.458	1.308
PSOJ	3.626	1.204
JIAE	4.393	0.957
SDNS	3.636	1.083

**NB: Scales ranged from 1 (Strongly Disagree) to 5 (Strongly agree).**

RTBH= Retirement Behaviour; RTIN= Retirement Intentions; ASRL= Assumed Satisfaction of retired life; PSOJ= Physical Strain of job; JIAE= Job insecurity of Aging employee; SDNS= Self Directedness

Pearson Product Moment Correlation Coefficient ( $r$ ) was applied and significant correlation among the independent variables was also observed in this analysis at the level of  $p < 0.01$ . Pearson correlation coefficient revealed strong positive correlation between assumed satisfaction on retired life  $r(251) = .386$ ,  $p = 0.001$ , physical strain of job  $r(251) = .253$ ,  $p = 0.001$ , self-directedness  $r(251) = .201$ ,  $p = 0.001$ , and retirement behaviours. Whereas all these two variables and job insecurity in aging employees are also significantly correlated with retirement intention, physical strain on job is also highly correlated with job insecurity in aging employees  $r(251) = .241$ ,  $p = 0.001$ . Whilst job insecurity is also strongly linked with and lead to self-directedness  $r(251) = .208$ ,  $p = 0.001$ . The results of Pearson's correlations among independent variables is summarized and shown in Table.3 with statistical mean, standard deviations and Cronbach's alpha of participants' responses.

**Table 3 Correlations & Alpha**

	M	SD	Alpha (Items)	1	2	3	4	5	6
RTBH	3.340	1.164	0.961 (4)	1	0.074	.386**	.253**	0.074	.201**
RTIN	4.156	0.897	0.816 (4)		1.000	.232**	.314**	.241**	0.047
ASRL	3.458	1.308	0.946 (3)			1.000	0.525	0.116	0.090
PSOJ	3.626	1.204	0.895 (3)				1.000	.184**	0.075
JIAE	4.393	0.957	0.774 (3)					1.000	.208**
SDNS	3.636	1.083	0.604 (3)						1.000

\*\* Correlation is significant at the 0.01 level (2-tailed)

RTBH= Retirement Behaviour; RTIN= Retirement Intentions; ASRL= Assumed Satisfaction of retired life; PSOJ= Physical Strain of job; JIAE= Job insecurity of Aging employee; SDNS= Self Directedness

In order to test the uniqueness of concept of the study, all items were measured by exploratory factor analysis with the principal component factor and varimax rotation method. Purposes for utilizing rotation matrix of loading to obtain orthogonal factors and PCA employed to identify and compute composite scores for the factors; therefore principal component method was adopted.

Coefficients absolute values below than .5 were suppressed as we were not interest in.KMO (Kaiser-Meyer-Olkin) measure of sampling adequacy suggested that the samples were factorable (KMO=.72), exceeding the generally recommended value of .6.Bartlett's test of sphericity was significant ( $\chi^2(190) = 4476.48, p<.01$ ). For causal concept measurement, six factors extracted with an eigenvalue greater than 1.00 by calculating the mean scores of items, and Cronbach's alpha of all items scores was .85, that is above the largely accepted value of .70. Rotated component matrix is shown in table 4.

**Table 4**

	1	2	3	4	5	6
RTBH1	.926					
RTBH2	.936					
RTBH3	.917					
RTBH4	.925					
ASRL1		.818				
ASRL2		.923				
ASRL3		.916				
RTIN1			.790			
RTIN2			.879			
RTIN3			.824			
RTIN4			.666			
PSOJ1				.694		

PSOJ2	.918	
PSOJ3	.914	
JIAE1		.891
JIAE2		.875
JIAE3		.676
SDNS1		.783
SDNS2		.751
SDNS3		.677

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

The skewness and kurtosis contained a tolerable range for assuming a normal distribution, approximately normal distribution was evident for the composite score data. The extracted factors were retained as high and neat loadings were observed, the internal consistency for each of the scales was examined using Cronbach's alpha. Six factors extracted and composite scores were created based on the items' mean.

In the second phase, to confirm the EFA (exploratory factor analysis) a Structural Equation Modeling (SEM) procedure was employed by using IBM: AMOS version 20, to test the correlation among the observed variables and hypothetical concepts. A multivariate regression model to reveal the relationships between a set of observed dependent variables (factor indicators) and a set of continuous latent variables (factors) was also utilized for confirmatory factor analysis because "CFA has become an essential tool for psychological researchers interested in construct validity" (Jackson, Jr, & Purc-Stephenson., 2009).

Model fit indices indicated significant results  $\chi^2(216, df=143)$ ,  $CMIN=1.511$ .  $p>.001$ ; TLI:  $\chi^2(216, N=251)=.978$ ,  $p=001$ ; CFI: .983, RMSEA (95%CI)  $\chi^2(216, N=251)=.045$ ,  $p=001$ ; tests were compared with  $\chi^2$  differences and the differences exceeded the threshold values, which suggested our model is statistically significant and fit.

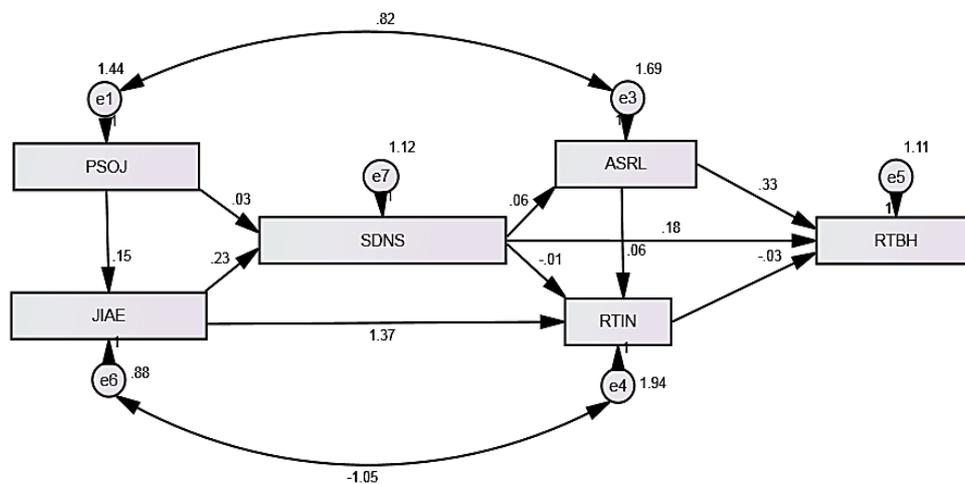
The conceptual model tested on SEM and significant results confirms and validates the constructs. To analysis of covariances among factors the maximum likelihood method was utilized in convenience of goodness of fit indicators (GFI) with SRMR supplemented by TLI (Hu, Li-tze; Bentler, Peter M., 1998) and comparative fit between the hypothesized model and data was accordingly determined (Hoyle & Panter, 1995). In the final phase of the statistical analysis a bootstrap method was utilized to verify the strength of the estimators in the proposed model and this statistical procedure produces constant samples of the same size constructed from the initial sample ( $n = 251$ ) and used in the case of small samples. Table 5 summarizes the

result of conceptual model, fit indices achieved in the final model and figure 2 displays the constructs model specifications.

**Table 5 Summary of Fit Statistics through Models**

Model	P	DF	$\chi^2$	SRMR	CMIN	GFI	CFI	TLI	RMSEA	PCLOSE
ASRL	.104	5	9.122	.0287	1.824	.986	.992	.992	.057	.351
RTIN	.187	2	3.349	.0212	1.674	.993	.990	.990	.052	.371
SDNS	.995	35	17.355	.0219	.496	.996	1.069	1.069	.000	1.000
JIAE	.919	4	.940	.0055	.235	.999	1.012	1.012	.000	.972
PSOJ	.375	5	5.350	.0266	1.070	.992	.999	.999	.0177	.680

**Figure 2 Hypothetical Structural Equation Model**

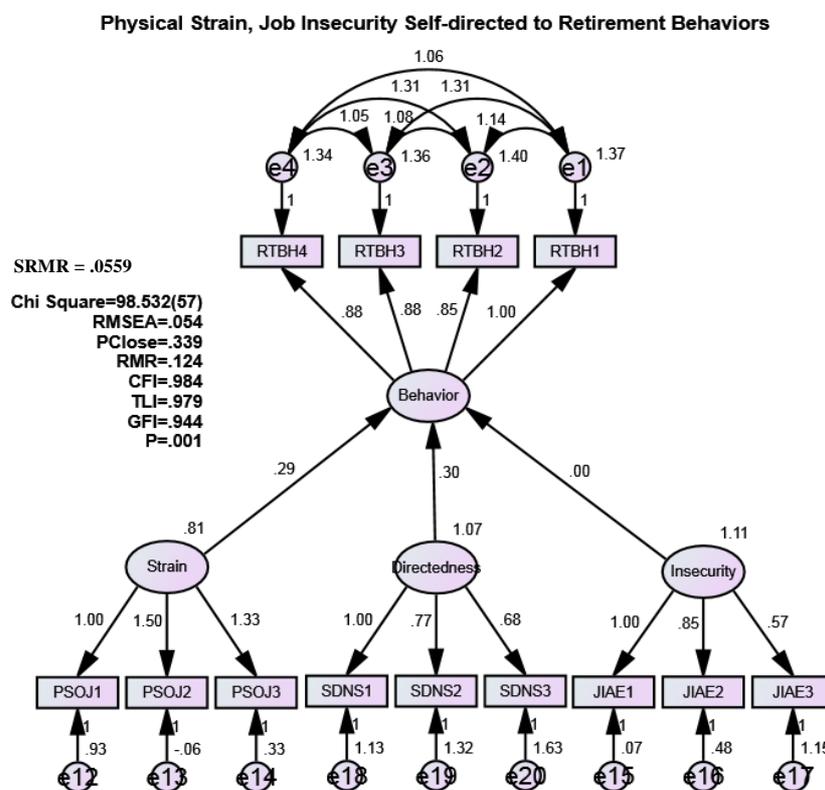


Statistical analysis of data supported constructs and validates that physical strain on job leads to perceptions of job insecurity in the minds of aging employees which makes them self-directed to decide for retirement. Thus hypotheses 1 and 2 supported by the higher factor loadings fit indices of model. Figure 3 indicates the fit indices and hypothetical model; results are also displayed on path diagram using text macros.

Results also confirms that retirement intentions are significantly correlated with perceived satisfaction of retired life and retirement intentions and perceived satisfaction with retired life positively relates with retirement behaviours. The

retirement behaviours are outcome of job insecurity, physical strain and perceived satisfaction on retired life in the aging employees.

**Figure 3**



## DISCUSSION

In this study we posited that retirement intention in aging employees instinctive because of physical strain As well, physical exertion appeared to increase the long-term likelihood of reducing work activities (Park, 2007), job insecurity, assumed satisfaction on retired life that influence the self-directedness and ultimately leads to retirement behaviours.

We consider Coen, et al., (2013) self-directedness presumptions about employability as un-employability instead of employability because Coen perception is based on the interpretation of aging employees focus of the labor market and of their own employability skills and attitudes and” actions of individuals are often more driven by their own perception of a situation than by the actual reality” (Coen, Forrier, & Sels, 2013, p-3). So in the same analogy, we assumed that aging employees are motivates to get retirement through their self –directedness with perceived satisfaction of retired life.Further we strongly concurred with the assumptions of COR (Control of Resources) theory concerning “more personal resources, have more sense of control

over environment” (Hobfoll, Johnson, Ennis and Jackson, 2003); as retirement intentions always devolve when sense of control over self, things, machines and environment is lost to that extent.

Therefore, our study suggests that age is not a strong predictor of retirement but the ability of control is more significant factor of retirement than the age. Ability refers to natural tendency to do successfully, high degree of intelligence or competence (Encarta, 2009).

This study also supports and validates the assumptions of Templer, Armstrong-Stassen and Cattaneo (2010) and Coen, Forrier, & Sels, (2013) that retirement intentions are related with aging employees’ satisfaction and attachment with their career.

We slightly differ with Coen et al., but supports Hall, 2004; Verbruggen and Sels 2008; De Vos, Dewettinck and Buyens 2009 and Colakoglu 2011 as we found that self-directedness relates with the career decision making ability not with the career satisfaction, which means that it is “*protean of careers in and out*”.

We used age and experience as control variables because of their critical value in this study. This study revealed that aging employees with longer associations have more likelihood to change their career and intentions from employability to other career or retirement.

Very briefly we conclude with reiterations of some of the significant and valuable inferences; out of which mostly confirms and validates previous studies concerning the perceived job insecurity in aging employees is mostly related with the physical strain and that contributes towards the self-directedness.

This study also confirms the postulations that when an aging employee has perceived satisfaction about his retired life, he/she is more inclined for the retirement, as anticipated. Further aging employees with a perception of satisfied retired life, intended towards retirement are normally arise with retirement behaviours. In addition, age is not only predictor for the retirement.

### **Recommendations, Limitations and Future Research**

This study has many potential limitations. First this study conducted amongst sugar factories of this region where majority employees are male and in this study only male employees participated. Secondly sugar factories are of the seasonal nature and have limited effect on employees’ performance of tasks. Thirdly, the data was obtained through mail and personal visits which may lead to change perceptions as longitudinal or experimental data is more useful for such studies. Fourthly, aging employees’ attitudes has to be examined with multidimensional scale, so that social variables and milieu related to social representations also taken into account. Another

reason of this approach is stem from the view that work experience also has an impact on life during and even after retirement.

Finally, aging employees' perceptions of preretirement and postretirement attitudes mostly depend and influenced on government social and financial policies towards employees' old age policies; therefore outcome of pre and postretirement perceptions, intentions, and behaviours may be diversified.

From a practical perspective, this study provides a layout base for the industrial organization, social welfare organizations and public services sections for employee old age perspectives and planning. Retirement issues are significant, particularly retirement of effective employees (persons) are very sensitive for the organizations and societies, so global criterion and arrangements for the preretirement, retirement and postretirement should be available for aging employees and community. Significant predictors for retirement and behavioral antecedents should be taken into account. Improvement of working conditions for the aging employees, respect, knowledge sharing, self-esteem and aging talent retention programs are way forward to retain skills and experience within the society and organization.

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