A survey of 281 working individuals (the majority of whom were close to retirement) was conducted in order to test a model of retirement decisions. The model was a good fit to the data. The model accounted for 61 percent of the variance in planned retirement age.

Introduction

Mandatory retirement has sparked many news stories surrounding the fact that most provinces now have either abolished or will abolish mandatory retirement by 2009 (e.g., cbc.ca). For the most part, this move is a recognition of a tightening labor market and is based on the notion that if mandatory retirement were abolished, individuals would choose to stay in the workforce longer. Over the past number of years many Canadian provincial governments have changed mandatory retirement legislation. In May of 2007 Newfoundland and Labrador officially abolished mandatory retirement (Government of Newfoundland and Labrador).

The Canadian Labour Force

The Canadian population is growing at a slower rate now than ever before. Furthermore, the population is aging (Beehr, 1986; Gunderson, 1998; Keer & Beaujot, 2005) and there are “relatively low labour force participation rates among older Canadians” (Keer & Beaujot, 2005, p.115). Despite this fact, with the proper incentives (e.g. flexible work) older workers may have the desire to participate in the labour force. In addition, as the workforce gets older, North American employers will be facing labour shortages (Dychtwald, Erickson, & Morison, 2004). According to a government discussion paper, the main area that will be vulnerable to labour shortages is management, since higher levels of education and experience are required in such occupations, which means it takes longer to find candidates to fill the positions vacated by retirees (Government of Canada, 2004). Nguyen (2008) discussed the pending labour shortage from the U.S. perspective and suggested the need to employ and in turn retain immigrant workers to help fill the gaps incurred due to the exodus of baby boomers.

Mandatory Retirement

To put mandatory retirement policies in context, according to the 2002 Government of Canada General Social Survey (GSS) ((2004) the majority of retirees had retired voluntarily, while 26.9 percent were forced to retire. Overall Aggarwal (2005) found that implications of banning mandatory retirement would have a major effect on those workers employed in the private sector. In contrast Gunderson and Hyatt (2005) and Gunderson (2004) stated the impact of mandatory retirement, and more importantly, the
impact of abolishing mandatory retirement will not be as great as many believe. At the time of their research about half of Canada’s workers were in occupations with mandatory retirement policies whereby you leave that position when you turn 65. It is important to note that Klassen and Forgione (2005) contend that 85 percent of Canadians face mandatory retirement policies, a much higher rate than that noted by the previously mentioned authors.

Gunderson (2004) and Gunderson Hyatt (2005) noted that those impacted by mandatory retirement policies are often men who are getting relatively high wages in secure employment. Furthermore they stated that “of person’s who are retired, approximately 12 to 20 percent report they retired because of a mandatory retirement policy…6 to 20 percent did so involuntarily” (p.142). In other words, they would have preferred a retirement date different than their actual retirement date. The argument therefore is that in the future only a small minority of workers will be forced out of the workplace at the age of 65. Schellenberg and Silver (2004) noted that according to the GSS data collected from people who retired between 1992-2002 about one quarter of those retired stated they had done so involuntarily, a somewhat higher number when compared to Gunderson and Hyatt (2005). Interestingly, Gunderson (1998) noted that “substantial numbers may want to delay retirement and continue to participate in the labor force” (p.3), promoting the need for more flexible retirement policies. It may be that as baby boomers face retirement the statistics still largely illustrate that people are not staying in the workplace longer.

Testing a Model of Retirement Decisions

Proposed Model

The purpose this study was to test the model derived from the Theory of Planned Behavior as discussed by Ajzen (1991), which in effect shows a pathway of how people form their intentions. After deriving the themes from a previous qualitative study, it appeared that the Theory of Planned Behaviour (Ajzen, 1991) would be appropriate to use in the testing of a conceptual model of retirement decisions. The Theory of Planned Behavior was developed from the Theory of Reasoned Action. According to Fishbein and Ajzen (1975), the Theory of Reasoned Action is “based on the assumption that human beings behave in a sensible manner; that they take account of available information and implicitly or explicitly consider the implications of their actions…barring unforeseen events, people are expected to act in accordance with their intentions” (p.1117). Ajzen (1988) discussed many studies whereby intentions are good predictors of behaviors. Furthermore, he posited that “the predictive validity of intentions is typically found to be significantly greater than that of attitudes” (p.114). Figure 1 illustrates the Theory of Planned Behavior (Ajzen, 1991, p.182).

While Ajzen has long proposed and tested theories related to people’s behaviour (Ajzen, 1988; Ajzen & Timko, 1986), this is a more recent iteration of his model, and is somewhat more simplified than previous models. Ajzen (1991) proposed that while there may be a direct relationship between attitudes, norms, control and behavioral intentions, that all of these may be related to one another, which seemed to support the notion that other variables can mediate the relationship between attitudes and intentions. I revisited my data and original hypotheses in order to better establish possibilities in relation to mediation. I tested a model that was more of an extension of Ajzen’s (1991) model, based on the analysis of the qualitative data gathered in a previous study.
A previous qualitative study, which included interviews with 19 people close to retirement, revealed that people consider a variety of contexts when making their retirement decisions. More specifically, attitudes toward people at work, attitudes toward work, age and life perceptions, social/policy influences, and control, were important to many people at varying levels. In addition, participating in activities post-retirement, such as working in some capacity was also something many interviewees discussed when asked about their retirement intentions. It is helpful to consider the conversation with one interviewee from the previous study, as it illustrated the proposed model in its entirety. That is, one of the interviewees who stayed working past the age of 65 talked in great length about the positive relationships he had with coworkers and his clientele (attitudes toward people at work), and this was one major factor that allowed him to explain why he stated that he loved his job (attitudes toward work). He had a very positive outlook on life and noted that he loved getting up in the morning and coming to work, he also stated that he felt as though he had a lot of working years left in him with regards to his health (self-perceptions). He also discussed the fact that while money was not a major factor in his decision to stay on, it was one factor. When he considered the money he would receive in retirement, and the money he would receive if he stayed working, the difference to him was “significant” as he put it; it was more financially viable for him to continue working (control). He discussed the issue of how his children resented the fact that he would have been forced to retire at the age of 65 (norms), and that when the mandatory retirement policy changed, he quickly decided to stay on (perception of how the
abolishment of mandatory retirement influenced his decision) (these variables combine to form the latent variable of social/policy influences). In the end, he stayed working, which demonstrated how these variables actually influenced his planned retirement age (as his planned retirement age was higher than the normal retirement age). Furthermore, this stay on employee believed he would always be doing something similar to his current job even post-retirement (work intentions), and since he really loved his work the link between attitudes toward work and work post-retirement was established.

In order to capture mediated relationships my hypotheses were as follows:

**Hypothesis 1.** People’s attitudes toward work will be positively related to age and life perceptions (the more positive a person’s attitude toward their work, the more positive their perceptions of the age and life satisfaction).

**Hypothesis 2.** People’s attitudes toward people at work (supervisor and coworkers) will be positively related to attitudes toward work (the more positive people’s attitudes toward the people they work with, the more positive their attitudes toward work).

**Hypothesis 3.** People’s perceived control (over finances and retirement decisions) will be negatively related to social/policy influences (the lower the perceived control the longer people believe others in their life think they should work, and the more the changes to mandatory retirement policies impacted their retirement decision).

**Hypothesis 4.** Social/policy influences (perceived norms and the perceived impact the abolishment of mandatory retirement had on retirement decisions) will be positively related to planned retirement age. That is, the longer people believe others in their life think they should work, and the more the changes to mandatory retirement policies impacted their decision to retire, the higher their planned retirement age.

**Hypothesis 5.** Intentions to participate in activities post-retirement (e.g. working in a similar job to one’s current job) will be positively related to attitudes toward work. The more positive one feels about their job the more likely they will express the intention to work in a similar job post-retirement.

**Hypothesis 6.** Intentions to work post retirement will be negatively related to retirement control (the less control people feel they have over finances and retirement decisions, the more likely they will express the intention to work post-retirement.

**Hypothesis 7.** Age and life perceptions will be positively related to social/policy influences. The more positive a person’s age and life perceptions (e.g. satisfaction with their life, perception of their age), the longer people believe others in their life think they should work, and the more the change to mandatory retirement policies impacted their retirement decision.

**Hypothesis 8:** Age and life perceptions will be positively related to control. The more positive a person’s age and life perceptions, the more control they believe they have over retirement and their finances.

**Methodology**

The primary methodology employed for this study was a survey. The respondents were from a wide variety of organizations (both private and public) and primarily a web-based survey was used to capture the desired sample. Other researchers have established that web-based surveys do not cause
subgroups to self-select out on the basis of race or gender for example, and overall people are willing to use this survey method (Foster Thompson, Surface, Martin, & Sanders, 2003).

Recruitment of Participants

Leaders and/or human resource representatives from several organizations were approached and asked for their consent to survey their employees who were close to retirement. In addition, these leaders were asked to send an e-mail to all employees with a brief introductory paragraph that explained the purpose of the survey and it provided employees with the link to the survey. Acquaintances of the researchers were also contacted and asked: i) if they knew of people close to retirement and if so ii) if they could e-mail their contacts, or upon receiving their permission, to forward their e-mail address. These people were then provided with the invitation to participate which included link to the survey. As people responded to the survey their birth dates were tracked to ensure that the majority of respondents were at least over the age of 40.

Sample

The mean year of birth of respondents was 1957 ($\bar{x}=8.6$). It is important to note that 244 of the 277 respondents who identified their birth date were over the age of 40 (born in 1968 or earlier), and 177 were 50 years of age or older (born in 1958 or earlier). The large majority of respondents, 274 (97 percent) were employed full-time at the time of the survey, and the remaining 7 were employed part-time (2.5 percent). There was a fairly even breakdown of males and females with 132 respondents (47.1 percent) identifying themselves as male, and 147 identifying themselves as female (52.5 percent), one person (.4 percent) did not specify their sex. Respondents were asked the number of years they have been with their current employer and on average respondents were with their current employer for 19.84 years. For occupational category, respondents were asked to write their job title on the survey. There were 90 (32.7 percent) professionals, 79 (28.72 percent) managers/supervisors, 41 (14.9 percent) administrative employees, 10 (3.6 percent) trades people, and 55 (20 percent) in “other” occupations (e.g. broadly defined themselves as consultant).

The majority of respondents identified themselves as married (214, 76.2. percent). Fifteen (6.8 percent) respondents identified themselves as divorced, 18 (6.4 percent) said they had a common law spouse/partner, 19 (6.8 percent) said they were single and had never been married, 8 (2.8 percent) were widowed, and 3 (1.1 percent) were separated at the time of the survey. Respondents were asked about the number of children they had and the mode was 2. More specifically, 63 (22.4 percent) respondents had no children, 115 respondents (40.9 percent) said they have 2 children, 47 (16.7 percent) had one child, 43 had 3 children (15.3 percent), 12 said they had four children (4.3 percent), and 1 respondent said they had 5 children (.4 percent). Of the 281 respondents 63 (22.4 percent) did not have children and therefore automatically skipped questions related to kids. Of the 218 respondents who had children 77 respondents (35.3 percent) had 0 children currently living with them, 73 (33.5 percent) had one child living with them, 55 had two children living with them (25.2 percent), 11 people (3.9 percent) had three children living with them, and two people (.7 percent) had four children living with them. The mode gross household income level was $90,000-$114,000. Of the 271 respondents who answered this question, 68 people said their income level was $90,000-$114,000 (24.2 percent).

Measures

Planned Retirement Age. To measure the dependent variables of planned retirement age participants were asked “at what age do you plan to retire?”
Mandatory Retirement Impact. To measure people’s perception of how much the abolishment of mandatory retirement impacted their planned retirement age respondents were asked three questions about and asked to rate their responses on a seven point scale from not at all to a great deal. A sample item from this scale was: “How much was your planned retirement date affected by the decision to do away with mandatory retirement”?. Responses were coded such that a higher score reflected a greater impact. Please see Appendix L for the mandatory social/policy influences scale. I conducted a reliability analysis of this scale and the result was acceptable ($\alpha = .893$).

Perceived Controllability. To assess participant’s perceived controllability over their retirement decisions Elliott, Armitage and Baughan’s scale (2003) was used. Participants were asked to rate statements on a seven point scale from strongly disagree to strongly agree. Sample items included: “I believe I have the ability to choose when I retire” and “If it were entirely up to me, I am confident that I would be able to retire when I wanted to”. Responses were coded such that a higher score was reflected of higher perceived control. I conducted a reliability analysis of this scale and the result was acceptable ($\alpha = .89$).

I love my job. Michelle Inness’s (2006) thesis included a scale related to people’s love of their job, this scale was also included in the survey. The scale has since been reduced to three subscales, which are passion, commitment, and intimacy. Participants were asked to rate statements on a seven point scale from strongly disagree to strongly agree, sample items included: “My work is more than just a job to me, it’s a passion”(passion), “I am really attached to this company”(commitment), and “I feel lucky to be working with the people that I do” (intimacy).

For each of the three subscales responses were coded such that a higher score was reflected of higher passion, commitment, and intimacy. I conducted a reliability analysis of the three subscales and the results were acceptable ($\alpha = .92$, $\alpha = .87$, and $\alpha = .93$ respectively). Job Satisfaction. To measure job satisfaction I used the job satisfaction scale overviewed in Fields (2002), (he noted that this scale was originally developed by Cammann, Fichman, Jenkins, and Klesh (1993)) (please see Appendix A to view the scale in its entirety). Participants were asked to rate statements on a seven point scale from strongly disagree to strongly agree, sample items included: “All in all, I am satisfied with my job” and “In general, I don’t like my job”. Responses were coded such that a higher score reflected higher job satisfaction. I conducted a reliability analysis of the job satisfaction scale and the result was acceptable ($\alpha = .85$).

Perception of Financial Well Being Pre-and Post-retirement. In order to measure pre-retirement financial well being I used Krause’s (1987) seven financial scale items, in addition I added two questions (8 and 9) from Rowley and Feather’s (1987) study of unemployment. Participants were asked to rate the nine statements on a seven point scale from strongly disagree to strongly agree, sample items included: “I am able to afford a home suitable for myself/my family” and “I am able to afford furniture/household equipment that needs to be replaced”. I conducted a reliability analysis of the pre-retirement financial well being scale and the result was acceptable ($\alpha = .914$).

To measure post-retirement financial well being I again used Krause’s (1987) 7 financial items and I also included an additional two items (items 1 and 2) from Taylor and McFarlane Shore’s (1995) study on finances and retirement decisions. Participants were asked to rate statements on a seven point scale from strongly disagree to strongly agree, sample items included: “My pension will be adequate to meet my financial needs after retirement” and “When I retire I believe I will be able to afford the kind of car I need”. For both financial well being measures, responses were coded such that a higher score reflected greater financial well being. I conducted a reliability analysis of the post-retirement financial well being scale and the results were acceptable ($\alpha = .94$). Norms. In order to measure norms questions
were adapted from Billari’s and Liefbroer’s (2007) study. Participants were asked to choose one of three statements. A sample question was:

According to you when does your spouse think you should retire:

  a] My spouse thinks that I should retire at age 65
  b] My spouse thinks that I should retire before the age of 65
  c] My spouse thinks that I should retire after the age of 65

This scale was recoded in order for a higher total score to reflect a higher “norm” retirement age. For each question item b was coded as 1, item a was coded as 2, and item c was coded as 3. If a person did not have a spouse/partner or children, their response was coded as 0. The responses for each question (spouse, kids, coworkers) were then averaged. I conducted a reliability analysis of the aging norms scale and the result was acceptable (α =.74).

Perception of Age. I used the seven item Perception of Aging Scale adapted from Liang and Bollen (1983) to measure people’s perception of their age. Levy and Meyer (2005) and Slade and Kunjel (2002) also used this scales. In both of the former studies respondents were asked to answer each statement with a yes or a no, in my study participants were asked to rate statements on a seven point scale from strongly disagree to strongly agree. Sample items include: “I have as much pep as I did last year” and “Things keep getting worse as I get older”. Responses were coded such that a higher score reflected a more positive perception of age. I conducted a reliability analysis of the perception of age scale and the result was acceptable (α =.74).

Satisfaction with Life. To evaluate life satisfaction I used a scale adapted from the Satisfaction with Life Scale by Diener, Emmons, and Larson (1985). Participants were asked to rate statements on a seven point scale from strongly disagree to strongly agree, sample items included: “In most ways my life is close to my ideal” and “The conditions of my life are excellent”. Responses were coded such that the higher the score the higher one’s satisfaction with life. I conducted a reliability analysis of the satisfaction with life scale and the result was acceptable (α =.745).

Leadership. I included two measures of leadership on the survey from Barling, Loughlin and Kelloway (2002). First the ten item transformational leadership scale was included. Participants were asked to rate statements on a seven point scale from strongly disagree to strongly agree, sample items included: “Provides continuous encouragement to do my job well” and “Talks about their most important values and beliefs”. Secondly, the three items from the Passive Leadership scale were included. Participants were asked to rate statements on a seven point scale from strongly disagree to strongly agree, sample items included: “Avoids making decisions” and “Fails to interfere until problems become serious”. I conducted a reliability analysis on both scales and the results were acceptable (α =.95, and α=.91 respectively). For the transformational leadership scale, responses were coded such that a higher score reflected a more transformational leadership. For the passive leadership scale, responses were coded such that a higher score reflected less passive leadership.

Retirement Activities. Employment Post-retirement. Beehr and Neilson (1995) studied people’s retirement activities and used a 16 item scale to assess what activities a person partakes in during retirement. Two items of this scale ask people if they plan on “working for pay part-time” or “working for pay full-time”, I adapted this scale and created items that asked people’s intention to work in a similar job post-retirement (full, part-time, and or self-employed). Participants were given the following instructions: “when you retire how likely will you do the following”. They were given the seven point rating scale of “most probably not” to “definitely”. Responses were coded such that a higher score reflected a higher likelihood of working in a similar job in some capacity post retirement. The survey did ask respondents about a variety of other activities they plan to partake in post-retirement e.g. reading,
volunteering etc. however that measure was not reliable and therefore was not included in further analyses.

In total there were three questions related to employment in a similar occupation than their current occupation (part-time, full-time, self employed). Reliability analysis of this scale was conducted and was acceptable (α = .722).

Results

Correlations

Descriptive Statistics and intercorrelations for all study variables are presented in Table 1.

Latent Variable Path Analysis

All model tests were based on the covariance matrix and used maximum likelihood estimate as implemented in LISREL VIII (Jöreskog & Sörbom, 1992; Kelloway, 1998). In developing and testing models the strategy of two-stage modeling as described by Anderson and Gerbing (1992) was used. First, the fit of the measurement model was established and the structural models of interest were tested.

The measurement model was operationalized as comprising both multiple indicator and single indicator (Kelloway, 1998) latent variables. A one factor model was estimated to provide a baseline for comparison (Kelloway, 1998) and to test for common method variance according to Harman’s single factor test (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). A seven factor model estimating the constructs of interest was also tested. The seven constructs were entered into the model as directly predictive of retirement intentions and these constructs were identified after considering both the results of the qualitative study and the existing theory on retirement decisions.

The one factor model provided a poor fit to the data, χ² (90, N = 221) = 937.79, p < .01; RMSEA = .21, p < .01; GFI = .64; NFI = .62; CFI = .66. In contrast, the seven factor model provided a better relative (χ² difference (19, N = 221) = 818.58, p < .01) and absolute (χ² (71, N = 221) = 119.21, p < .01; RMSEA = .06, ns; GFI = .93; NFI = .93; CFI = .97) fit to the data.

Having established the fit of the measurement model, a series of nested structural equation models were tested (Kelloway, 1998). The proposed structural model was estimated and as hypothesized, the most proximal predictors of social/policy influences were perceptions of control and age and life perceptions. A second model was estimated, which allowed these variables to predict retirement intent directly. In contrast to the fully mediated relationship, this second model operationalized a partially mediated relationship (Kelloway, 1998). The proposed structural model provided an acceptable fit to the data, χ² (84) = 137.17, p < .01; RMSEA = .05 ns; GFI = .92; NFI = .93; CFI = .97. The partially mediated model also provided an acceptable fit to the data , χ² (82) = 136.11, p < .01; RMSEA = .05 ns; GFI = .92; NFI = .93; CFI = .97. However, neither of the two additional paths achieved statistical significance. Moreover, the partially mediated model did not offer a better fit to the data than the original model , χ² difference (2) = 1.06, ns. Therefore, the original model was retained for further analysis. Figure 2 illustrates the structural model.

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1 In a separate analysis demographic variables were entered into the model (birthday of respondent, years of service, spouse's employment status/retirement year). The overall pattern of significance did not change. Furthermore, these variables did not emerge as significant predictors of planned retirement age.
### Table 1

**Descriptive Statistics, Inter-Item Correlations, and Reliabilities**

<table>
<thead>
<tr>
<th>Subscale</th>
<th>Scale</th>
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<tbody>
<tr>
<td>1. Planned ret. Age</td>
<td>age</td>
<td>(N/A)</td>
<td>.02</td>
<td>-.24*</td>
<td>-.06</td>
<td>-.14</td>
<td>.47**</td>
<td>.45**</td>
<td>.03</td>
<td>-.03</td>
<td>-.12</td>
<td>.23*</td>
<td>.25**</td>
<td>.22*</td>
<td>.17</td>
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<td>2. Job Satisfaction</td>
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<td>.31**</td>
<td>.14</td>
<td>.37**</td>
<td>.08</td>
<td>-.03</td>
<td>.54**</td>
<td>.29**</td>
<td>.44**</td>
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<td>.62**</td>
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<td>3. Current finances</td>
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<td>(.91)</td>
<td>.36**</td>
<td>.70**</td>
<td>-.11</td>
<td>-.19*</td>
<td>.24*</td>
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<td>4. Control</td>
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<td>5. post retire. Finances</td>
<td>1-7</td>
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<td>-.03</td>
<td>-.18</td>
<td>.34**</td>
<td>.05</td>
<td>.47**</td>
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<td>6. Norms</td>
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<td>.53**</td>
<td>.01</td>
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<td>-.03</td>
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<td>7. Man. Retirement impact</td>
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<td>-.07</td>
<td>-.11</td>
<td>-.09</td>
<td>-.26**</td>
<td>.21*</td>
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<td>8. Transformational lead.</td>
<td>1-7</td>
<td>(.95)</td>
<td>.50**</td>
<td>.30**</td>
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<td>9. Passive lead.</td>
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<td>.18</td>
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<td>10. Feel about age</td>
<td>1-7</td>
<td>(.74)</td>
<td>.64**</td>
<td>.34**</td>
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<td>11. Life Satisfaction</td>
<td>1-7</td>
<td>(.90)</td>
<td>-.07</td>
<td>.35**</td>
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<td>.27**</td>
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<td>12. intentions to work</td>
<td>1-7</td>
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<td>.17</td>
<td>.17</td>
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<td>13. Passion for work</td>
<td>1-7</td>
<td>(.92)</td>
<td>.60**</td>
<td>.36**</td>
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<td>14. Affective comm. (coworker)</td>
<td>1-7</td>
<td>(.87)</td>
<td>.32*</td>
<td></td>
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<td>15. Intimacy (coworker)</td>
<td>1-7</td>
<td>(.93)</td>
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<td><strong>Mean</strong></td>
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<td>58.8</td>
<td>5.70</td>
<td>5.73</td>
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<td>4.92</td>
<td>1.09</td>
<td>1.47</td>
<td>4.97</td>
<td>5.16</td>
<td>4.95</td>
<td>4.93</td>
<td>2.25</td>
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<td><strong>Standard Deviation</strong></td>
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<td>3.51</td>
<td>1.11</td>
<td>1.01</td>
<td>1.50</td>
<td>1.27</td>
<td>.27</td>
<td>1.07</td>
<td>1.34</td>
<td>1.49</td>
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<td>1.30</td>
<td>1.10</td>
<td>1.40</td>
<td>1.28</td>
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Note: Correlations in bold are non-significant at the .05 level. Correlations followed by * are significant at the p<.05 level, and correlations followed by ** are significant at the p<.01 level. Reliabilities for each scale are presented on the diagonal in brackets.
Attitudes toward people at work (transformational leadership, passive leadership, and intimacy (coworkers)) predict people’s attitudes toward work (passion for work, affective commitment, and job
satisfaction) \((\beta=.69, p<0.01)\). Attitudes toward work predicted age and life perceptions (age perception (self), and life satisfaction) \((\beta=.47, p<0.01)\). Age and life perceptions predicted social/policy influences (norms, mandatory retirement) \((\beta=.33, p<0.01)\). Age and life perceptions also predicted control (pre and post-retirement financial well being, and perceived control over retirement decision) \((\beta=.72, p<0.01)\), and control predicted people’s intentions to work post-retirement (in a similar job) \((\beta=-.24, p<0.01)\). Attitudes toward work predicted people’s intention to work post-retirement \((\beta=.29, p<0.01)\). Control predicted social/policy influences \((\beta=-.42, p<0.01)\) and finally social/policy influences predicted retirement intentions (planned retirement age) \((\beta=.78, p<0.01)\). The model accounted for 61 percent of the variance in retirement intentions (planned retirement age), 52 percent of the variance in control, 19 percent of the variance in attitudes toward retirement, 22 percent of the variance in age and life perceptions, 48 percent of the variance in attitudes toward work, and 10 percent of the variance in intentions to work post-retirement.

Hypothesis 1 was supported. People’s attitudes toward work predicted people’s self-perceptions. Hypothesis 2 was supported. People attitudes toward people at work (supervisors and coworkers), was predictive of people’s attitudes toward work. Hypothesis 3 was supported. People’s perceived control over finances and retirement decisions was predictive of social/policy influences (the lower the perceived control the longer people believed others in their life think they should work, and the more the change to mandatory retirement policies impacted their retirement decision). Hypothesis 4 was supported. Social/policy influences (perceived norms and attitudes toward mandatory retirement) predicted planned retirement age. That is, the longer people believe others in their life think they should work the higher their planned retirement age, and the more changes to mandatory retirement policies impacted their decision, the higher their planned retirement age. Hypothesis 5 and 6 were supported. Intentions to participate in activities post-retirement (e.g. working in a similar job to one’s current job) was positively predicted by attitudes toward work, and intentions to work post retirement was negatively predicted by control (the less control people felt they had over finances and retirement decisions the more likely they will express the intention to work post-retirement). Hypothesis 7 was supported. Age and life perceptions were predictive of social/policy influences. The more positive a person’s age and life perceptions (e.g. satisfaction with their life, perception of their age) the longer people believe others in their life thought they should work, and the more the change to mandatory retirement policies impacted their retirement decision. Finally, Hypothesis 8 was supported. Age and life perceptions were predictive of control. The more positive a person’s perception of their age and life, the more control they believed they had over finances and their retirement decision.

Discussion

First and foremost this study considered the many variables that can impact a person’s decision to retire in the context of the abolishment of mandatory retirement policies. With the benefit of the data gathered in a separate qualitative study, this second study integrated variables that have not been considered previously in retirement studies; namely personal perception of aging and life satisfaction (combined to form age and life perceptions), norms surrounding at what age people think other’s in their life think they should retire, and their own perception of how much the abolishment of mandatory retirement impacted their planned retirement date (social/policy influences), and the variables that make up the I love my job scale, including passion for work, affective commitment and intimacy (coworkers).

More specifically, this study confirms what was brought out by many of the interviewees, that is that control (over finances pre and post-retirement, and perceived control over retirement decisions) and age and life perceptions (feelings about one’s age and their satisfaction with life) are predictive of social/policy influences (norms, and attitudes toward mandatory retirement), which then predict people’s planned retirement age.
A portion of the literature has noted the importance of financial variables when considering people’s retirement decisions (Beehr, 1986; Taylor & McFarlane Shore, 1995). In particular, Taylor and McFarlane Shore (1995) found that those employees eligible for retirement who scored lower on pay satisfaction were more likely to identify a later retirement age. The direction of this relationship was the same in my study, that is, those who believed they had less control over their retirement decisions (which includes financial well being measures) would have positive social/policy influences; these attitudes are made up of measures related to norms and how much mandatory retirement impacts their decisions. In other words, the less control they felt they had the higher they scored on norms (which reflects a higher retirement age), and the higher they scored on how much mandatory retirement impacted them. These attitudes then have a positive predictive relationship with planned retirement age. Heckhausen and Shulz (1995) also emphasized the importance of control in relation to older workers control over whether or not they work; they noted that lack of control can have negative consequences in relation to physical and psychological well being. Even though Ajzen (1991) noted that perceived control can be directly predicted of retirement decisions, in this case the relationship was mediated through attitudes toward the behavior (which was made up of norms and attitudes toward mandatory retirement).

In the context of the retirement literature specifically, in large part norms have not been measured (that is people’s perception of when they think other’s think they should retire). However, one study does support the findings related to norms in my second study. Henkens and Tazelaar’s (1997) study on civil servants from the Netherlands discussed social network support in terms of employee’s spouse/partner. Those who perceived that their spouse/partner’s felt positively toward their retirement were more likely to indicate their intent to retire. Also, other work has explored demographic variables, which potentially could be linked to norms. For example Adams and Beehr (1998) found that people who were married were more likely to state their intention to retire, and Seitsamo (2005) found that those people with spouses who had retired were more likely to retire early. These results could be bundled around norms, that is, there is some influence from spouses/partners that impacts a person’s retirement decision. Other researchers in different fields have measured norms specifically and how these norms do in fact shape behaviors. Billari and Liefbroer (2007) found that when a child believed their parents were in favor of them remaining at home (versus moving out), these children were more likely to stay home. Sociological researchers in the context of age research have explored age structuring and the impact norms surrounding age have on people’s perceptions (Settersten & Mayer, 1997). Furthermore, in this body of work retirement is often discussed in terms of being a part of a stage in the life course (e.g. (Moen, Fields, Quick, & Hofmeister, 2000)), but these studies did not investigate direct impact age structuring or stages in the life course have on retirement decisions.

Similarly, perceptions of one’s age and their life satisfaction have not been included in the retirement research I reviewed. In my study these perceptions had a positive relationship with social/policy influences, which then predicted planned retirement age. That is the more positive a person views their age (e.g. the younger they feel), and the more content they are with their life so far, the more positive their social policy influences (and a positive influences score overall is indicative then of a higher planned retirement age). Research has illustrated that positive self-perceptions of aging have a positive effect on mortality (Levy & Myers, 2005; Levy et al., 2002). My quantitative study suggests that these perceptions have implications for people’s working lives, that is, when they plan to retire. While many people noted they would like to partake in activities post-retirement, and these activities may in fact be a pull factor in relation to retirement, if people generally feel good in relation to their age perception, they may not be in a rush to retire in order to fulfill the need to partake in these activities. In other words, they are likely to feel they will have time to do what they want to do, or alternatively working is what they want to do for the time being. Cleveland and McFarlane Shore (1992) explored self and supervisor perceptions of age in terms of attitudes toward work and performance related variables. Even though they did not find that age perceptions significantly contributed to work related variables (e.g. work attitudes)
alone, they noted that “perceptual and contextual age measures provided greater prediction of a variety of work criteria than did chronological age alone” (p.480). Age and life perceptions were also predictive of control, that is the better someone feels about their age and life the more likely they believe they have control over their decisions, and the worse they feel about their age the less likely they believe they have control. If someone feels “old” they may feel like they have less control over their retirement decisions; for example they may not be eligible for retirement but feel like they want or need to retire. Likewise those that have negative age and life perceptions may feel they lack financial control if they are uncertain they can cope with their job until their eligible to receive pension benefits.

The model from study two also illustrated that people’s attitudes toward others at work (their leaders and coworkers) are predictive of attitudes toward work, and these attitudes toward work (passion for work, job satisfaction, and affective commitment) are predictive of age and life perceptions. In relation to attitudes toward people at work, a measure of both transformational and passive leadership was included in the survey. Although the literature linking leadership to employee’s retirement decisions is seemingly non-existent, as noted in the discussion section of study one, studies like that of Dvir, Avolio and Shamir (2002) Barling, Weber, and Kelloway (1996) and Howell and Avolio (1993) have long documented the positive impact transformational leadership can have on employees in relation to job related factors like performance (both at the employee and unit level) and organizational commitment.

Study two also evaluated people’s perceptions of coworkers when considering the variable “attitudes toward people at work”. One study conducted by Hanisch and Hulin (1991) included a measure of satisfaction with coworkers; they developed and tested a model and found that these attitudes were predictive of job withdrawal and indirectly predictive of work withdrawal. Henkens and Tazelaar (1997) found that workers positive perceptions related to the social networks at work can have positive implications for retirement decisions (they will be less likely to retire early). The findings of this study illustrate that the more positive one feels about work the more positive their age and life perceptions, which once again led to positive attitudes toward retirement, and a higher planned retirement age. Factors related to work have long been explored in relation to retirement. Many studies have found a similar relationship to work attitudes and retirement as was found in the indirect relationship between work attitudes and planned retirement age in my quantitative study. Specifically, Adams and Beehr (1998) found that the higher a person’s job satisfaction and commitment to the organization the less likely they were to retire. Taylor and MacFarlane Shore (1995) found a similar relationship between organizational commitment and retirement age.

Furthermore, Luchak, Pohler, and Gellatly (2008) found that affective commitment was positively related to retirement age. While authors have explored meaningfulness of work in relation to retirement (e.g. (Molinie, 2005)), research has not considered passion for work specifically in relation to retirement, which was one of the variables that made up the latent variable of attitudes toward work. Adams (1999) found that career commitment was positively related to retirement age. Career commitment as opposed to organizational commitment, may have similar antecedents as passion for work; a sample item from the scale used by Adams (1999) is “If I had all the money I needed I would still work in this career field” (p.225). Similarly Barnes-Farrell (2003) outlined the importance of role attachment when discussing individual’s retirement decisions. One of these roles can be the “career role [which] is probably the most relevant to individuals with professional identities that are tied to their occupations rather than any particular occupation” (p.163). If a worker is heavily invested in this particular role (as opposed to the role of family member for example) then it is likely they will choose employment rather than retirement.

The final relationship illustrated in the model for study two is that of working in a similar job post retirement. While not predictive of planned retirement age, work intentions (specifically a person intention to work in a similar job in a part-time, full-time, or self employed capacity post-retirement) were
predicted by attitudes toward work, that is the more positive a person’s attitude toward work currently the more likely they would work in a similar job post-retirement in some capacity. Also, control predicted intentions to work; in fact the less control a person had (financially and over retirement decisions) the more likely they expressed an intention to work post-retirement in some capacity in a job similar to their current one.

**Limitations**

First and foremost the main limitation of both studies is that the data were based on self-report data and the respondents had to respond to questions that were largely asking about their future decisions, in other words there is no longitudinal data to indicate how accurate their planned retirement date actually is, and therefore whether or not people’s assessments of their intentions are accurate.

Secondly the samples for both studies were taken from Newfoundland and Labrador and it is possible that there are provincial differences. A number of people from Newfoundland and Labrador go to other provinces for work on a seasonal basis, and Newfoundland has been dependent on employment in primary industries such as the fishery. It is possible that going out of province for work in higher paying oil industry jobs for example enables people to set themselves up for early retirement. Similarly, those employed in more physically demanding work like the fishery, may find it necessary to retire earlier than people who are not in these types of jobs.

Thirdly, while I used Ajzen’s (1991) Theory of Planned Behavior to help formulate a model for study 2, the model did not expressly include people’s attitudes toward retirement. A measure of retirement attitudes was included on the survey and was intended to gauge whether or not someone had a preference toward retirement, however this measure was unreliable and thus that data were not suitable for this analysis. Future studies could include other measures of attitudes toward retirement specifically to better test Ajzen’s model’s (1991) applicability to retirement decisions. It is important to note however that the model tested for study two did include indicators of attitudes, including one’s preferred retirement age, and whether or not abolishment of mandatory retirement legislation impacted their retirement decision.

Finally, even though the variable named “norms” (when you think people in your life think your should retire) was a measure of subjective norms as defined by Ajzen (1991), this measure may not have delved completely into what would truly be considered as norms in relation to retirement decisions. For example, one of the norms that came out in the qualitative study was that people believed they should retire when their spouse retires. The measure included on the survey for study two did capture respondent’s perception of when they thought their spouse thought they should retire, however it did not ask them directly if they thought they should retire at the same time as their spouse.

**Future Research**

Future studies should consider more longitudinal data, that is, researchers should target individuals who believe they are within 6 months of retirement and survey those individuals after 6 months to find out their employment status as well as to measure what impacted their decision (retrospectively). It would also be prudent to examine if there are provincial differences in relation to retirement decisions. Furthermore studies should consider possible effects of demographic variables like age, health and gender. While demographic factors did not significantly improve the current model and were not significantly predictive of planned retirement age in study two, a sample with more variety in terms of age groups and health may in fact find differences in planned retirement age. Furthermore, in
relation to age, of particular relevance to future studies may be proximity to retirement age, as those closer to retirement may presumably be better able to know their planned retirement date. The quantitative study included people who were under the age of 50 and these individuals may not be able to accurately judge their actual retirement date when compared to people within 6 months of retirement.

Although health was discussed in more detail in the qualitative study it was evaluated in the survey as a single item measure. Although this did provide additional information on those who responded to the survey, it may be more helpful to have more than a one-item measure of health (maybe use an index) to better gauge the relationship between health and retirement in the context of changing mandatory retirement policies. It is also important to note that many studies have linked health with financial control issues. For example McDonald and Donahue (2000) found that men who retired due to health issues were actually worse off financially post-retirement. Similarly, Lum and Lightfoot (2003) used data from the Health and Retirement Study in the United States and found that health negatively predicted financial contributions to retirement savings programs (both the likelihood of contributing and the amount contributed), the effect was the same if their spouses health was poor. Therefore, there may be indirect interactions between health and finances and therefore retirement decisions; poor health may show up in people’s perception of their control over their finances, which predicts social/policy influences, and these influences predict planned retirement age. It is important to note however, that this relationship may be far stronger in the United States when compared to Canada considering that Americans do not have access to universal healthcare.

Conclusions

Using Ajzen’s (1991) Theory of Planned Behavior to create a model that predicted retirement decisions was, as illustrated by the support for the model, a useful way to conceptualize retirement decisions. This model included the notion of examining control, norms and attitudes as predictors of behavioral intentions and gained support in study two. Arguably the biggest contribution of this study then is the fact that we now have some support for Beehr and Adam’s (2003) notion that norms should be included in retirement studies as they may help explain some of the unexplained variance previous models of retirement decisions. These norms are important not only for investigating the short term effects of lifting mandatory retirement, but when considering the long term effects that changing mandatory retirement policies may have on individuals nearing retirement. It is possible that these norms will gradually change over time and as other variables, in particular, as financial control variables change so too may people’s planned retirement age. If people’s retirement funds continue to decline, they will lose more control over their financial well being and this, according to the model I tested, may mean people’s attitudes will also change and their retirement age may in fact increase. As noted by Ebeling (2008), with the recent economic recession in the United States many baby boomers are deciding to postpone retirement and she thinks this may be a necessity for many people’s economic well being.

This model can be useful for any organization who wants to encourage people to stay past the age of 65. As reflected in the model, many of the factors that influences a person’s retirement decision seem to be external to the organization e.g. norms; however work attitudes predict people’s own perceptions of their life and age and these are predictive of norms. Therefore organizations need to consider people perceptions of their work, if they are to retain workers past the normal retirement age. Implementing work practices/policies e.g. flexible work, become key considerations for these organizations. Also, since financial control was an important construct in the model tested here, organizations should consider the fact that people may be more likely to stay working past the age of 65 in times of economic uncertainly, and likewise certain groups may be able to be enticed to stay given proper financial rewards.
While the mean planned retirement age of respondents was indicative of the traditional pattern of early retirement (before the age of 65), there were individuals who intended to stay past that age. Furthermore, as illustrated in the model, the abolishment of mandatory retirement policies is a factor some people consider when making their retirement decisions; if they were impacted by the change in legislation this was predictive of a higher planned retirement age. Maintaining mandatory retirement policies means there would continue to be age discrimination that is to the detriment of at least some Canadian workers. Given the economic forecasts noted above the flexibility to choose your retirement date may mean you are able to avoid extreme financial hardships.

References


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