

Factors Influencing the Decision not to Retire among the Retiring Personnel of Iloilo Provincial Government

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ABSTRACT

This study was conducted primarily to determine the factors influencing the decision not to retire among the retiring personnel of Iloilo Provincial Government and to find out the relationship between the factors occupational, economic and psychological and their decision not to retire. The study utilized the one-shot, researcher-made questionnaire. The enumeration method was utilized by purposely determining the 75 retiring personnel with age ranging above 60 but below 65 years old as respondents. The level of statistical significance was set at 0.05. Results showed that when the retiring personnel was categorized in terms of gender, civil status, office, length of service and monthly salary, majority of the retiring personnel were females, were mostly married, have been serving the office for 36 to 40 years, had a monthly salary ranging 20,000 and below and mostly from the General Services Office (GSO). The occupational factor was found to have a strong extent of influence in the decision of the retiring personnel not to retire before the age of 65, while economic and psychological factors were found to have a moderate extent of influence. The result showed that a little less than half (41.3%) of the retiring personnel were firm in their decision not to retire before the age of 65 even though their concerns were already satisfied. A significant result with a low correlation was noted between the psychological factor and decision not to retire among the retiring personnel. This finding was supported by the results of Cramer's V. The result was interpreted using Garrett's Interpretation of Coefficient of Correlation. It was recommended that retiring personnel should be encouraged to attend programs, training and seminars to prepare them for the soon transition. The organization should revisit existing programs conducted focusing on psychological factors and well-being of the retirees to develop post-retirement plans.

Keywords: Retiring personnel, psychological factors, employees, economic

INTRODUCTION

Background and Rationale of the Study

"Somewhere along the line of development, we discover what we really are, and then we make our real decision for which we are responsible. Make that decision primarily for yourself because you can never really live anyone else's life" (Arsham, 2010).

According to Wang and Shi (2014), when workers decide to retire, they make a motivated choice based on the information they have about their own characteristics and their work and non-work environment. Based on the 2015 study of East Asia Retirement, the majority of Filipino workers today are very anxious about exhausting their savings, being in poor health, and having no one to care for them or being a burden on children when they retire. The retirement survey showed that among the ten (10) countries in Asia, the Philippines is second to Vietnam in terms of being anxious on retirement prospects. The Republic Act 8291 otherwise known as "The GSIS Act of 1997" states that government employees are qualified to file for retirement upon reaching the compulsory age requirement of 60, and may choose to continue working until they reach the mandatory retirement age of 65. The data from

the Human Resource Management and Development Office (HRMDO) of Iloilo Provincial Government (IPG) showed that there are 82 identified numbers of retireable employees who have reached the age of 60 but still opted to continue working. Based on the records, only 8% have filed their intent to retire in the year 2020, which simply means that 92% of the total retiring personnel of IPG are not retiring.

Although previous research has identified a variety of factors about the early exit from the workplace, still, little is known about the factors that impact working beyond retirement age. The certain circumstances brought by the trending issue of retirement have caught attention on the part of the researcher. Further, the data from the Human Resource Management and Development Office of Iloilo Provincial Government which showed a significant number of retiring personnel who are still working has created the question that despite the advantages that have been stated, why are there some employees who are not motivated to make that decision to retire? What prevents these employees from filling for retirement? According to Kooji et al., (2008), a better understanding of this motivation is thus needed in order to identify the

key issues underlying retirement decisions of employees to continue or stop working. It will look into the reasons why some retirable employees still choose to continue working.

Now, it is a question of whether the decision not to retire will benefit both the individual and the organization. Moreover, it asks whether the decision of staying in the organization will contribute to its productivity and will enhance the well-being of the employees. Thus, studying this problem will help address the gap accurately by explicating the pathways that lead to retirement decision and by gaining a more complete understanding of the different factors influencing the decision not to retire and choose to prolong employment among the retiring personnel of Iloilo Provincial Government as we try to understand clearly how these certain employees were able to make critical decisions about their retirement.

Objectives of the Study

This study generally aimed to determine the factors influencing the decision not to retire among the retiring personnel of Iloilo Provincial Government.

Moreover, it specifically aimed to:

1. describe the characteristics of respondents in terms of gender, civil

status, office, length of service, and monthly salary;

2. describe the influencing factors on the decision not to retire of retiring personnel in terms of occupational, economic, and psychological aspects;

3. determine the decision of retiring personnel whether to retire or not to retire;

4. determine the reasons on the decision not to retire among the retiring personnel of Iloilo Provincial Government; and,

5. determine whether there is a significant relationship between factors influencing the decision of retiring personnel in terms of occupational, economic, and psychological, and their decision not to retire.

Null Hypothesis

This study hypothesized that:

1. there is no significant relationship between factors in terms of occupational, economic, and psychological and the decision not to retire among the retiring personnel of Iloilo Provincial Government.

Theoretical Framework

To supplement the explanations about the phenomenon being studied, the researcher has identified the Life Course Perspective Theory that has gained popularity in the context of decision-making and can support the objective of the study to determine the

factors influencing the decision not to retire among the retiring personnel of Iloilo Provincial Government. The life course principle of agency within structure (Settersten, 2003) postulates that older adults make choices and take actions within the opportunities and restrictions of their broader social worlds, being influenced by various life domains and personal histories. For many years, the Life Course Perspective Theory (Elder & Johnson, 2003) is an important theory often used in connection with this conceptualization of retirement. The life course perspective considers retirement as an event in the course of life span of an individual and is influenced by his/her personal history, demographic features, health, financial status, skills and abilities (Kim & Moen, 2002) as well as the ways people used to accomplish the transition of retirement.

This conceptualization views retirement as incorporating both the retirement transition (i.e., from employment to retirement) and post retirement trajectory (i.e., individual development in post-retirement life). According to this view, first, it is not the decision to retire, but the characteristics of the retirement transition process embedded in this decision that are of most importance (Solinge & Henkens, 2008).

This approach also assumes that the retirees may continue working because they are satisfied with and attached to their career jobs (Shultz, 2003), and committed to their organizations (Adams & Beehr, 1998). Financial status also consistently predicts retirement decisions as well (Gruber & Wise, 1999; Quinn et al., 1990). In life course perspective, they weigh these factors and evaluate the overall utility of retirement before they reach the decision about whether to retire. In relation, this theory has considered different factors that can affect an individual's decision-making. The decision not to retire among the retiring personnel of Iloilo Provincial Government may be based on the different factors cited that they consider to influence them most.

Thus, the researchers have tried to clarify these issues by supplementing the Life Course Perspective Theory of Decision-Making to structure the diversity and nature of these factors identified underlying the decision not to retire.

Conceptual Framework

The theory presented is applicable in this study as it is assumed that the socio-demographic factors of respondents in terms of gender, civil status, office, length of service, and monthly salary and the factors occupational, economic, and

psychological are influencing the decision not to retire among the retiring personnel of Iloilo Provincial Government.

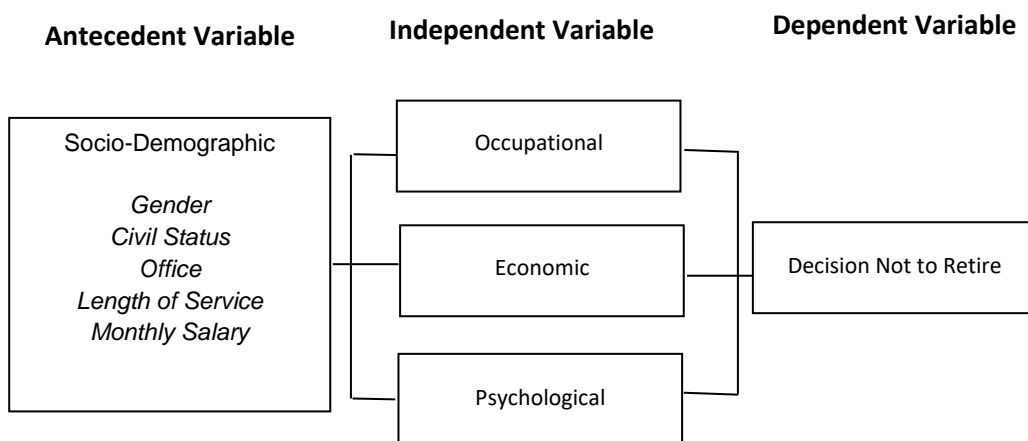


Figure 1. The Schematic diagram shows the relationship of the variables.

In this study, the conceptual framework covers the antecedent variable socio-demographic profile of respondents in terms of gender, civil status, office, length of service, and monthly salary, the independent variables which are the occupational, economic and psychological factors, while the dependent variable of this study is the decision not to retire among the retiring personnel of Iloilo Provincial Government.

Significance of the Study

The results of this study will provide the **Civil Service Commission (CSC)** with information

that will supplement the significance of the current law passed on lowering the compulsory retirement ages from 60 to 56 years old.

The **retiring personnel** will open their minds on the importance of retirement preparation and planning as early as they can in order for them to retire with lesser anxiety.

The results of this study will benefit the **Iloilo Provincial Government** as this will become their basis in considering the importance of guiding their employees in creating retirement plans.

Scope and Limitations of the Study

The respondents included the retiring office-based personnel of Iloilo Provincial Government with ages ranging above 60 but below 65 years old who are still working in the provincial government. The study was

limited only to the regular office-based personnel of Iloilo Provincial Government and field office staff. Casual, job-hires and coterminous employees were not included. Moreover, the study was conducted on October 15, 2019.

METHODOLOGY

Purpose of the Study and Research Design

The study used the descriptive-correlational method of research design. The design was utilized to assess if there is a relationship between the factors which are occupational, economic, and psychological, and the decision not to retire among the retiring personnel of Iloilo Provincial Government.

Study Samples

A total of eighty two (82) employees were listed in the Human Resource Management and Development Office as those belonging to retiring personnel, however, there were only seventy-five (75) of them who generously returned the questionnaire. Thus, they were considered as the official respondents of this study.

Instrument and Data Gathering

A survey questionnaire was formulated and pre-tested prior to the final administration to targeted survey participants. A 4-Point Likert scale was used to measure the factors influencing the decision not to retire among the retiring personnel of IPG. The questionnaires were personally administered by the researcher so she could answer questions and clarify things regarding the survey conducted among the respondents.

Validity and Reliability Testing

The questionnaire has undergone content validity by experts with specialization on public administration, research, and test development, where their recommendations were adapted to improve the instrument.

The instruments were pre-tested to 20 non-target participants from the Department of Public Works and Highways (DPWH) Regional Office 6. These respondents were not part of the target respondents. The data gathered from pre-testing were encoded in a computer software and an internal consistency test was conducted using Cronbach's Alpha test. The results of the tests show Cronbach's Alpha of .733 for the 24-items researcher-made questionnaire for the factors occupational, economic and psychological. The Cronbach's Alpha value of .733 is greater than the .70 value that is acceptable (.733 > .70), hence, the instrument is valid.

Ethical Considerations

In the conduct of the study, the researcher observed the ethical considerations where an approved letter from the Graduate Programs of Central Philippine University was secured and directed to the Iloilo Provincial Government. The Provincial Administrator approved the conduct of the study, and had the letter copy furnished to the Human Resource Management and Development Office. Those who have consented were given the questionnaire. The respondents were assured of the confidentiality to be accorded on their answered questionnaire.

Scoring and Interpretation

To measure the extent of influence of the factors in the decision not to retire among the retiring personnel of Iloilo Provincial Government, a 24-item questionnaire was used with a 4-scale response, as follows: (a) 1-Strongly Disagree; (b) 2-Disagree; (c) 3-Agree; and (d) 4-Strongly Disagree.

To interpret the scores, the following scale of means and its corresponding description was employed:

Scale	Description
3.26-4	Very Strong
2.51-3.25	Strong
1.76-2.5	Moderate
1-1.75	Weak

A Cramer's V test was used as a primary statistical tool to determine the whether or not there is a significant relationship between the factors occupational, economic and psychological, and the decision not to retire among the retiring personnel of IPG and to determine the strength of influence of the factors in the decision not to retire among the retiring personnel. The level of statistical significance was set to 0.05.

Data Processing and Analysis

After the data gathering, field editing was done to ensure the completeness of the data obtained. It was followed by office editing, coding and tabulation. The data was processed through the Statistical Package for Social Sciences (SPSS) version 20.0.

The descriptive statistics and inferential statistics which included

frequencies, percentages, and means presented the description of the subjects regarding the data on socio-demographic characteristics of the respondents. A Cramer's V test was employed to determine the relationship among the variables and extent of influence in their decision not to retire.

FINDINGS, CONCLUSION AND RECOMMENDATION

Major Findings

The following were the findings of the study:

1. Majority of the respondents were females (69.3%), most of them were married (73.3%), had served the Iloilo Provincial Government for almost 36 to 40 years (24%), have been receiving a monthly salary ranging 20,000 and below (49.3%), and mostly designated to the General Services Office (GSO) (13.3%).

2. The study revealed that occupational factors have a strong influence on more than half of the respondents (62.7%); very strong influence on more than one fourth of the respondents (26.7%), while it has a moderate influence to only (9.3%) of the respondents. Also, economic factors have a moderate influence to

less than a half of the respondents (40%); strong influence to less than one fourth of the respondents (33.3%), while it has a very strong influence to only (8.0%) of the respondents. Moreover, psychological factors have a moderate influence on more than half of the respondents (56.0%), while a strong influence on a little more than one-fourth (25.3%) of the respondents. This showed that majority of the respondents with a mean of 3.11 showed that among the three factors considered, the occupational factor has a strong extent of influence in the decision not to retire before the age of 65 among the retiring personnel of Iloilo Provincial Government, while economic factor and psychological factor with a mean of 2.42 and 2.28 respectively have a

moderate extent of influence in their decision not to retire.

3. The result showed that out of the 75 retiring personnel who have been given an option to decide whether to retire or not before the age of 65, 31 (41.3%) of them were firm with their decision not to retire regardless if their concerns were satisfied.

4. The reasons indicated by less than half of the (41.3%) retiring personnel who have decided not to retire before the age of 65 are mostly related to the psychological factor considered like they are more productive at work (38.7%), they have nothing to do at home (25.85%), they are happier with their office mates (3.2%), and they are not ready for a new lifestyle (3.2%).

5. There is no significant relationship between the occupational factor and decision not to retire among the retiring personnel of Iloilo Provincial Government.

6. There is no significant relationship between the economic factor and the decision not to retire among the retiring personnel of the Iloilo Provincial Government.

7. There is a significant relationship between the psychological factor and decision not to retire among the retiring personnel of Iloilo Provincial Government. However, there is only a low or minimal

correlation on the psychological factor and decision not to retire among the retiring personnel of Iloilo Provincial Government.

8. The health status, physical condition to work, higher retirement benefits and salary increase are indicated by the retiring personnel as other factors that are not tested in this study which are also influencing their decision not to retire before the age of 65.

Conclusions

Based on the findings of the study, the following conclusions were drawn:

1. Retiring personnel are not retiring because they have a good working environment, good working relationships, are enjoying their work, and are satisfied.

2. Regardless of the advantages of retiring early there are personnel who were firm with their decision not to retire before the age of 65 and that they intend to continue working until they reach the mandatory retirement age.

3. Occupational and economic factors have no bearing in the decision not to retire among the retiring personnel of Iloilo Provincial Government while psychological factors have a significant relationship on the decision not to retire among the retiring personnel of Iloilo Provincial Government.

Recommendations

Based on the findings and conclusions of the study, it was recommended that retiring personnel should be encouraged to attend programs, training and seminars to prepare them for transition soon. The

organization should revisit existing programs conducted focusing on psychological factors and well-being of the retirees to develop post-retirement plans.

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