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Is the relationship between work-attitudes and retirement intentions influenced by socio-economic status?

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Is the relationship between work-attitudes and retirement intentions influenced by socio-economic status?

The end of work is a defining feature of the retirement transition and individuals' beliefs and feelings about both their job and the idea of leaving their job is likely to influence their retirement behaviours. This paper investigates whether retirement affect mediates the relationship between job satisfaction and retirement intentions. It also examines whether the relationships are moderated income.

Job satisfaction and intended retirement age

Job satisfaction refers to a subjective construct representing the feeling individuals have about their job. The rationale for the assumed relationship between job satisfaction and retirement behaviours is that individuals who experience intrinsic and/or extrinsic benefits from their job will enjoy higher positive mood which, as a highly valued positive psychological resource, they are unlikely to relinquish through earlier retirement. Empirical evidence however has not yielded clear support for these relationships. Some previous scholarly work has supported the theorised relationship (Hanisch & Hulin, 1990; Kautonen, Hytti, Bögenhold, & Heinonen, 2012; Mein et al., 2000; Smith, Holtom, & Mitchell, 2011) but others have not (Adams, 1999; Adams & Beehr, 1998; Beehr, Glazer, Nielson, & Farmer, 2000; Davies & Cartwright, 2011; McCune & Schmitt, 1981; Smith et al., 2011; Taylor & Shore, 1995). In line with some previous studies, as a starting-point to exploring the relationships in greater depth, we tested the general hypothesis that:

H1: Job satisfaction is positively related to later intended retirement age.

Retirement Attitudes and Intended Retirement Age

Retirement is usually a progressive transition, and anticipatory attitudes are formed in the preretirement period before any actual 'event' (Atchley, 1976; Pinquart & Schindler,

2007). Strong associations have been found for the predictive ability of broad, positive attitudes to retirement and retirement intention: people who expect to enjoy retirement are more likely to retire earlier than those who expect to be bored in retirement (Bidewell et al., 2006), and positive expectations of retirement have been associated with lower retirement ages (Davies & Cartwright, 2011; Zappala, Depolo, Fraccaroli, Duglielimi, & Sarchielli, 2008).

Various theoretical frameworks have conceptualised the complex, multidimensional nature of the relationship between job attitudes and retirement attitudes (Anson, Antonovsky, Sagy, & Adler, 1989; Chevalier, Fouquereau, Gillet, & Demulier, 2013; Newman, Jeon, & Hulin, 2012). Although these frameworks illustrate the central role of the job in forming attitudes to retirement, they also highlight that non-work related factors also influence attitudes to retirement.

These approaches predict that individuals will develop a broad-based overall attitude to retirement, based on the balance between the gains and losses associated with leaving working and being retired, and shaped in part by the expected disruption to their lifestyle (Szinovacz, 2003). The balance of perceived gains and losses in retirement will vary between individuals, with some older adults expecting greater gains or losses than others (Pinquart & Schindler, 2007). Additionally, attitudes to retirement are likely to be characterised by attitudinal ambivalence in which individuals will hold both favourable and unfavourable attitudes towards the object simultaneously (Kaplan, 1972; Newman et al., 2012).

These arguments suggest that job satisfaction and attitudes to retirement are related but distinct constructs, and that the relationship between job satisfaction and intended retirement age can be explained by the impact of job satisfaction on the affective component of retirement attitudes (retirement affect), and its consequent impact on intended retirement

age. We therefore advance a possible pathway between job satisfaction and intended retirement age and hypothesized the following relationships:

Hypothesis 2: Retirement affect partially mediates the relationship between job satisfaction and intended retirement age.

Economic status as a moderator

Rational choice theory holds that when they have a choice, workers will retire at the point when they assess that their accumulated financial resources (considering future economic conditions), allow them to support themselves in retirement (Hatcher, 2003; Quinn & Burkhauser, 1990; Wang & Shultz, 2010). Lower income workers, having had less opportunity to accumulate sufficient financial resources over their lifetime, are less likely to be able to exit the workforce through early retirement (Mein et al., 2000). Many scholarly studies have supported this hypothesis, finding that a higher financial status is associated with earlier retirement (De Wind, Geuskens, Ybema, Bongers, & Van der Beek, 2015; Flippen & Tienda, 2000; Kim & Feldman, 2000). Moreover, lower income employees are also less likely to have engaged in formal and informal financial planning (Taylor & Geldhauser, 2007).

This present study tests the hypotheses that the relationships between job satisfaction, retirement affect and retirement intentions will be stronger for workers with lower incomes.

H3: The association between job satisfaction and intended retirement age will be stronger for lower income employees.

H4: The association between job satisfaction and retirement affect will be stronger for lower income employees.

H5: The association between retirement affect and intended retirement age intention will be stronger for lower income employees than higher income employees.

Methodology

Sample and procedure

Data were obtained through telephone interviews among a sample of 800 people over the age of 45 from the UK. Demographic characteristics of the sample are shown in Table 1. The mean age of the respondents in the sample was 55.63 years (S.D. 5.94), 50.1% of the sample was male, and the mean intended retirement age was 65.08 years (SD 4.49). Data were collected across a broad range of industry sectors.

Measures

Job satisfaction was measured using a six-item scale. Items were drawn from the European Social Survey.

Retirement affect refers to the positive or negative evaluation of retirement. In this study, it was derived from one questionnaire item: “Are you looking forward to full retirement?”. The responses were coded as follows: 1 = Not at all, I am dreading it; 2 = Not really, I am apprehensive about it; 3 = I haven’t really thought about it; 4 – I’m relaxed about it; and 5= Yes, I shall be pleased to retire/it will be a relief.

Intended retirement age was captured by asking respondents to record the age at which they plan to retire.

Income. Respondents were asked to indicate their household weekly income before tax reduction. Response categories were divided into quintiles.

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