



When do you Retire? Examining Intended Retirement Age Decision among Public Sector Employees in Sri Lanka

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Author's contribution

The sole author designed, analysed, interpreted and prepared the manuscript.

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ABSTRACT

With the growing number of ageing population in Sri Lanka and continuous expansion in the public sector employment tend to create dynamic consequences on the economy. While mandatory retirement age in the public sector is forcing the employees to quit from the job yet rising ageing population in the country is seeking for employment opportunities for retirees. Hence, the objective of this study is to find out factors affecting intended retirement age decision among the public sector employees in Sri Lanka. The theoretical lens used in the study is theory of planned behaviour. This is a quantitative study which applied stepwise regression and path analysis to examine the factors affecting intended retirement age. The sample was consisted of 400 staff grade public sector officials and conducted a survey through a self-administered questionnaire. The results indicated that perceived health and attitudes of the employees towards the retirement are the major factors influenced on intended retirement age decision among the public sector employees. Employees' job satisfaction and family relationships have some impact whilst anticipated financial position has a minor impact on intended retirement age. The findings indicated the public sector organizations need to introduce health insurance schemes for employees and to maintain an attractive organizational environment and friendly organizational culture to inculcate positive attitudes towards working environment in order to delay the retirement of the employees.

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1. INTRODUCTION

Retirement is a transitional stage of life that can be a pleasant experience for some, yet grievance for others [1]. Subjectively, retirement is a self-defined notion that can mean different things to different people. For some, retirement may mean reducing the amount of work hours per week from full-time to part-time status, while for others it may mean working on a voluntary basis. Still for others it may mean ceasing from all work activity paid or unpaid. Objectively, retirement can be defined simply as disengagement from business or public life. From a more traditional view, retirement from an economic perspective is a time when one is no longer gainfully employed and receives a retirement pension benefit [2].

Some countries like Brazil, China, South Korea adopt mandatory retirement age, which has been prescribed by the labour regulations and other instances; employee determines whether to make an early or late retirement (sometimes employment extension beyond the retirement age upon request). Whatever the choice, retirement age decision would create many consequences for the personal life of the employee [1]. Though the concept of retirement is applicable on individual basis, the factors behind retirement age decision are bound by several other influential factors.

When considering Sri Lankan employed population, mainly five categories can be found namely; public sector employees, private sector employees, employers, own account workers, and contributing family workers [3]. Being a developing country, the government is playing a vital role in implementing development projects and programmes in the economy. Consequently, a large number of employees are absorbed to the public sector organizations to strengthen the human resource capacity of the public sector. The Sri Lanka labour force statistics quarterly bulletin, 2020 reported that the number of employees in the public sector was approximately 1.2 million, which was 15% of the total employed population in Sri Lanka [3].

Upon retirement some of the public sector employees are entitled for defined benefit pension scheme and others are under contributory pension scheme. Earlier mandatory retirement age of the public sector employee in Sri Lanka was 55 years and with the gradual

increase of the elderly population in the labour market and its impact and considering the demand for retired employees from their previous organizations, government subsequently decided to extend the retirement age. Currently, the Minutes on Pensions in Sri Lanka (Ordinance No. 02 of 1947), offers 2 alternative paths for retirement as; optional retirement (in between 55 – 60 years of age) and compulsory retirement at the age of 60 years [4]. Having understood emerging labour shortage in Sri Lanka [5], discouraging retirement and/or early retirement would be a better option for maintaining adequate labour force for the country.

The recent world demographic indicators revealed that, the trend of rapid growing rate in the elderly population of age 65 and above. Many of Asia's retirement-income systems are ill prepared for the rapid population ageing that will occur over the next two decades [5]. The demographic transition – to fewer babies and longer lives – took a century in Europe and North America. In Asia, this transition will often occur in a single generation. Asia's pension systems need modernizing urgently to ensure that they are financially sustainable and provide adequate retirement incomes. Further, the report highlighted the gravity of the problem by projecting the elderly population (age of 65 and above) for future decades in selected countries in Asia.

Continuous growth in elderly population in a county makes unfavourable impacts over health sector, housing, transportation, labour market, public expenditure of the country. Considering a person retired at the mandatory age of 60 and the average life expectancy at birth in Sri Lanka is 74. Going back to the traditional society, it has been found a family- based social security system in a part and parcel of the culture of the Asian countries. However, with the gradual economic and social transitions in the society associated with industrialization, urbanization, migration, high labour participation led to collapse that system, urging the necessity of having more formal social security arrangements. However, respecting the welfare policies of the government, supporting ageing people has become an obligatory matter of the government as well. According to the statistics from the department of pension in Sri Lanka, the total amount of pension payment in December, 2019 was approximately US\$ 1.1 million [6].

Further direct consequences can be visible in the labour market, making a short of labour supply [7,8]. Because of the lower retirement age, a large number of employees take exit routes annually from the labour market whilst with the lower fertility rate, the number of younger employees who enters into the labour market shrinks gradually. Those trends would set a huge gap in Sri Lankan labour market, creating economy more tensed situation. On that premise, the decision of extending retirement age that has been taken by the Sri Lankan government would be a viable solution to address the future negative repercussions emerged due to elderly population. According to the OECD 2012 report urged the necessity of extending retirement age of Asian context by comparing with the OECD countries. Generally, the most common pension age in OECD countries is 65. In contrast, the average pension age for men in Asia/Pacific economies outside the OECD is around 59 while for women it is just 57 [5].

The given all above data and information emphasized the necessity of understanding factors which affect the retirement age decision among the public sector employees, enabling to shape up the labour market dimensions and to establish appropriate social security agenda. Thus, this kind of study would be helpful to create innovative methods of accommodating elderly population in the labour market further and to make use those human resources in a productive manner.

In the light of all those considerations, this study aims to find out factors affecting intended retirement age decision among the public sector employees in Sri Lanka.

1.1 Literature Review

Available theoretical and empirical studies on retirement intention are widely discussed under this section. At the inception, theoretical framework of the study, i.e. Theory of Planned Behaviour is explained and later on study focuses on supportive literature to identify the factors behind intended retirement age. While elaborating the relationship between the dependent variable (intended retirement age) with each independent variable, researcher is further indicating the assumed hypotheses which are going to be tested in the study, at the end of each independent variable explanation. As the final output of the literature review, study puts

forward the conceptual framework developed by the researcher.

1.1.1 Theoretical background

In the mid 1980's organizational psychologists moved into the retirement research sphere, which previously had been dominated by sociologists. Sociological research had focused primarily on the personal factors relating to retirement. This study, researcher will adopt the Theory of Planned Behaviour (TPB) [9], that has been widely used in predicting and explaining behavioural intentions. The model is proposed by Icek Ajzen in 1988 to enhance the predictive power of the Theory of Reasoned Action (TRA). Behavioural intentions are considered to be representations of people's plans of action that summarize their motivation to engage in a certain behavior. The more motivated people are to engage in the specific behavior, the more likely its successful performance will be [10]. Although there is not a perfect relationship between behavioural intention and actual behaviour, intention can be used a proxy measure of behaviour. Behavioural intention refers to the amount of effort a person exerts to engage in behaviour. It captures the motivation factors necessary to perform a particular behavior. That is, the more a person intends to carry out the intended behaviour, the more likely he or she would do so [11].

The theory mainly suggested three independent determinants of intentions namely; Attitudes, Subjective Norms and Perceived Behavioural Controls (PBC). According to Ajzen (1991), Attitude toward behaviour is the person's favourable or unfavourable feeling of performing that behaviour and is determined by behavioural beliefs about the outcome of the behaviour and evaluation of the outcome [9]. Subjective Norm refers to the individual's perceptions of social pressure in performing or not performing a given behaviour and is determined by normative beliefs which assess the social pressures on the individual about a particular behaviour. Finally, Perceived Behavioural Control is thought to be a function of control beliefs about the perceived ease or difficulty of carrying out the intended behaviour and may have both direct and indirect effects on behaviour. Generally, the more favourable the attitude and subjective norm, and the greater the perceived behavioural control, the stronger should be the individual's intention to perform a particular behaviour [12].

The relative importance of attitude, subjective norm, and perceived control can vary across behaviors and situations [13]. Nonetheless, the theory of planned behavior has been applied in a wide range of domains, such as employee turnover [14], career information-seeking [15], and health [16]. In all studies, the model has demonstrated promising use in predicting intentions and subsequent behavior.

1.1.2 Factors affecting intended retirement age

1.1.2.1 Attitudes towards retirement (AT)

In the theory of planned behavior, an attitude toward a behavior refers to the degree to which the person has a (un)favorable evaluation of this specific behavior. The nature of the attitude towards the retirement will determine the time of retirement decision. The TPB predicts that older employees will develop an intention to retire early when they have a positive attitude toward early retirement, and that they will intend to continue working when they have a negative attitude toward early retirement [10]. Newman et al suggested that those who hold negative views of retirement may not want to think about or prepare for a perceived negative event [17]. In contrast, those with positive perceptions of retirement may do more planning in order to fulfill their expectations. Thus, the study assumes that employees who have positive attitudes towards retirement will lead to an early retirement.

1.1.2.2 Subjective norms

The theory of planned behavior also predicts that employees' intentions toward retirement will be influenced by employees' subjective norm, i.e., perceived pressures from the work and non-work social environment. The tension over employee may occur due to their family, friends or employment itself have direct impact on retirement decision on employee's life. If the job is not satisfied or poor family relationships may create stressful situation for the employee. Hence, the study is exploring two major forces which affect the retirement decision of the employees; i.e. job satisfaction and family relationship of the employee under the work and non-work conditions respectively.

1.1.2.2.1 Job satisfaction (JS)

The term job satisfaction means the sense of fulfilment and pride felt by people who enjoy their

work and do it well [5]. Shafritz (2004) defined it as, "the totality of employees' feelings about the various aspects of their work" [18]. These emotional states span the gamut of positive and negative emotions, and studies find that people who experience positive feelings about their job also report high levels of job satisfaction. Mein et al. demonstrate that British civil servants who are less satisfied with their jobs are also more likely to retire early [19]. Hansson et al. suggested the third category of reasons why employees retire early was the psychological factors related to job satisfaction (the first categories related to financial and health issues) [20]. However, dissatisfied employees were looking and finding alternative ways of being rewarded, including lifestyle choices and satisfaction outside the workplace [21]. On the basis of the above literature, this study also assumes there is a positive relationship between job satisfaction and intended retirement age.

1.1.2.2.2 Family relationships (FR)

Because full retirement constitutes a transition from work to leisure, which frequently takes place in the household context, some retirement models assume that retirement behavior is at least partially contingent on selected spouse and family characteristics [22]. Spouses who have a close relationship, live in a satisfactory marriage, and appreciate the time they spend together are more prone to retire early than couples in conflict-laden marriages [23,24]. The latter may perceive work as a haven from stressful family situations [25] and may therefore seek to postpone retirement.

The tight family bonds in the Asian context, sometimes would not allow older parents to continue in their employment if children are in a position to look after the parents. Therefore, children may force their parents to have an early retirement and spend the rest of their life leisurely. Especially in Sri Lanka, married children with kids are willing to bring up their kids with the close association of grand-parents, particularly with grand-mothers rather than keeping them with a caretaker or at a daycare centers. On the other hand, grand-parents are too happy to spend their older age in an extended family environment, being mutually supportive to each other. Based on such cultural and religious values in the Sri Lankan society, researcher believes that close family relationships will persuade people to go for an early retirement decision.

1.1.2.3 Perceived behavioural control

Perceived Behavioural Control is the extent to which a person feels able to enact the behaviour. It has two aspects: how much a person has control over the behaviour and how confident a person feels about being able to perform or not perform the behaviour. Given the context of retirement intention, researcher is going to test the employees control/ confident over two main criteria; anticipated financial position and perceived health condition of the employee. Perceived control should not be equated with "health and wealth," although these variables may severely limit the freedom of employees to decide on their retirement age, and there is extensive evidence that these factors are important predictors of retirement age [26].

1.1.2.3.1 Anticipated financial position (AFP)

Economists propose that the worker facing a retirement decision chooses between two different streams of income and treats pension rights as an asset whose value changes with the age of retirement (because the likely number of years the person will live and require income varies inversely with age of retirement). The wealth variable therefore reflected the level of predicted income and financial security in retirement [27]. An individual's financial situation includes issues of savings, both personal and superannuation, housing ownership, other investments, dependence of others (children, elderly parents, sick-relatives), expected income stream from combined pension and superannuation, and adequacy of health insurance [28,29]. Reviews of research on the predictors of retirement decisions consistently conclude that finances, in some form or other, are the strongest single predictor of the decision to retire. In other words, people are generally more likely to leave the workforce if they can financially afford to retire than if they cannot [27]. In this study too, researcher assumes there will be a negative relationship between the anticipated financial position and intended retirement age of the employee.

1.1.2.3.2 Perceived health (PH)

Health is another logical and highly consistent predictor of anticipated retirement age. Generally, it appears that, if a health problem is an impediment to performing one's job, the individual will intend to retire earlier than if it is not [30]. Parnes and Sommers argued one of the key influences of continuing to work was

individual good health [31]. In the study of McPherson & Guppy, described that physical health has repeatedly emerged as an important determinant of a number of retirement behaviors and attitudes [32]. Those who are in better health tend to choose later retirement dates than those who are in poorer health. Based on those findings researcher is expecting to have positive relationship among perceived health condition of the employee with intended retirement age.

2. METHODOLOGY

The study used quantitative approach. The public sector in Sri Lanka is consisted with State sector employees (Central Government), Provincial Public Service and Semi-Government employees. According to the Census of Public and Semi-Government sector employment conducted in 2016, the total number of employees in the Public and Semi Government sector is 1,117,808 excluding the staff of army, navy and air force [33]. For the study, it is considered only the employees in the central government in Sri Lanka who are employing in ministries, departments and other institutes. The total percentage of employees under the central government is approximately 492,280 employees. Further the type of the employees in central government can be categorized into three namely staff officers, subordinates and minor staff. Therefore, the focus of the study is restricted only for the staff officers who are serving in the central government. The reason behind the selection of staff officers is to maintain the homogeneity in the sample in terms of remuneration, experience in the public service, other retirement benefits and etc.

Based on the Yamane's Table [34], the size of sample is 400 employees and the staff grade officers in the Central Government, who are over the age of 50 are selected for the sample. Henkens and Tazelaar [23] suggested that the validity of the anticipated retirement age predictor is improved if individuals are nearing retirement age.

Data was collected in 2016 (from January to June) by using a self-administered questionnaire distributed among the public sector staff officers. Researcher circulated 500 questionnaires and responses were received only from 425 employees. Out of them 25 questionnaires were incomplete and removed from the study, which ultimately made the response rate at 80%. The questionnaire, it consists with two pages and

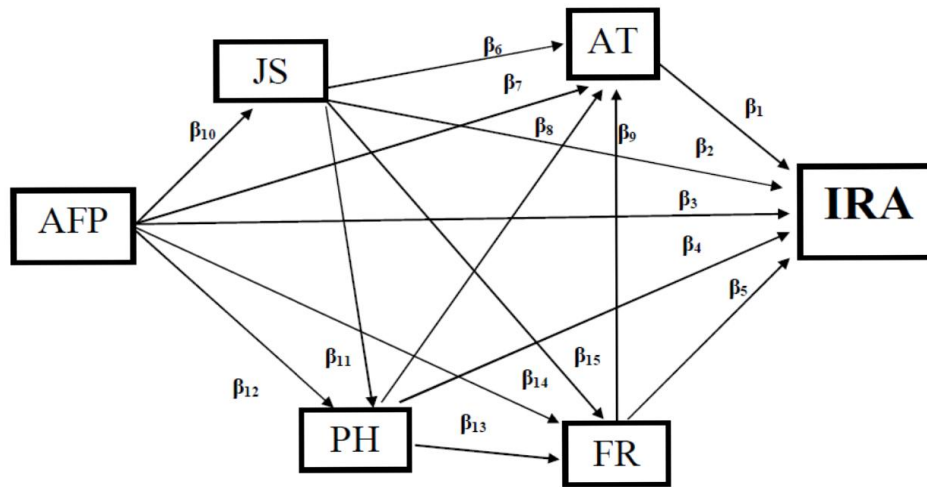


Fig. 1. Conceptual framework for deriving hypotheses

divided into three parts namely personal information, employment information and rating of identified factors. Under the personal information 5 questions relating to the demographic information are asked to understand the nature of the employee. From question number 6 to 12, responses are expected very short manner relating to the employment and retirement. Part three (from question number 13-16) of the questionnaire is about the self-rating of factors by using 5-point Likert scale. For the data analysis stepwise regression and path analysis were used.

2.1 Variable Definition and Measurement

2.1.1 Dependent variable

As mentioned at the onset, the definition of retirement has been changing in recent years and retirement does not necessarily mean an employee is completely away from paid work or quitting from the full-time employment. Today many retirees involve in part time or voluntary engagement even after their official retirement. Therefore, it is difficult to distinguish retirement from employment. Having considered several definitions, study focused on the retirement definition given by Feldman [35]. Retirement is “the exit from an organizational position or career path of considerable duration, taken by individuals after middle age, and taken with the intention of reduced psychological commitment to work thereafter”.

The intended retirement age is measured by one item that asked “what is your intended retirement

age?” Respondents are required to mention a specific age that they are planning to retire, and it is a continuous variable. This retirement intention item is like measures used by other researchers Adams [36], Beehr et al. [27], Taylor and Shore [37].

2.1.2 Independent variables

2.1.2.1 Attitude towards retirement

To measure the attitude of the employee on retirement, researcher has given two options on the basis of willingness as “positive attitude” and “non-positive attitude” (i.e. having a negative or indifferent attitude towards the retirement). Respondents were supposed to select one appropriate option according to their choice and it is considered as a dichotomous variable is coded as 0-non-positive attitude and 1-positive attitude.

2.1.2.2 Subjective norms

Job satisfaction is measured via a multi-item scale developed by West et al. [38], used to measure the job satisfaction of the public managers. Respondents will be given 6 questions about their willingness to work, opportunities for achievements, recognition, discretion, meaningfulness, and advancement in their jobs. Since it is an ordinal variable researcher will use 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). The responses for 6 items were summed up and used the average composite value ranging from 1-5 in order to gauge the job satisfaction of the employee.

Family relationships are measured by using a single item scale developed by researcher, asking the respondent to rate on the statement of “I like to spend more time with my spouse and children” on 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree).

2.1.2.3 Perceived behavioural control

After extensively reviewing literature about the anticipated financial position on retirement, researcher developed a 5-item scale which gives an idea about overall potential financial position of the employee. It measures the current salary, other income sources, pension benefits, properties and vehicle ownership of the employee. This ordinal variable is measured by using 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Then researcher summed up the responses for 5 statements and used the average composite value ranging from 1-5 in order to gauge the anticipated financial position of the employee. Similar type of 5-item financial preparedness scale was used Hershey et al. [39] measuring the ownership of home, a rental property, personal savings, private pension, or either managed funds or shares and concluded that the ownership of these assets often features in the retirement plans of many people.

Perceived health is measured by a single item developed by Baily (1987) and later the same scale was used by Taylor and Shore [37]. The respondent is supposed to rate the statement of “I believe my overall level of health will allow me to continue working as long as I want” [30]. A 5-point Likert scale is used ranging from 1 (strongly disagree) to 5 (strongly agree).

2.2 Hypotheses Development for Path Analysis

Hypotheses of the study are derived to ascertain which factors have direct and indirect impact over the main dependent variable of Intended Retirement Age (IRA). Below conceptual study of the study was developed based on the reviewed literature.

H1: Perceived Health and Job Satisfaction have a positive direct effect whilst Positive Attitudes, Anticipated Financial Position and Family Relationships have a negative direct effect on the Intended Retirement Age.

$$IRA = \beta_0 - \beta_1 AT + \beta_2 JS - \beta_3 AFP + \beta_4 PH - \beta_5 FR + \epsilon \dots\dots\dots(1)$$

H2: Job Satisfaction, Anticipated Financial Position, Family Relationship have a negative direct effect, but Perceived Health has a positive direct effect on the Attitudes of the employee towards the retirement.

$$AT = \beta_0 - \beta_6 JS - \beta_7 AFP + \beta_8 PH - \beta_9 FR + \epsilon \dots\dots\dots(2)$$

H3: Family Relationships of the employee are positively and directly affected by Job Satisfaction, Anticipated Financial Position, Perceived Health whilst indirectly affect the Intended Retirement age through Attitudes.

$$FR = \beta_0 + \beta_9 JS + \beta_{10} AFP + \beta_{11} PH + \epsilon \dots\dots\dots(3)$$

H4: Perceived Health of the employee is positively and directly affected by Job Satisfaction and Anticipated Financial Position whilst indirectly affects the Intended Retirement Age through Attitudes and Family Relationships.

$$PH = \beta_0 + \beta_{12} JS + \beta_{13} AFP + \epsilon \dots\dots\dots(4)$$

H5: Job Satisfaction is positively and directly affected by Anticipated Financial Position whilst and indirectly affects the Intended Retirement Age through Perceived Health, Family Relationships and Attitudes.

$$JS = \beta_0 + \beta_{14} AFP + \epsilon \dots\dots\dots(5)$$

3. RESULTS AND DISCUSSION

3.1 Descriptive Statistics

The composition of the sample is, 56% of female and 44% of male and majority of them are married (62%), one fourth of the sample is divorced and 13% is still unmarried.

All the variables in the study were tested for Normality, Linearity (both univariate and multivariate), Heteroscedasticity, Outliers (both univariate and multivariate) and there were not major violations in the assumptions. Multivariate outliers are tested by using Mahalanobis Distance value and it is found that calculated value 10.456 is smaller than the critical value of 16.27 (for three dependent variables) and confirmed no violation. Residual scatter graph depicts that the variable of Intended Retirement Age violated the Homoscedasticity, but then the larger sample size is reasonably robust enough to tolerate such modest violation.

The mean of the IRA is approximately 56 years which indicates that public sector employees tend to leave the organization by taking optional retirement pathway. Though the government extended the compulsory retirement age of 60, on average people take an early retirement. Also the average monthly anticipated financial position of the employee is around US\$ 343 and it seems they are enjoying a moderate Health, Job Satisfaction and Family Relationships in their usual life (see Table 1).

Multicollinearity and Singularity of the Independent Variables were checked by using the Correlation Martix and the VIF and Tolerance values. Though significant relationships among the IVs were found the effect size is less than the accepted value of $r = 0.7$, ensuring no violation of the assumption. Pallant [40] describes that, smaller values for Tolerance (less than .10) and VIF values less than 10 confirm s absent of Multicollinearity problem and all the values of IVs endorse that no violation of the assumption in the study.

3.2 Stepwise Regression

To verify the factors affecting IRA, a path analysis was conducted using Stepwise Regression method to ensure that only significant effects on dependent variables are reflected upon. PASW SPSS version 19 software package was employed in performing the model. The main endogenous variable in the model is IRA and Attitudes, Finance, Job Satisfaction, Health and Family Relationships are considered as exogenous variables. After running five

stepwise regression analyses for five hypothesized equations, significant standardized beta coefficients were considered for the analysis purpose. Table 2 summarizes the results of four equations and the impact of each independent variable on dependent variable.

The standardized coefficients present in the Table 2 revealed that, as theory suggested all the five independent variables have significant impact on the IRA and the goodness of the model is 39% ($F(5, 394) = 50.564, p = 0.001$), which explained the variation of the IRA by the IVs in the model. Recording the highest total effect among others (direct plus indirect effect), Perceive Health has become the main factor ($\beta = .506$) caused the IRA. The positive direct effect of health can be explained as every 1 std. deviation increases in the Perceived Health leads to increase the IRA by .422 standard deviations. This relationship has been proved by many empirical researches mentioned in the literature. If employees believe that they are in good health, they have the passion of continuing their employment. As the Theory of Planned Behaviour suggested that, Positive Attitude of the employee towards retirement made a negative effect on the IRA ($\beta = -.277$), which described that, more the people have positive attitude towards their retirement, they prefer to take an early retirement. Similar studies done by Adams & Beehr (1998) Cron, Jackofsky, & Slocum, (1993), Huuhtanen & Piispa, (1992), Shultz, Taylor, & Morrison, (2003), Wang, Zhan, Liu, & Shultz, (2008) confirmed the same relationship between the employee attitudes and IRA.

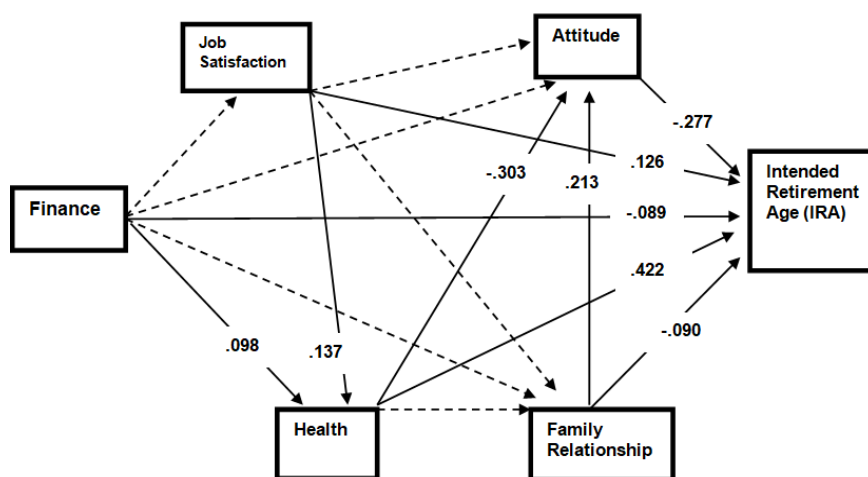


Fig. 2. Path analysis
 Significant Path —————>
 Not Significant Path - - - - ->

Table 1. Descriptive statistics

	IRA	Attitude	Finance_ \$	Health	Job_Sat	Fam_Rel
IRA	1.000					
Attitude	-0.425*	1.000				
Finance_ \$	0.116*	-0.002	1.000			
Health	0.530*	-0.310*	-0.028*	1.000		
Job_Sat	0.187*	0.180	-0.082*	0.132*	1.000	
Fam_Rel	-0.174*	0.222*	0.055*	-0.031	-0.032	1.000
Tolerance	-	0.854	0.990	0.833	0.971	0.944
VIF	-	1.171	1.010	1.133	1.030	1.059
Mean	56.14	.38	342.73	3.19	2.770	2.97
Std. Deviation	3.532	.024	77.61	1.053	.8995	1.167
Minimum	50	0	192.31	1	1	1
Maximum	65	1	630.77	5	5	5
Skewness	-.343	.485	.976	-.246	.241	.068
Kurtosis	-.782	-1.773	.979	-.702	.166	-.793

N=400; *p<0.01

Table 2. Summary of direct and indirect effects

DVs	IVs	Total correlation	Effect			Change
			Direct	Indirect	Total	
IRA	Attitude	-0.425	-0.277*	-	-0.277	-0.148
	Finance	-0.116	-0.089*	0.049*	-0.040	-0.076
	Health	0.530	0.422*	0.084*	0.506	0.024
	Job Satisfaction	0.187	0.126*	0.011*	0.137	0.050
	Family Relationship	-0.174	-0.090*	-	-0.090	-0.084
Attitude	Health	-0.310	-0.303*	-	-0.319	0.009
	Family Relationship	0.222	0.213*	-	-0.134	0.088
	Finance	-0.002	-	-0.029*	-0.029	0.027
Health	Finance	0.028	0.098*	-	0.098	-0.070
	Job Satisfaction	0.132	0.137*	-	0.137	-0.005

N=400; *p< 0.01

Job Satisfaction of the employee directly and indirectly affects IRA in a positive manner indicating standard coefficient of 0.137, i.e. Job Satisfaction motivates employees to further postpone their IRA. The direct effect of Job Satisfaction on IRA ($\beta = .126$) implies that, IRA is extended by .126 std. deviation whenever Job Satisfaction is increased by 1 std. deviation. Empirical research shows that the job satisfaction of public employees is mainly influenced by the intrinsic nonmonetary characteristics of their work, such as advancement opportunities, professional development, and meaningful work [38]. Hence, employees in the public sector who gain much satisfaction in their jobs would prefer to have a late retirement.

As hypothesized, the study indicates negative yet direct effect of Family Relationships over IRA ($\beta = -0.090$), which says that having a healthy family relationship encourages employee to

take an early retirement. This result has been confirmed by previous study revealing that especially close spousal relationship compels the employee to take an early retirement for spending time together after retirement [41].

Though researches from other countries found that Anticipated Financial Position as the strongest and most consistent predictor for IRA [23], Sri Lankan study has made the lower direct effect of -0.089 and it has been further reduced by indirect effect of 0.049. Hence the total impact on IRA is small and negative (-0.040), which describes that employee who is anticipating higher financial position would decide to retire early. It is possible that many public sector employees in Sri Lanka believe that, the government policy has a social welfare orientation and government will support them in retirement. This argument has been equally applied in the research in New Zealand on

intended retirement decision, which has similar government policies [42].

The Attitudes towards the retirement is directly but negatively affected by health of the employee ($\beta = -0.319$), indicating good health of the employee would lead to have a non-positive attitude towards retirement and make a delay in IRA. Also, direct effect of the family relationship negatively affects ($\beta = -0.134$) the Attitudes and it again postpones the IRA. The small and indirect effect could be found in Anticipated Financial Position of the employee on Attitudes. As per the model 14% ($R^2 = .141$) of the total variation in the Attitudes were explained by the predictors.

Other statistically significant relationship can be identified in Job Satisfaction and Anticipated Financial Position on Health factor. Both the predictors made a direct and positive effect on health. Among them Job satisfaction has become the main factor which influence on health showing coefficient of 0.137. In the studies of Beehr [43], Kahn & Byosore [44], Karasek & Theorell [45], Lu [46], Siegrist [47] have presented the similar results of how job satisfaction influences the perceived health of the employee. Anticipated Financial Position of the employee showcased that, increase in 1 standard deviation in Finance would increase the perceived health of the employee by 0.098 standard deviations.

4. CONCLUSION AND RECOMMENDATIONS

The objective of the study is to examine the factors influencing intended retirement age among the public sector employees in Sri Lanka. It was found that Perceived Health, Attitudes, Job Satisfaction, Family Relationships and Anticipated Financial Position have direct and indirect effects on IRA. Among those factors Perceived Health and the Attitudes of the employees were found as the major factors behind IRA decision among the public sector employees in Sri Lanka, indicating policy implications for public sector organizations.

In the midst of the ageing arena in Sri Lanka, if the public sector organizations want to retain their employees further, they need to consider about the health of the employees. One such main step that can be taken by the government organization is to introduce healthcare insurances for the employees, which may feel employees that, they are secured and supported

by the organization to look after their health conditions.

In addition to that Attitudes of the employees influence on IRA. Designing and maintaining an attractive organizational environment and friendly organizational culture can facilitate employees to have a psychological impact in changing their attitudes to postpone their early retirement or go for late retirement. These measures also can be served as methods of creating job satisfaction among the public sector employees. The findings of the study provide insights to policy formulators when designing human resource policies for public sector organizations.

COMPETING INTERESTS

Author has declared that no competing interests exist.

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