

EMPLOYEES' PERCEPTIONS OF THE FACTORS AFFECTING THEIR DECISIONS TO RETIRE

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ABSTRACT

The ageing workforce has created a number of issues, one of which is the increased interest in, and importance of, the retirement of older workers. Governments are encouraging older workers to continue working later in life, and to delay their retirement to offset the dependence on the support of (the fewer) younger workers. The findings from the quantitative analysis suggest that age has a significant moderating impact on the way employees perceive four traditional retirement factors (intrinsic, health, financial and organisational policies and practices). Similarly, the findings from the quantitative analysis suggest that employees' perceptions of autonomy in relation to when they retire are significantly affected by those four traditional retirement factors, with the factors of 'financial' and 'organisational policies and practices' being the two significant factors.

Key words: Older workers, retirement, retirement intentions, human resource management, the ageing workforce.

INTRODUCTION

The population of Australia is ageing, and, by world standards, the population can already be described as old (Australian Bureau of Statistics 2003a). Like other developed countries, the average age of people in the Australian workforce is increasing, with people also generally living longer. The Australian Bureau of Statistics (2003a) forecasts the proportion of Australia's population over the age of 65 years will double by 2051. The labour force is projected to age quite dramatically, with over 80% of the projected increase occurring in the age group of 45 years and over (Australian Bureau of Statistics 1999). The ratio of older persons per 100 persons of working age is projected to increase from the present 16 to nearly 29 persons per 100 by 2051.

Despite the ageing population, older workers find it harder to get and keep a job. They are kept out of the workforce for longer, and suffer from the effects of ageism (Encel & Studencki 2004). In addition, most older workers in Australia are retiring early—before the traditional age of retirement of 65 years. In 1998, the average age of retirement from full-time work was 48 years (58 for men and 41 for women) (Australian Bureau of Statistics 1998). Combined with decreasing average hours worked (caused mainly by the increase in part-time work compared with full-time work), and the continuing trend for early retirement, this decline means that the future pool of skilled labour is likely to be insufficient (Australian Bureau of Statistics 2004, Productivity Commission 2005). Hence, to reduce the potential

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labour shortfall, there is a need to understand what factors affect employees' decisions to retire.

The reasons for retiring are individual and influenced by a number of factors. Patrickson and Hartmann (1992) argued there are three main factors that contribute to older workers' decisions about retirement—health, financial circumstances and employment opportunities. A similar three main influences were identified by Hansson, DeKoekkoek, Neece, and Patterson (1997) and Patrickson and Clarke (2001): (i) financial status; (ii) physical limitations and health problems that inhibit a person's ability to work; and (iii) psychological factors such as diminished job attachment, satisfaction with career attainment, and anxieties about separation from the workplace. However, Wolcott (1998) suggested the main reasons for retiring were family, health, redundancy/employment, partner considerations, and wanting to pursue different activities. Evidence from longitudinal data from the USA, found pension-plan incentives, health status, job difficulty, and an interaction with the spouse's choice of retirement were the most important factors in the retirement decision (Gustman & Steinmeier 1994). Overall, there appear to be three main influences, with a variety of sub-influences, affecting retirement decisions.

Another important factor affecting the decision to retire is the organisational policies of firms. Drucker (2001, p. 21) argued: 'today's human resource managers still assume that the most desirable and least costly employees are young ones'—leading to older workers being 'pushed into early retirement' to make room for the 'younger people who are believed to cost less or to have more up-to-date skills'. It appears the majority of Australian organisations have not acknowledged the predicted labour shortfall as a consequence of the ageing workforce, and have 'continued to reduce their older workforce' (Hartmann 1998, p. 10). Drucker (2001, p. 21) recommends enterprises must 'attract, hold and make productive people who have reached official retirement age'.

Whilst there is some consensus about the importance of particular recognised retirement factors (financial, health, organisational policies and practices, and intrinsic) in the decision to retire, it is unclear how certain characteristics of Australian employees affect their perception of these factors. This research will explore two of these characteristics—age and perceived autonomy about when to retire. Therefore, the research question is:

How do the characteristics (such as age and perceived autonomy about when to retire) of employees affect how they perceive recognised retirement factors in their decisions to retire?

The paper begins with a review of relevant literature from which secondary research questions emerged. The second part of the paper explains the mixed methods approach used to investigate how the characteristics of employees can affect their perception about recognised retirement factors when considering the retirement question. That section is followed by the results, which are discussed in terms of the existing literature.

BACKGROUND

Workforce Demographics

Australia's ageing profile is a consequence of the post World War II baby boom, declining post-war birth rates, the immigration of people of working age, the increased time spent in education, with the consequent decrease in the number of young people available for the full-time labour force, an increased number of older women in the labour market, who fill a large proportion of part-time and service sector jobs, as well as increased longevity (ACIL Consulting 2000, Department of Parliamentary Services 2005). The Australian 'Baby Boomer' generation (those born between 1945-1960) has now progressed through to the brink of retirement and in 10 years will create a 'bulge' of 65-year-olds. However, ageing largely causes a decline in workforce participation rates because, as people grow older, they participate less in the labour force, retiring or leaving the workforce well before their sixties. In 2003, most men (90.2 percent) and women (74.2 percent) aged 45 to 54 years were in the labour force. By comparison, of those aged 55 to 64 years, only 66.7 percent of men and 43.7 percent of women were in the labour force that same year (Australian Bureau of Statistics 2004).

Such demographic changes in Australia's future workforce highlight the need for organisations to prepare their organisational structures and processes to delay the retirement of skilled older workers. Steinberg, Walley, Tyman and Donald (1998, p. 60) argued that in the past, older workers suffered high levels of unemployment and retrenchment, and that 'clearly the most effective action is preventative—retaining older workers in their jobs. Failing that, re-employment becomes crucial'. Such an approach is starting to become a necessity, rather than simply being 'politically correct'. Encouraging older workers to continue working has become a government initiative, both in Australia and overseas, to address such shortages of labour (Productivity Commission 2005).

However, little is known about how the characteristics of employees affect their perceptions of retirement factors when deciding to retire. Hence, there is a need for research from the perspective of employees to further understand the characteristics that influence employees in their retirement decisions. This paper will focus on two such characteristics—'employees' age' and 'employees' perceptions of autonomy in making decisions about retirement'.

FACTORS AFFECTING THE RETIREMENT DECISION

Age

The age at which any individual retires will reflect their circumstances, choices, and constraints. Hansson et al. (1997) argued retirement is rarely based on one influence alone, but that several variables affect the decision. According to Patrickson and Ranzijn (2004), individuals have 'bounded choices' about retirement, each needing to take into account the constraints of their financial position, health situation, and motivation to work. Employers contribute to these bounded choices by their offering, or not, suitable employment, and governments also contribute with policies and incentives concerning taxation, superannuation, and age pension benefits. In contrast, Parnes and Sommers (1994) described some older workers who were 'shunning retirement', based on their good health, continued psychological commitment to work, and dislike of retirement.

In Australia, the Australian Bureau of Statistics (1998) asked those aged 45 and over when they intended to retire from full-time work. Those who intended to retire aged 55-64 were 30 percent of the males and 44 percent of the females (an average of 37 percent of all those asked). Those intending to retire aged 65 and over were 34 percent of the males and 14 percent of the females (average of 24 percent). Those who did not know at what age they would retire were 34 percent of males and 38 percent of females (average of 36 percent) (Australian Bureau of Statistics 1998). To examine the significance of age in affecting how employees perceive traditional retirement factors when considering the decision to retire, the following secondary research question (SRQ1) was developed:

SRQ1: How significant is age in affecting how employees perceive traditional retirement factors in their decisions to retire?

Financial circumstances

One of the important factors concerning the retirement decision is that of the individual's financial circumstances. 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 (Karoly & Rogowski 1994; Wise 1996; Patrickson & Ranzijn 2004). If finances are very healthy, then the decision to retire may be possible at any age or stage. On the contrary, if finances are very unhealthy, the option to retire may not be realistic at a particular point in time.

One effect of longer life expectancy is that people commonly having children later in life, and hence, they may still be financially responsible for children at the traditional retirement age of 65 years. In addition, these same people may have parents that are still alive and if they are, their health care costs are likely to be greater and to go on for longer. In other words, the 'older Baby Boomers are already becoming financially sandwiched in their need to provide for two other generations' (O'Neill 1998, p. 178). Both these financial imperatives, plus the strong likelihood that they will live longer than their parents did due to healthier lifestyles and improvements in medicine, may push workers to continue working or attempt to return to the workforce. Moreover, the likelihood that government-funded social service payments will dwindle and individuals will need far more to financially fend for themselves, suggests that some older workers will be forced to continue working because they will be unable to live on their accumulated savings, superannuation and pension (Schwartz 1999). Evidence from the USA supports this possibility, as that country's economic crisis recently resulted in some older workers not being able to retire, and some retirees returning to work, because of their reduced retirement savings and investments (Kadlec 2002; Clement 2004).

In contrast, other research suggests that financial considerations were not the most important motivator in the decision to retire. For example, Leonard (1999, p. 28) reported a study finding a growing number of employers were asking older workers to remain on the job, and many of these older workers were staying on, not because of financial needs, but because their work colleagues had become like family to them, and 'their pride and self-esteem are also linked to the notion that they are making a contribution to society'. Likewise, Gardyn (2000) argued money was not the main motivator for older workers continuing to work, instead, the main motivators were found to be the desire to keep active and to maintain social interaction with others and to feel productive. To examine the significance of financial

security on employees' decision to retire, the following secondary research question (SRQ1) was developed:

SRQ2: How significant is financial security to employees' decisions to retire?

Health

Poor health seems to be a big motivator to retire early. Sheen (1999, p. 6) reported the major reason for retiring is ill-health or injury (37 percent of males and 19 percent of females), and retrenchment (15 and 11 percent, respectively), but argued ill-health may be a cover for stress, being under-valued or negative work environments. Parnes and Sommers (1994) similarly argued one of the key influences of continuing to work was individual good health. Wolcott (1998) found the main reasons for retiring at any age were family, health, redundancy/employment, partner considerations, and other reasons, such as wanting to pursue different activities. From such findings, it seems clear that health is a factor in retirement intentions.

Another important health factor is the health of the worker's partner (Talaga & Beehr 1995). Talaga and Beehr (1995) and Wolcott (1998) found if their partner is in poor health, men will continue to work to provide greater financial resources, while women will tend to leave the workforce, in order to directly care for their sick partner. To examine the significance of health on employees' decision to retire, the following secondary research question was developed:

SRQ3: How significant is health to employees' decisions to retire?

ORGANISATIONAL POLICIES AND PRACTICES

As stated earlier, organisational policies have traditionally been of little support in encouraging employees to stay working beyond the traditional age of retirement. In particular, Drucker (2001) criticised human resource managers for not supporting older workers and continuing to favour younger people. He further argued it was the responsibility of human resources managers to develop policies aimed at encouraging older workers to remain with them past the traditional retirement age (Drucker 2001).

Instead, the experience of older workers is that the majority retired for reasons beyond their control (81 percent of men and 64 percent of women), with the majority of these citing 'significant employment problems' prior to their retirement (Sheen 1999, p. 8). These reasons, she argues, may have been related to age victimisation in the workplace, the forceful use of casualisation of jobs, or the perception that older workers are poor performers. Since age discrimination still occurs in Australia (Encel & Studencki 2004), such arguments are likely to be valid. Hence, to date, instead of developing positive policies aimed at encouraging employees to remain working, it has often been organisational human resource management (HRM) policies that have encouraged older employees to retire early. To examine the significance of organisational HRM policies and practices on employees' decisions to retire, the following secondary research question was developed:

SRQ4: How significant are organisational policies and practices to employees' decisions to retire?

FLEXIBILITY OF WORKING ARRANGEMENTS

It is the organisation's responsibility to determine the working arrangements of its employees. In particular, there is some consensus that older workers want flexibility in their work arrangements if they are to continue working (Patrickson 2003; Phillipson 2004; Productivity Commission 2005). Yet, less than ten percent of employers reported introducing any flexible working arrangements such as part-time or casual work, or phased retirement programs (Parsons & Mayne 2001). Issues concerning the flexible nature of work and the variety of work arrangements are of importance, as these might be catalysts for older workers to be attracted to remain working. Older workers desire different working circumstances than the traditional full-time, office-based, standard hours. Research is limited (except, for example, Stein, Rocco & Goldenetz 2000; Myers 2001; Patrickson 2001; Patrickson & Clarke 2001) in the area of employees' views about staying or leaving the workforce. Investigation of flexible working arrangements will be included in the earlier research question, SRQ 3.

Intrinsic factors

Some research suggests that some older workers—particularly those in professional occupations—would be interested in working longer simply because they enjoy the job tasks and stimulation provided by colleagues (Leonard 1999, p. 28). Similarly, Hansson et al. (1997) 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). However, dissatisfied employees were looking and finding alternative ways of being rewarded, including lifestyle choices and satisfaction outside the workplace (Driver 1985). Thus, for many older workers, early retirement had become more attractive because the intrinsic factors that used to stimulate them had disappeared. Consequently, retirement is now viewed by many as a period of enjoyment and creative experience (Phillipson 2004). To examine the significance of intrinsic factors (job satisfaction) on employees' decisions to retire, the following secondary research question was developed:

SRQ5: How significant is job satisfaction to employees' decisions to retire?

PERCEPTIONS OF AUTONOMY ABOUT WHEN TO RETIRE

One factor that may affect employees' decisions to retire could be their perceptions about their level of autonomy in the decision-making. Employees' autonomy in the workplace refers to their ability to make decisions about how and when to undertake workplace tasks (De Jonge 1995), however, the issue is as relevant to employees considering when to retire. As evidence of such a relationship, early retirement was related to low levels of autonomy in job tasks among males in Norway (Blekesaune & Solem 2005). Moreover, Hansson et al. (1997) and Salter (2003) argued the decision to retire was related to the *choice* to retire, rather than being forced to retire.

There is a debate about whether employees' perceptions of autonomy in the workplace affect other factors such as job satisfaction, particularly for professionals (Hundley 2001). Whilst Patrickson and Ranzijn (2004) argued individuals make the decision to retire based on their 'bounded choices' when considering their financial position and health situation, it seems likely that other factors (such as their perception of autonomy about when to retire) may affect how they perceive these factors. It may be that when employees consider the HRM policies and practices at work and/or government policies and incentives concerning taxation,

superannuation, and age pension benefits, their decisions to retire depend on their perception about their autonomy to make the decision. To examine which retirement factors significantly impact on employees' perceptions of autonomy when considering retirement, the following secondary research question was developed:

SRQ6: Which retirement factors significantly impact on employees' perceptions of autonomy about when to retire?

In summary, the factors that appear to be important when considering retirement are financial considerations, health considerations, organisation HRM policies and practices (particularly in relation to the flexibility of working arrangements), and job satisfaction. It is unclear, however, whether the characteristics of the employees that affect the traditional retirement factors are significant. The significance of these factors for Australian public sector employees in two organisations is examined in the next section.

METHODOLOGY

This paper uses a mixed methods approach to examine what factors are important to employees when deciding to retire. Mixed methods research involves using both qualitative and quantitative research tools in a study (Rocco, Bliss, Gallagher & Perez-Prado 2003). The advantage of using both quantitative and qualitative research methods is that the former can be used to measure outcomes and the latter can provide a greater depth of understanding about 'complex interactions, tacit processes, and often hidden beliefs and values' (Marshall & Rossman 1989, p. 14). Quantitative data was obtained using a questionnaire, and is described below. Qualitative data was obtained using open-ended questions in the same questionnaire. Results for both methods are then discussed, and conclusions follow the discussion.

Sampling

Purposeful sampling underpins the sampling decision determining in which organisations to focus the study (Yin 1994). Both of these public sector organisations had a similar function in different regions and both organisations had previously identified their problem of the ageing workforce and had instigated some organisational policies aimed at encouraging employees nearing retirement to consider staying. Within the public organisations, only three sections were surveyed. These sections were chosen because the organisation had identified that these departments employed large numbers of professional or skilled employees predominantly aged over 45 years that the department was interested in encouraging to consider delaying retirement.

Questionnaires were emailed to half of the employees within the three departments (n=138 for Organisation A and n=80 for Organisation B), of which 97 completed useable responses (54 from Organisation A and 43 from Organisation B) were returned (a response rate of 40% for Organisation A and 48% for Organisation B).

Instruments

A questionnaire was developed to reflect a review of relevant literature (see Table 3). The questionnaire included three parts: a short demographic section (such as age and gender); statements that asked respondents to indicate their degree of agreement about the importance of several factors when considering retirement—financial considerations, health considerations, intrinsic factors and organisation HRM policies and practices—particularly in

relation to the flexibility of work arrangements (1=Strongly Agree through to 6=Strongly Disagree); and one open-ended question seeking a qualitative response. (See Table 3 for survey questions used to test different secondary research questions.)

RESULTS

Demographics

The sample included 79 males and 18 females. Tables 1 and 2 describe the age and qualifications distribution. Note that 77.6% of the sample is aged 41 years or older, and 34.7% is aged 51 years or older.

Table 1: Qualifications and age of respondents

Qualifications	Percent	Age Ranges (years)	Percent
Certificate	54.1	21 – 30	8.2
Diploma	18.3	31 – 40	13.2
Degree	8.1	41 – 50	42.9
Masters	5.1	51 – 60	20.4
Other	14.2	60 +	14.4

Table 2: Age at which respondents think that they will retire

Intended age of retirement	Percent
Under 45	3.1
46 – 50	5.1
51 – 55	17.3
56 – 60	34.7
61 – 65	36.7
Never	2

RESULTS FROM QUANTITATIVE ANALYSIS

To analyse the data in order to address the first secondary research question (*How significant is age in affecting how employees perceive traditional retirement factors in their decisions to retire?*), a hierarchical linear regression was undertaken. The dependent variable was 'intended age of retirement'. The independent variables were 'age', 'financial security', 'health', 'intrinsic factors' and 'organisational policies and practices'. The findings suggest a significant relationship between age of employees and intended age of retirement (Model One: $F=6.94$, $p<.05$, $R^2= 74\%$). The significant independent variable was 'age' ($b=.272$, $p<.000$). The independent variables accounted for 74% of the dependent variable. The findings for the hierarchical regression examining whether age of employees moderated their

perception of retirement factors suggest a significant relationship between independent variables ('age', 'financial security', 'health', 'intrinsic factors' and 'organisational policies') and the dependent variable—'intended age of retirement' (Model Two: $F=2.39$, $p<.05$, $R^2=12.6\%$). The findings also suggest that employees identify that the significant factor that will determine when they retire is their present 'age' ($b=.362$ $p<.000$) (see Table 3).

Table 3: Effect of age on employees' perceptions of retirement factors, and in turn, their intended age of retirement

VARIABLES	QUESTIONS USED IN SURVEY	BETA SCORES <i>Statistically significant beta scores</i> F=6.94 p<.05 R ² = 74% F=2.388 p<.05 R ² = 12.6%	MEAN AND STANDARD DEVIATION
	Model One		
	Model Two		
MODEL ONE			
Age	My age is (a) 21-30, (b) 31-40, (c) 41-50, (d) 51-60, (e) Over 60	.272*	
MODEL TWO			
Age	My age is (a) 21-30, (b) 31-40, (c) 41-50, (d) 51-60, (e) Over 60	.362*	
Financial factors		.019	4.6 (1.8) (M) 4.5 (2.2) (F)
	Money is a major influence in my decision to continue working		2.12 (1.4)
	I have enough superannuation		3.18 (1.3)
Health factors		.172	2.6 (1.2)
	I believe that I am in good health		2.02 (.93)
	My health interferes with my ability to perform my work tasks		1.76 (1.3)
	My state of physical health (eg overweight, arthritis) affects my ability to perform my work duties		3.14 (2.1)
Intrinsic Factors		-.081	2. (.94)
	I like to work.		2.05 (1.2)
	I enjoy working with my fellow workers		1.97 (1)
Organisational policies & practices	Firm X has a genuine interest in my physical and mental well being	-.112	2.5 (1.4)
	Firm X is helping me to improve my health		3 (1.4)
	I am aware of HR policies aimed at encouraging employees to stay at Firm X		3.6 (1.7)
	I would consider delaying retirement if Firm X allowed flexibility in my work schedule		2.5 (1.5)
	DEPENDENT VARIABLE: I intend to retire at the following age (a) Under 45, (b) 46-50, (c) 51-55, (d) 56-60, (e) 61-65 (f) Never		

* - Indicates significance at .05

** - Indicates significance at .001

To analyse the data in response to the second research question (*Which retirement factors significantly impact on employees' perceptions of autonomy about when to retire?*), a regression analysis was undertaken. The independent variables were 'financial security', 'health', 'intrinsic factors' and 'organisational policies and practices' and the dependent variable was 'employee perception of autonomy about when to retire'. The findings suggest that there is a significant relationship ($F=5.555$, $p<.000$, $R^2= 33.6\%$) with 'financial factors' ($b=.306$ $p<.05$) and "organisational policies and practices" ($b=.301$ $p<.05$) (see Table 4).

Table 4: Results from main effects regression examining retirement factors on employee's perception of autonomy

VARIABLES	PERCEPTIONS OF AUTONOMY
* -Indicates significance at .05 ** -Indicates significance at .001	BETA SCORES <i>Statistically significant beta scores</i> F=5.555 p<.001 R² = 33.6%
Intrinsic Factors	.259
Health Factors	.085
Financial Factors	-.360*
Organisational Policies and Practices	.301*
DEPENDENT VARIABLE: Autonomy about when to retire	'Overall, I feel I have control about when I will retire'

RESULTS FROM QUALITATIVE ANALYSIS

The first step in undertaking analysis of qualitative data is to reduce the data. The process used in data reduction is to categorise the data based on 'commonalities and differences' across emerging themes (Ghauri & Gronhaug 2002). The prevalence of each category is then calculated. The systematic patterns that emerge are then used to draw conclusions that can be used to address research questions (Ghauri & Gronhaug 2002; Yin 1994).

To gather data in response to the four secondary research questions that asked about the importance of financial, health, intrinsic and organisational factors on employees' decisions to retire, respondents were given space in the questionnaire to respond to the following question '*The things that would make me consider continuing to work at Firm X are...*'. An analysis of only the first issue raised by each respondent is included in the findings below (see Table 5).

Table 5: Categorised themes of responses and frequencies in relation to factors affecting employees' decisions to retire

CATEGORISED THEMES	FREQUENCIES
Financial Factors	24
Health Factors	4
Intrinsic Factors	24
Organisational policies and practices—particularly in relation to flexibility of work options (22 are specific to flexibility of work options)	30
I do not want to retire ever	3
No response	12

DISCUSSION

This paper had two foci. First, it examined whether age moderated employees' perceptions of retirement factors in deciding about retirement. Second, it examined which retirement factors impacted significantly on employees' perceptions of autonomy about when to retire. The paper also included secondary research questions that examined the impact of the four factors—'health', 'financial', 'intrinsic' and 'organisational policies and practices' on employees' decisions to retire.

The findings from the quantitative analysis suggest that age has a significant moderating impact on the way employees perceive those four traditional retirement factors (see Table 2). Similarly, the findings from the quantitative analysis in relation to the sixth secondary research question suggest that employees' perceptions of autonomy in relation to when they retire are significantly affected by the traditional retirement factors. In particular, 'financial' and 'organisational policies and practices' are the two significant factors (see Table 4).

Table 2 details the sampled employees' intended ages of retirement. Only 36.7% of employees intended to retire within five years of the traditional retirement age—the remaining 61% (excluding 2% who state that they are never going to retire) intended to retire aged 60 or earlier. Moreover, over a quarter of the sample intended to retire before the age of 55, in turn, adding weight to the ABS (1998) figures that identified the average age of retirement in Australia was 48 years, and 58 years of age for males. These figures suggest that this organisation (which comprises a predominantly male sample) resembles the majority of other organisations (ABS 1998) in that they are likely to lose their older workers to early retirement. Moreover, the findings suggest that their age will, in turn, be a significant factor in determining an employee's perceived level of autonomy in influencing the age at which

he/she will retire. This is because their present age is going to be a major determinant of their level of superannuation (and, in turn, the length of time left to build their superannuation). Perceptions of financial security can either enable an individual to voluntarily retire, or can influence them to continue working after their desired retirement age because they perceive that they do not have the financial security to leave. These financial concerns vary over time depending on a person's age.

Similarly, employees' perceptions of autonomy in deciding when to retire will significantly depend on their level of financial security, as well as their perceptions about the type of organisational policies and practices that are available to them (such as whether the organisation allows retirees to work part-time). This finding supports other research, which found that low autonomy in job tasks leads to early retirement for men (Blekesaune & Solem 2005) and that financial resources are important in the retirement decision (Phillipson 2004).

'Financial security' and 'organisational policies and practices' also emerged as significant factors in an analysis of the qualitative data. The importance of both factors can be explained using an example. Employees (in good health) may feel empowered if they believe that they can retire early and receive part of their superannuation payment whilst still involved in interesting part-time work. For other employees, the decision to retire may need to be delayed because they lack financial security and because their organisation is not flexible in their work arrangements. As such, these findings provide some clarity about Patrickson and Ranzijn's (2004) statement regarding employees having 'bounded choices' about retirement depending on their personal financial position, health situation, and possibly HRM conditions at work.

The importance of 'organisational policies and practices' emerged from both the qualitative and quantitative analysis. The qualitative findings suggest that 'flexible work arrangements' (the most dominant organisational policies and practices response) is becoming important for employees when considering the question of retirement. This finding supports earlier research about the need for, and gradual growth of, flexible work arrangements in organisations (Morehead et al. 1997; Patrickson 2003; Platman 2004; Phillipson 2004; Tabakoff & Skeffington 2000).

Further analysis of the qualitative data suggests that 'intrinsic' and financial factors followed as the next most important factors affecting employees when considering retirement. The (intrinsic) motivation to work can influence an individual to remain at work, or to retire early (Blekesaune & Solem 2005). These findings support earlier research that financial circumstances and the motivation to work are key influences on retirement intentions (Hansson et al. 1997; Patrickson & Clarke 2001; Patrickson & Ranzijn 2004).

The findings from this study have a number of limitations. One limitation of this study is common methods bias in relation to the questionnaire that was used as a basis for collecting quantitative data. However, Spector (1987; 1994 p. 386) argues that as long as 'there is reasonable evidence that supports our inference about it and our interpretation of what it represents', self-report methodology is useful in identifying trends that in turn provide useful insights into employees' feelings and perceptions. On the other hand, Spector (1994) argues the research question must use appropriate methodology; otherwise generalisations become too speculative. This paper attempts to address the inherent weakness of using self-report data by using mixed methods allowing triangulation to improve the generalisability of the findings.

A further limitation may be the distribution of males and females within the sample. Earlier research indicated that females tend to retire earlier than males (Australian Bureau of Statistics 1998) and frequently retire because of family relationships (Dorfman 2002; Szinovacz, DeViney & Davey 2001).

CONCLUSION

This paper has added to the literature by examining the impact of employee characteristics (age and perceived autonomy about when to retire) on employees' perceptions of significance of four retirement factors previously identified as affecting the decision to retire. The findings confirm earlier research about the importance of flexible work practices to retain older workers, as well as the key roles played by both financial circumstances of the individual, and the intrinsic factors that affect their work motivation. This research has also contributed to the retirement literature by raising the issue of employees' perceptions of autonomy in affecting the importance of retirement factors when deciding the timing of retirement. Further exploration about the impact of employees' perceptions about retirement factors within other public and private sector contexts are necessary in order to confirm these findings more generally. Additionally, this paper explored only two characteristics of employees that may impact on retirement decisions, and further research is necessary to broaden the factors examined in the decision to retire.

The results of this research have implications for managers and organisations. For managers and organisations, the findings identify the significance of financial and organisational policies and practices in affecting employee's perception of autonomy when considering the retirement decision. The findings suggest that managers and organisations need to consider developing HRM policies that are likely to empower employees if they want to encourage them to continue working to the traditional retirement age and further. The paper provides insights into the notion of the retirement decision that are useful, as well as suggesting directions for future research.

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