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The role of line managers in influencing employee retirement decisions

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Timeline of changing context of retirement

Institutionalised retirement:
- Timing socially defined: Coincides with the state pension age / employer imposed.
- Education – work – rest
- Retirement as an event marking the abrupt shift to non-work.
- Discontinuous change.
- Two worlds – have and have nots

Modern retirement
- Greater individualisation of retirement
- Jobs are less fixed and retirement can be a shifting in balance of activities
- Retirement extended over time (50 – 75?)
- Multiple retirements
- Abolition of DRA
Implications of the new retirement environment

- Individuals
- Organisations
- Society

Retirement

Diagram showing the interconnections between retirement and individuals, organisations, and society.
Organisational perspective
Organisational implications

• Employers have a key role in providing opportunity and choice in the retirement process
• Line managers often have to implement the organisational policy and are critical.
• What is the role of line managers regarding retirement?

Inform?
Influence?
Interfere?
Line managers

- Timing of retirement
- Work climate
- Availability of alternative working patterns
- Support, motivation and encouragement of staff (Henkens and van Dalen, 2011)
Research questions

To what extent do line managers consider that they have a role in managing employee retirement?

What course of action do line managers choose?
Theoretical model

**Contingencies**

**Organisational implications**
- Ease of replacement
- Work performance

**Older worker characteristics**
- Health
- Gender
- Status
- Attitude towards retirement
- Attitude towards work

**Line manager characteristics**
- Retirement management self efficacy
- Experience in managing older staff
- Line manager attitude to retirement

**Course of Action**
- Line manager perception of role
- Line manager behaviour
Methods

• Factorial design (vignette)
An example of a vignette used in the study

| Mary is a Professor. She enjoys work. She is in good health. She is looking forward to retirement. Lately, Mary’s work performance has been good. If she were to retire now, she would be relatively easy to replace. |
1) If you were Mary's line manager, which course of action do you think you would take?
   - I would not become involved in the retirement decision
   - I would try to encourage Mary to consider continuing to work for the time being
   - I would encourage Mary to consider retiring now

2) As Mary's line manager, to what extent do you think you have a role to play in the timing of the retirement?
   - No role | 1
   - | 2
   - | 3
   - | 4
   - Definitely have a role| 5
## Variables in vignettes

<table>
<thead>
<tr>
<th>Item</th>
<th>Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
</tr>
<tr>
<td><strong>Grade</strong></td>
<td>Senior lecturer</td>
</tr>
<tr>
<td></td>
<td>Professor</td>
</tr>
<tr>
<td><strong>Attitude to retirement</strong></td>
<td>Do not know</td>
</tr>
<tr>
<td></td>
<td>Looking forward</td>
</tr>
<tr>
<td></td>
<td>Not looking forward</td>
</tr>
<tr>
<td><strong>Attitude to work</strong></td>
<td>Enjoys work</td>
</tr>
<tr>
<td></td>
<td>Does not enjoy work</td>
</tr>
<tr>
<td><strong>Health status</strong></td>
<td>Good health</td>
</tr>
<tr>
<td></td>
<td>Poor health</td>
</tr>
<tr>
<td><strong>Ease of replacement</strong></td>
<td>Easy to replace</td>
</tr>
<tr>
<td></td>
<td>Difficult to replace</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td>Good</td>
</tr>
<tr>
<td></td>
<td>Poor</td>
</tr>
</tbody>
</table>

The number of the unique vignettes was 192 (i.e., \(2 \times 2 \times 3 \times 2 \times 2 \times 2 \times 2\))
Participants and analysis

• Online survey of academic line managers (Deans, HoDs, Head of subject)
• 128 line managers (94 males, 34 females)
• Each respondent judged 8 randomly selected vignettes
• Vignette sample
  – N = 1015 role of line manager
  – N = 1012 course of action
Perceived role of LM in retirement decision

As x's line manager, to what extent do you think you have a role to play in the timing of the retirement?

(1) No role  
(2)  
(3)  
(4)  
(5) Definitely have a role

- \( M = 3.11 \)
<table>
<thead>
<tr>
<th>DV</th>
<th>Predictor</th>
<th>Direction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role</td>
<td>Sex*</td>
<td>Females greater extent than males ( (M = 3.36, \ SD = 1.26 \text{ vs. } M = 3.01, \ SD = 1.36) ) ( t(1013) = 3.578, p &lt; 0.001, d = 0.27 ). F &gt; M ‘definitely have a role’ ( (25.5% \text{ vs. } 20.5%) )</td>
</tr>
<tr>
<td></td>
<td>Grade*</td>
<td>Deans ( (M = 3.09, \ SD = 1.18) ) and HoDs ( (M = 3.21, \ SD = 1.35) ) perceived it to be their role to a significantly greater extent than HoSs ( (M = 2.48, \ SD = 1.25) ). No significant difference between Deans &amp; HoDs</td>
</tr>
<tr>
<td></td>
<td>Age*</td>
<td>Respondents older than 60 years perceived that it was their role to influence the timing of the retirement decision to a greater extent than those up to 59 years</td>
</tr>
<tr>
<td></td>
<td>Experience*</td>
<td>Respondents with experience of managing those over 65 perceive a greater role ( (M = 3.31, \ SD = 1.24 \text{ vs. } M = 2.80, \ SD = 1.45) )</td>
</tr>
</tbody>
</table>
Which course of action do you think you would take?

- 46.25% Would not become involved in the retirement decision
- 18.60% Encourage employee to continue working
- 35.8% Encourage to retire now

53.75%
Conclusion

• Mixed attitudes to retirement from line managers

• Apparent preference for the encouragement to retire now, rather than extend working?

• Barrier to extending working life agenda?

• What are the determinants of these attitudes:
  – Individual level
  – Line manager level
Question?

• Do you think your line manager has a role to play in your retirement plans?
In which ways have you been made aware of your university's policies regarding retirement or extending working life?

**Percent**

- Communications from Human...
- Management training
- Staff Intranet
- Via your line manager
- Via the staff handbook
- None of the above
- During induction
- Other (please specify)
Training summary

1. The wider implications of the abolition of the default retirement age on your HR practices (e.g., discrimination, performance...)

2. Your university's policies relating to managing retirement and how to put them into practice

3. How to operate/manage without a fixed retirement age
How supportive would your own line manager be in helping you find ways to enable older workers to extend their working lives?

Mean = 3.4
Std. Dev. = .984
N = 127
To what extent would your line manager support your decision-making over retirement timing and providing flexible working arrangements?

Mean = 3.71  
Std. Dev. = .952  
N = 127
How much discretion do you have over the way you manage the retirement process of your older workers?

Mean = 3.08
Std. Dev. = 1.077
N = 128
How much influence do you have over the retirement policies and procedures in your department?

Mean = 2.48
Std. Dev. = 1.263
N = 126
Too old to work in your organisation for 20 hours a week or more?

- Responses ranged from 0 to 10000 years!
- Responses were truncated between 50 and 80
- Mode = 70.00
Generally too young to retire permanently?

- Responses ranged from 0 to 999
- responses truncated between 16 (the age at which compulsory education ends) and 65 years
- $M = 52.99 \ (SD = 8.57)$
- Mode = 55.00
- 96.3% - < 60 years too young
- No significant sex difference, $t(80) = 1.73, p = 0.09$. 

![Bar chart showing age too young to retire permanently](chart.png)
If you were able to choose, at which age would you like to stop working?

- Responses ranged from 0 to 100000000000000 years
- $M = 64.97$ ($SD = 6.58$)
- Mode = 60.00
- No significant sex difference
- 68.5% reported a preference to retire at, or before the previous default retirement age of 65 years
- 9.1% of respondents reporting a preference to retire after the age of 70 years
What is your best estimate of the age at which you intend to retire?

- Responses ranged from 0 to 6770 years
- $M = 65.86$ ($SD = 3.40$)
- Median = 65.00
- 38.1% expected to retire after the age of 65 years
- No significant sex difference, $t(109) = 0.06, p = 0.96$.
- Only one respondent reported an estimate before 60 years and 2 after the age of 80 years