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The influence of perceived organisational support and perceived supervisor support on retirement intentions

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Background

- Retirement is a complex decision – institutional arrangements, personal, familial and professional factors.
- Most retirement research from the occupation psychology and HR perspectives has focused on characteristics of the individual (e.g. role identity and work attachment theory), rather than on the nature of the work or social environment of the employee.
- Better understanding of the influence of the organisational environment on individual choices is needed, both in terms of theory development and from a practitioner perspective if they are to encourage extended working life.
Aims of paper

1. Explore similarities and differences between retirement and turnover.
2. Develop theoretical propositions for investigating perceived organisational support (POS) and perceived supervisor support (PSS) and retirement intentions
## Turnover and Retirement

<table>
<thead>
<tr>
<th></th>
<th>Turnover</th>
<th>Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdrawal from job</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Withdrawal from organisation</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Withdrawal from profession</td>
<td>No</td>
<td>Yes (?)</td>
</tr>
<tr>
<td>Withdrawal from career</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Withdrawal from (paid) work itself</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>
A number of studies have investigated whether retirement and turnover are distinct constructs (Adams & Beehr, 1998; Hanisch & Hulin, 1990; Münderlein et al., 2013; Schmidt & Lee, 2008).

Broadly, personal characteristics (financial considerations, age and health) add more to the explanation of retirement intentions (Münderlein et al., 2013).

Work characteristics (e.g. job characteristics) better explain turnover intentions than retirement intentions.

However, organisational motivators can increase older workers’ labour market participation.
Organisational support and retirement intentions
Perceived organisational support (POS) and turnover intention

- POS is an employee’s global belief concerning the extent to which an employee believes that the organisation values their well-being. Support can be through tangible benefits (e.g. wages) or intangible (care, respect, collegiality).
- Links between POS and turnover intention have been established.
- Causal explanations have been through:
  - Reciprocity / social exchange (normative commitment) (Maertz, Griffeth, Campbell, & Allen, 2007)
No studies have looked at whether POS is linked to retirement intentions.

As choices available to older workers increase, it follows that the relationship with the employer will influence decision making.

Older workers who feel supported by their organisation are more likely to derive positive feelings (affective commitment) and so be motivated to delay retirement (extend working life).

The reciprocity principle might not apply in a similar manner to retirement intention as to turnover intention due to social expectations of retirement at around age 65.

Propositions

- There is a positive relationship between POS and retirement intention.
- POS effects on retirement intention will be mediated by affective commitment, but not by normative commitment.
Perceived organisational support → Affective commitment → Retirement intention

Normative commitment → Affective commitment

No relationship expected
Perceived supervisor support (PSS) and turnover intention

- PSS refers to the view that employees develop concerning the degree to which supervisors value their contributions and care about their well-being (Kottke and Sharfinska, 1988).
- Two perspectives – support has been found for both in relation to turnover
  - Supervisors embody the organisation itself – employees interpret treatment by their managers as representing the employer more generally.
  - Supervisors engender their own attachments. Commitment, mentoring and coaching and LMX theories suggest that supervisor support. Developed relationships are characterised by support, trust, information sharing, liking, respect and reciprocal influence.
Theoretically, line managers and supervisors have a significant role to play in retirement choices:

- Availability of alternative working patterns
- Advice, support, motivation and encouragement of staff (Henkens and van Dalen, 2011)
- Timing of retirement.
- Work climate

**Propositions**

- PSS is positively associated with the retirement intention
- PSS effects on retirement intentions will be partially moderated by POS

Extending perceived supervisor support to retirement intentions
Proposed model

Perceived supervisor support

Perceived organisational support

Affective commitment

Normative commitment

Retirement intention

No relationship expected
The life course perspective draws heavily on the education – work – retirement model.

Whilst this still remains strong, the relatively clear markers between work and retirement, symbolised by mandatory retirement ages, have made the meaning more complex.

Employees have to decide when to retire and how.

Who decides what ‘retirement’ is?

What do we mean by retirement intention?
Withdrawal
- Move jobs / switch employer (resignation)
- Retire (retirement resignation)
  - Early (pre-65)
  - On time

Remain 65+
- Extend working life
  - Full time / part time
  - Same or modified form
  - Wind down
- Intention to past state pension age
- Retire ‘late’ / defer retirement

Retirement is a fuzzy concept
The decision to remain is conceptually distinct for older workers (65+) and have different antecedents than for younger workers.

- Social norms have developed suggesting that the default decision is to retire
- Failure to retire on time can provoke discrimination, prejudice and backlash
- The decision to remain at work, past normal retirement age, can be seen as an ‘active’ decision, rather than a passive choice.
- As an active choice, the decision of an older worker to retire differs from that of a younger person who stays in the job.