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THE INFLUENCE OF PERCEIVED ORGANISATIONAL SUPPORT AND PERCEIVED SUPERVISOR SUPPORT ON RETIREMENT INTENTIONS

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Aims of paper

1. Outline theoretical propositions for investigating perceived organisational support (POS) and perceived supervisor support (PSS) and retirement intentions.

2. Present findings from a study of Older Workers in the UK
Background

- Retirement is a complex decision involving institutional arrangements, personal, familial, and professional factors.
- Most retirement research, especially from occupational psychology and HR perspectives, has focused on the 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.
- Commentators have argued that organisations need to promote age management policies and improve the quality of work to support the extended working life agenda.
- Better understanding of the influence of the organisational environment on individual choices is needed, both in terms of theory development and from a practical perspective if companies are to encourage extended working life.
- In this research, we borrow ideas from the employee turnover literature to examine whether these are applicable in the retirement context.
## Turnover and Retirement

<table>
<thead>
<tr>
<th>Withdrawal Category</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>
Empirical evidence

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.
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
  • Affective commitment (Wayne et al 1997; Rhoades et al 2001; Rhoades and Eisenberger, 2002 and Maertze et al 2007) and Chinese settings (Newman, Thanacoody, & Hui, 2011).
  • Reciprocity / social exchange (normative commitment) (Maertz, Griffeth, Campbell, & Allen, 2007)
Extending perceived organisational support (POS) to retirement intention

• Organisational support has not be examined extensively in the context of 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).

Hypothesis
• There is a positive relationship between perceived organisational support, affective commitment and retirement intention.
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.
Extending perceived supervisor support to retirement intentions

- 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
- A growing body of empirical work has found positive, albeit modest, effects of supervisor support in retirement intentions and intention to continue working (Armstrong-Stassen and Scholsser, 2010; Van Solinge and Henkens, 2014)

Hypotheses
- PSS is positively associated with the retirement intention
- PSS effects on retirement intentions will be partially moderated by POS
Perceived supervisor support
Perceived organisational support
Affective commitment
Retirement intention

Proposed model: No relationship expected
Data

- ESCR funded project – many thanks to Matt Flynn
- Data collected from 800 UK employees
- Variables included in this analysis:
  - Older worker supportive culture
  - Supervisor support
  - Job satisfaction
  - Positive retirement affect
  - Retirement intention
- Recoded, so high scores are good
- Analysis: SmartPLS which uses Partial Least Square Structural Equational Modelling. Suitable for non-parametric data. It is suitable for complex models.
- PLS-SEM incorporates an outer measurement model and an inner path-model.
Measures

- Older worker supportive culture (3 items)
  The experience of older employees is valued in my work place (1= strong disagree / 5 = strongly agree)

- Perceived supervisor support (6 items)
  How capable do you feel in being able to discuss with your manager: - Your retirement plans

- Job satisfaction (6 items)
  My job makes me satisfied with what I have accomplished

- Retirement affect
  Are you looking forward to retirement
  1 = I haven’t really thought about it
  2 = Not at all, I’m dreading it
  3 = Not really, I’m apprehensive about it
  4 = I’m relaxed about it
  5 = I shall be pleased about it / it will be a relief

- Retirement intention
  What age do you intend to retire. Clusters
  1= Under 60
  2 = 60-64
  3 = 65
  4 = 65+
General descriptors

- Mean age = 55.63 years
- 68% did not have caring responsibilities
- Almost 50/50 male female split
- Mean intended retirement age 65.08 years (SD 4.49)
Findings

Intended retirement age

Below £237 per week (Bottom 20% of UK households)
Between £238 and £412 per week (20%-39%)
Between £413 and £650 per week (40%-59%)
Between £651 and £1014 per week (60%-79%)
Over £1014 per week (The top 20% of UK households)
Intended retirement age by employment status

- Permanent: Mean = 65, n=617
- Permanent, but subject to review by your manager: Mean = 66.5, n=16
- Temporary or fixed term: Mean = 66, n=26
- No written contract of employment: Mean = 66, n=26
No association between OWSC, SS and Intended Retirement Age
No direct links between JS and intended retirement age
The relationship between older worker supportive culture and job satisfaction is partially mediated by supervisor support.

Sobel test
10.9
P = .000 one tail
P = .000 two tail

The beta lessens between the two, but is significant in both, hence, partial mediation.
Including positive retirement affect into the model
Consideration of age

All data (45+)

- Supervisor support
  - Older worker supportive culture
  - Job satisfaction
  - Positive retirement affect
  - Intended retirement age

Age 60+

- Supervisor support
  - Older worker supportive culture
  - Job satisfaction
  - Positive retirement affect
  - Intended retirement age
Summary of results

• The hypothesised relationships were not supported. Perceived organisational support and supervisor support do not exert any direct effects on intended retirement age.
• However, they are strongly associated with job satisfaction.
• Job satisfaction is not associated with retirement affect or intended retirement age in the broader sample, but there is an association between job satisfaction and retirement affect in the 60+ sample.
• This suggests that as people get older, they begin to weigh up their feelings towards retirement in light of their jobs.
• Future research will undertake further segmented analysis, particularly in respect of gender.
Thank you!