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WHAT DO MANAGERS THINK 'SUCCESSFUL' RETIREMENT IS

and what role do they have to play?

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BACKGROUND

What do organisations, and specifically line managers, perceive to be a 'successful' employee retirement transition out of work? 'Successful' retirement is ideally 'win-win' for both organisation and employee, but what does the organisational side of that balance look like? Organisations can have competing and contradictory aspirations of retirement policies, shaped by:

- the financial position of the organisation (e.g. early retirement schemes)
- firm demography
- employee relations
- skills profile
- tolerance of uncertainty

The research investigates the indicators of successful retirement, taking the perspective of the line manager, rather than high level HR policy. Line managers are significant in other areas (e.g. stress) and previous research (e.g. Flynn, 2010) has found that ultimately it is line managers, rather than senior managers or human resource specialists who make decisions about retirement options for employees. Line managers' actions are influential in the retirement decisions of older workers in terms of:

- Social support
- Shaping the work environment
- Gatekeeper to training / development opportunities
- Discretion over idiosyncratic deals

Line managers are therefore core stakeholders in managing employee retirement process and are the focus of this study.

AIMS OF THE RESEARCH

- To assess the extent to which line managers assume responsibility for retirement management and how they perceive their decision latitude.
- To describe and elicit the indicators of 'successful retirement' from the organisational perspective.

DESIGN

The first stage of the research is a small scale, exploratory qualitative study. This will be followed by a larger scale quantitative design using a vignette methodology. Qualitative data were collected using a focus group and semi-structured interviews about critical incidents of retirement, line manager perceptions of the retirement management process and archetypes of successful ('dream') and unsuccessful ('nightmare') scenarios.

Two pilot focus groups of line managers (public and private sector) have been conducted and additional data collected through the use of a questionnaire based on open questions, modeled on the focus group schedule.

FINDINGS

The line manager role: inform, influence or interfere?

Line managers do have a role in the management of retirement.

"It's primarily a HR issue, is managing retirement, but I see its part of my role to involve myself in that process, because I have a day to day working relationship with people coming up to retirement – HR don't... I can broach subjects with them that HR would find difficult to broach" **Line Manager, Male, Public Sector Organisation**

They have a role to inform...but what about to influence?

"I think it is largely a private matter especially when on phased retirement – any attempt to influence the decision-making process would, I assume, run the risk of a form of constructive dismissal and so would be a risky area to drift into." **Line Manager, Male, Education**

"Making sure that they know, well actually, we do need you, if you want to stay then we'd happily have you for another six months or whatever, so giving them that option, but I would never try and influence that decision". **Line Manager, Female, Private Sector**

"It's our responsibility as managers to inform them of what's available from the organisation, but not necessarily to interfere in their retirement process".
Line Manager, Male, Public Sector Organisation

Some think their role is to act in the employee interest ...

"I think you have a moral responsibility to help people through change... by helping them recognise the change that's coming, you help manage their performance up to that point as well". **Line Manager, Male, Blue Chip Organisation**

... but others act think they should act in the organisation (team) interest...

"It is certainly within the line manager's gift to try and influence that {the retirement decision}" **Line Manager, Male, Blue Chip Organisation**

"Perhaps issue guidance (including legal rulings) reiterating the need to treat all staff the same whatever their intended retirement plans. Though I have to say I would probably choose when I enacted these guidelines!" **Line Manager, Male, Education**

"It's my responsibility to maintain my department at the best efficiency I can keep it, and if their retirement is going to affect that, then I want to mitigate that effect as much as possible" **Line Manager, Male, Public Sector Organisation**

"The implications [or the abolition of the default retirement age] are significant. I had been making plans on the basis that there would be a certain turnover of staff who I felt were underperforming. However some of these staff have signalled their intention to stay on. This may result in compulsory redundancy as the only measure to refresh the workforce – although of course there has to be careful handling if a post is to be made redundant."
Line Manager, Male, Education

"The responsibilities to the company are compromised by this [uncertainty around the timing of retirement] – you cannot make effective resource decisions when you are uncertain whether an employee is likely to still be working in the organisation but this could also be the case with those leaving for jobs elsewhere..." **Line Manager, Male, Education**

Timing is everything ...

"As a line manager... you've got to be really ahead of the game when it comes to retirement planning" **Line Manager, Male, Public Sector Organisation**

"The difficulty is gonna come in, with there not being a fixed retirement age...; there's no obligation for people to actually let you know...which might not give you enough time to train somebody up" **Line Manager, Female, Private Sector**

"Ideally, I would want people that have a particular skillset to have it written into their contract that they must, when they're thinking about retirement, give adequate notice to enable you to plan the successor and get them up to skills prior to them going".
Line Manager, Male, Public Sector Organisation

THE 'NIGHTMARE SCENARIO' OF RETIREMENT MANAGEMENT

- Pre-retiree gives very little notice about intentions
- Pre-retiree is unwilling to open dialogue about retirement process, putting strain on the planning process
- Pre-retiree is unwilling to discuss options or is obstructive
- The motivation and/or performance of the individual declines as the retirement date approaches
- The exit of the retiree has a negative impact on the remaining team members

THE 'DREAM SCENARIO' OF RETIREMENT MANAGEMENT

- Pre-retiree gives 1-2 years notice about retirement decision
- Line manager has the ability to interview individual to discuss intentions
- Pre-retiree has given some thought about what retirement means to them before opening discussion with line manager
- Pre-retiree is open to flexibility
- Pre-retiree maintains performance up to retirement date
- Pre-retiree is willing to share/transfer skills
- Line managers have a mandate to "manage out" where possible
- The right people stay, and the wrong people leave

CONCLUSIONS

Line managers perceive that they have a role to play in retirement but hold mixed views about the extent to which they should shape an individual's decisions. The desire to shape the decision tends to be more in the interests of the manager than the employee.

Line managers want foresight of employees' intentions, specifically a measure of certainty about the timing of retirement. Where there is indecision or uncertainty about the retirement decision, managers experience difficulty in how to manage other aspects such as performance.

Managers welcome the discretion to be selective in influencing decisions but recognise the danger of discriminatory practices.

The line manager's 'dream' scenario, as portrayed by respondents, is aspirational and unrealistic in many organisations. The next stage of the research is to empirically measure the respective weighting of these constructs using a vignette approach.

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