

Determinants of Employee retirement Intentions Decisions In Private Sector In Kenya: A Survey Of Employees Of Finlay (K) Limited.

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Abstract

Retirement refers to the time when an employee reaches the end of his working life. Retirement is regarded as important stage in human development all over the world. Retirement is an inevitable activity in the lives of workers. Factors influencing employee retirement decision studied individual predictors of early retirement are age, financial status and health. For example among older people, those in more favorable financial situation and those in ill health were found to aim for early retirement. Specific objectives; To identify work factors that influence employee's decision to retire early, To find out work factors that influence employees to postpone retirement and To find out stage in their employment life that such intentions develop. Financial issues-retirement brings many changes to both income and expenditure to the employer. The researcher was use case study research design as it gives a clear representation of the variable under study, The target population was be subdivided into three status namely: top management, departmental heads and employees. The data used in the study was obtained from questionnaires that were distributed to the respondents from a sample selected randomly. The purpose of the research study was to assess factors influencing employees' retirement decision, a case study of James Finlay (K) Ltd. From the findings of the study, it shows that there is a great importance of recognizing the various stages in the employment life so as to motivate employees so that they can perform and improve on the organization productivity. This study has an advanced knowledge by accessing factors influencing retirement decision deeply. In most instances, the research study gained support and courage from prior researches conducted across different organizations in different countries of the world, and therefore, generalizability is not so much of a surprising fact, or similarity in ways of framing it, but this is a unique product.

Key Words: Retirement intentions, Factors, workforce, Decisions

1. Background of the study

Perception is a cognitive process that people use to make sense out of the environment by selecting and organizing and interpreting information. Attitude affect perception and perception affect attitude. (Understanding management 4th edition by Richard I. daft, Dorothy Marcic). Perception is a process by which an individual organize and interpret their sensory impression in order to give meaning to their environmental stimuli and actions in response to these stimuli. Perception includes the five senses, touch, sight, taste, smell and taste. People behavior is based on perception. (Organizational behavior 13th edition by Stephen P. Robbins, Timothy A. Judge). Human history is a continuing story of accommodation and adaptation to change guided the development of societies and shape the world in which we now live perception itself is the ability to recognize and analyze change becomes fundamental tool in human relation with the force of nature upon which mankind survival depends. The need for the highest level of perception were eroded away a bit by bit, the comfort zone that humans creates for themselves led inevitably to an erosion of the every survival skills that allowed them to thrive in the first place. However, select field of human endeavor still depend on higher state of perception. Gregory Betason, a great American scientist wrote that learning and science is a way of perceiving, but perception operates only upon difference. All receipt of information is necessary the receipt of news of difference and all perception of difference limited by threshold. Differences that are too slight or too slowly presented are not perceivable, they are not food for perception, knowledge at any given moment was be a function of the thresholds of our available means of perception. Retirement refers to the time when an employee reaches the end of his working life. Retirement is regarded as important stage in human development all over the world. Retirement is an inevitable activity in the lives of workers. It is a transition from the world of work into a world of less rigorous work activity and rest especially in respect to old age or long years of services (Beisky,

1990). Retirement is the period of a person's life during which he or she is no longer working or the commencement of that period. In most developed countries, the official age of retirement is 65. However, it is well below (Organization for Economic Cooperation and Development (OECD, 2006). This has led to a growing contingent of early pensioners, which presents a threat not only to existing health and pension systems, but also to organizational functioning. Early retirement may result in loss of valuable, organizational specific knowledge that is costly and time-consuming to replace (Beehr, Glazer, Nelson, Farmer 2000.)

2. Statement of the problem

Factors influencing employee retirement decision studied individual predictors of early retirement are age, financial status and health. For example among older people, those in more favorable financial situation and those in ill health were found to aim for early retirement (Flippen and Yienda 2000). Although age, health and finances represent consistent determinants of the decision to retire, findings to date also suggested these factors only account for approximately 12 to 17 percent of the variance in the decision to retire (Adams, et al 2002). In relation to this, further investigations are required to determine the different activities that employees partake after retiring from their current work in this study, the researcher thus expands the scope of retirement intentions of employees. Most importantly, by contributing to an understanding of the nature of the relationship between perceived investments, employee development and retirement intention, by investigating the mediating effects of effective commitment and retirement in the organization context of James Finlay, Kericho.

3. Objectives of the study

3.1 General objectives

The main objective is to investigate the factors influencing employees retirement decision in James Finlay (k) Ltd

3.2 Specific Objectives

- 1) To identify work factors that influence employee's decision to retire early
- 2) To find out work factors that influence employees to postpone retirement
- 3) To find out stage in their employment life that such intentions develop

4. Significance of the study

Upon the achievement of the findings, this research is of great significance to the following people:

a) Employer

Financial issues- retirement brings many changes to both income and expenditure to the employer. Health and relationship retirement often acts as a catalyst to change for persons routine and relationship. The later years some retirees was also want to consider the longer term

b) To the employee

Avoiding workforce stagnation with employees no longer able to retire employees on age ground alone, the decision to retire was often only be triggered the employee feel that there is sufficient funds to retire in comfort. Future good was often an employer was need to call on the retired employee for assistance at a later date. Public relations along standing employee who is not provided with any practical assistance at retirement may feel better towards the former employee.

5. Limitations of the study

The study was conducted in James Finlay in Kericho, the researcher faced a number of challenges which includes:

- 1) Weather- the research was conducted during rainy season hence transport was a problem and availability of respondents.

- 2) Limited finance- the researcher faced a lot financial constraints due to lack of enough time to do the research. The cost of typing, typesetting, editing, internet browsing and printing was very expensive.
- 3) Limited time- the period of the study was short ,the employee were dispatched across the estate premises hence the administration of questionnaires consumed a lot of time also the data had to be collected and analyzed within a short period.
- 4) Respondents unwillingness to answer questions due to lack of cooperation the respondents, were not able to give the required information some though that this could cause them to lose their job or other punishment.

This chapter presents a literature review that is relevant to the study, the main review of the past research done. Therefore the researcher has compared different authors who wrote about the subject matter and its relations as far as the employee retirement and perception of employees is concerned.

6. Main review

6.1 Factors influencing employee's decision to retire early

Gareth R. Janes (1998) defines perception as the process through people select, organize and interpret what they see, hear, touch, smell and taste. To give meaning and order to the world around them.

According to (Understanding management 4th edition by Richard L. Daft) defines perception is the cognitive process use to make sense out of the environment by selecting, organizing and interpreting information. It also states that perception can be thought as a step by step process,

First, we observe information (sensory data) from the environment, then screening and selecting of information and lastly we organize data selected into a meaningful pattern for interpretation and response.

6.2 Perceptual selectivity

The process by which individual screen and select the various object and stimuli that vie for their attention. People typically focus on stimuli that satisfy their needs and that are resistant with their attitudes, values and personality.

6.3 Perception distortions

This is the error in perceptual judgment that arises from inaccuracies in any part of the perception process. It's the means by which people organize or categorize stimuli according to their own frame of reference.

6.4 Lack of Recognition

One factor that can cause employees to develop intentions to leave their jobs and cause turnover is a general sense of dissatisfaction with a position. This may arise from a lack of recognition, either through low wages, a meager benefits program or failure of management to express appreciation for hard work. An incentive pay system or formal means of recognizing employees who put in outstanding effort can help business leaders give their workers a greater sense of being appreciated, and that can boost morale and decrease turnover.

6.5 Opportunity Elsewhere

Another reason that a worker may intend to leave his job is the promise of a better opportunity elsewhere. Business leaders should ask questions and speak to colleagues, including competitors, regularly to learn about the type of wages and benefits their workers could earn elsewhere. Reviewing an applicant's salary history is one way to see what a worker expects to earn, and it can be a clue that the employee may start to look for elsewhere if the employer can't provide it. Promoting from within allows you to give your workers a feeling of opportunity within the company, rather than implying that their only chances for advancement exist elsewhere.

6.6 Work-Life Balance

Workers who don't have the work-life balance they want are candidates who develop intentions to leave their current employers. Work-life balance consists of a reasonable, sustainable split of time and energy between a job and the rest of a worker's life, including obligations to family, a social life and hobbies or outside interests. If workers have trouble finding balance and grow restless, an employer can retain more of them by offering additional options for employees to take control of their time, such as flexible scheduling or unpaid leave with a job retention agreement.

6.7 Expectations

Workers may also intend to leave their jobs after experiencing unrealistic or inconsistent expectations. Most workers are more productive and motivated when they understand their place in an organization and what owners, managers and co-workers expect of them. Vague job descriptions and expectations that change over time or from one manager to another make it difficult for an individual employee to feel like part of a team. A succinct job description that the employee learns during the interview process and a system of performance evaluations that makes expectations and responsibilities clear are useful tools to avoid workers leaving due to expectation issues.

6.8 Health and exits from the labour force

By 2006/2007, one in five full-time workers who were age 40 to 52 in 1994/1995 had exited the labour force. The reasons for exit can range from retirement or disability to personal or family responsibilities. The biennial exit rate was steeper during the latter part of the 12-year study period as workers aged and approached the end of their careers. However, the age curve is more pronounced among workers with health problems as a higher proportion of them exited employment each survey year, compared with healthier workers. The percentage differences for being out of the labour force between healthy and less healthy workers also grew over time. Clearly, individuals with health problems were most likely to stop working early. Although everyone in the sample was working full time at the start of the study period, within 12 years 35% of workers who negatively perceived their health had stopped working, as had 24% of those diagnosed with 3 or more chronic conditions. Similarly, the labour force exit rate was consistently lower for healthy workers without chronic conditions each survey year and, after 12 years, only a total of 16% were without a job.

Health status is also a related reason for exit from the labour market. In 2006/2007, almost one-half of workers with poor health who stopped working indicated the main reason was illness or disability. Among those in good health, almost 80% reported retirement as the main reason for leaving the labour market and less than 10% cited illness or disability. Compared with healthy individuals, a smaller portion of those with health problems withdrew from the labour force due to other reasons such as caring for family members, personal responsibilities, education leave, paid leave, layoff, looking for work, and pregnancy.

6.9 Modeling early exits from the labour market

On the surface, health problems seem clearly linked with early exits from the labour force. But both health status and labour market exits may correlate with other socio-demographic variables. For example, those who were older at the start of the study may be more prone to chronic conditions compared with those who were younger. Multivariate modeling can be used to assess the relationship between health status and retirement while controlling for such factors. Control variables in the model are age, place of residence, province, family characteristics, immigration status, household income adequacy, class of employment, highest level of schooling, and occupation.

A survival model is employed to examine longitudinal associations between health factors and retirement. The model estimates adjusted proportional hazard ratios for retirement between 1996/1997 and 2006/2007 while controlling for socio-demographic factors. Hazard ratios are used to estimate relative risks of the probability of the event occurring in a specific group versus those not in that group. The survival model in this analysis estimates risk ratios for early retirement. This model is constructed to include both regular and health-related exits from the labour market. Older workers who leave the labour market because of illness or disability are treated as retirees based on the assumption that they have departed permanently (Hayward et al. 1998). Serious illnesses or disabilities, particularly among those nearing the end of their careers, are likely to lead to a permanent exit from the labour market. Cases of not working due to other reasons were censored.

6.10 Healthbehaviour and early retirement

It is well-known that problem drinking is associated with a greater prevalence and incidence of limitations in home and work tasks in a near-elderly population (Ostermann and Sloan 2001, and Mullahy and Sindelar 1996). Alcohol consumption has been associated with many types of physical, psychological and cognitive impairments. Heavy drinking increases accidents and injuries, and may lead to liver and heart damage. The consequences of excessive alcohol consumption could reduce a worker's labour market productivity and reliability (Mullahy and Sindelar 1996). In this analysis, the effect of heavy drinking on labour force exits was significant for men. Compared with other workers, heavy drinkers (those who consume five or more alcoholic drinks on one occasion at least once per month) were almost twice as likely to exit the labour force early.

Obesity can affect employment decisions directly by creating functional disabilities or indirectly by aggravating or actually causing other health ailments, which can in turn affect employment status (Renna and Thakur 2006, and Houston et al. 2009). Although the general health effect of obesity may apply to all age groups, obesity among older workers, in particular, plays an important role as a catalyst in their labour market exit decisions. Obesity among older women was related to earlier retirement compared with workers without this condition. Obese workers were 1.6 times more likely than the non-obese to retire early.

In addition, men who smoked daily had a significantly higher risk of early exit from the labour force. Daily smokers were 1.7 times more likely than others to retire early. Previous research has also found a relationship between the number of cigarettes smoked daily and early retirement rates (Rothenbacher et al. 1998). The risk of early retirement was greatest among workers smoking 30 or more cigarettes per day. However, the true impact of smoking behaviour may be underestimated due to a healthy smoker effect (Husemoen et al. 2004). Some smokers may exit the labour market (due to death or disability) quite early in their life course, therefore only smokers who were healthy enough to stay employed at the start of the study period were included for analysis.

Smoking and obesity tend to have an impact on early retirement by affecting health status. When health status was controlled for in an additional regression model, the effects of these two conditions disappeared. Even after controlling for self-perceived health, heavy drinking still had a significant effect on early exits from the labour market. Therefore, heavy drinking seems to have a direct effect on early retirement.

6.11 Work stress factors and early retirement

Various indicators of work stress were included to examine the effect of job quality or workplace well-being on early retirement from the labour force. The indicators include job strain, job dissatisfaction, social support at the workplace (from co-workers and supervisors), physical demands, and job insecurity.

Job strain significantly increased the likelihood of early exit for women. Women with high-strain jobs were almost twice as likely as their colleagues with low-strain jobs to exit the labour force early. Job strain is determined by the interactions between the level of psychological demand (how mentally demanding a job is) and that of decision latitude (how much control workers have in their jobs). When older workers feel that the psychological demands of their jobs are too high, and/or the job control is too limited, the risk of early retirement tends to increase. These findings are consistent with previous research which shows that early retirement is related to environmental factors at the workplace and that women are more affected than men (Christiansen and Nielsen 2009).

The effects of job strain were similar but not statistically significant for men's retirement. For male workers, however, supervisors' support at the workplace seemed to be an important factor in avoiding early retirement. Men who felt that they had low support from their supervisors had almost twice the risk of retiring early compared with those who had support. As Lin and Hsieh (2001) indicate, the perception of positive evaluations from bosses or supervisors can moderate the relationship between job stress and withdrawal behaviours of employees.

Not surprisingly, job dissatisfaction is related to early retirement. A decrease in overall job satisfaction is found to be one of the most important factors affecting the increase in intentions to retire (Sibbald et al. 2003). In this analysis, dissatisfied workers were 62% more likely than satisfied workers to stop working early, before age 65.

For men, having a physically demanding job increased the risk of retirement by 53%. Previous research has linked conditions of physical work strain with the decision to retire. These conditions include repetitive or continuous strain, musculoskeletal strain, and uncomfortable working positions such as crouching, bending, twisting or being fixed (Lund and Villadsen 2005).

These findings show a close association between one's job quality and the likelihood of early departure from the workforce. Both psychosocial and physical aspects of job quality affect early labour force exits.

Although not presented in the tables, the effects of various socio-economic variables on retirement were consistent with previous studies (Turcotte and Schellenberg 2005). For example, the likelihood of retirement was higher for workers who were older at the start of the period. Compared with paid employees, the self-employed were less likely to retire early. As well, workers in Quebec were more likely to stop working early than those in Ontario. Compared with managers and professionals, blue-collar women tend to exit the labour force early.

First, retiring can mean exiting the workforce; when individuals no longer want to or are no longer able to work, they may decide that it is time to leave the workforce. Second, retiring may refer to claiming Social Security

benefits. For many retirees, those two events likely are one and the same, but those events do not always temporally coincide—individuals may claim benefits while continuing to work or they may stop working without claiming benefits.

When individuals decide to stop working, they must have a way to support themselves financially, as their income from work was no longer be available. Thus, the question of how to support oneself in retirement should be an important consideration in the retirement decision. Traditionally, income during retirement is thought to come from three main sources, or what is generally referred to as a "three-legged financial stool": Social Security benefits, pensions, and personal savings. Unfortunately, many individuals fail to consider the issue of financial well-being in retirement until retiring becomes imminent, which can mean that the "personal savings" leg of the stool is weaker than it should be. In addition, the number of workers who participate in an employer-sponsored defined benefit pension plan has decreased over the past two-to-three decades (Buessing and Soto 2006). Individuals consequently may be left financially unprepared for retirement, leading them to rely heavily on Social Security benefits.

Indeed, Social Security comprises the majority of retirement income for many individuals Social Security Assotiation(SSA 2010), and this reliance on Social Security can have a major impact on the timing of one's exit from the workforce. For individuals for whom Social Security is the main or only source of income in retirement, exiting the workforce and claiming Social Security benefits likely occur concomitantly. On the other hand, retirees who was receive a pension and/or who have personally saved for retirement may not need to claim Social Security benefits immediately upon exiting the workforce because other sources of income can fund their retirement, at least for some time.

Coile and others (2002) highlighted a number of additional factors that may affect the relationship between retiring and benefit claiming, including life expectancy, age at retirement, and marital status. Importantly, however, the authors noted that many people may simply claim benefits immediately at age 62, without taking into account the far-reaching financial effects of this uptake decision. As such, the authors suggested that "claiming behavior should be better understood by those interested in Social Security".

The claiming decision for individuals who must leave the workforce early citing poor health or a layoff very likely depends entirely on their financial condition. For those retirees, choosing the option to delay claiming may not be possible if they do not have sufficient savings or an employee pension. If individuals in those latter two groups have little personal retirement savings and no pension, they were quite likely claim Social Security benefits upon retiring.

Regardless of the specific financial needs of a potential retiree, if individuals work longer, they are less likely to claim benefits whether they have sources of retirement funding outside of Social Security or not (Gustman and Steinmeier 2002). That is, individuals who continue to earn wages through working are less likely to claim benefits, regardless of their personal savings or pensions. Therefore, when encouraging individuals to delay claiming Social Security so that they receive a higher monthly benefit for the rest of their lives, it may behoove policymakers to shift their focus from delaying claiming to encouraging prolonged labor force participation. With this in mind, many of the issues raised later focus on behavioral and psychological impediments to working longer, and many of the suggested interventions focus on working longer and claiming later.

2.2.2 Factors affecting employees decision to postpone retirement

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): financial status; physical limitations and health problems that inhibit a person's ability to work; and 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 organizational 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 organizations 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 recognized retirement factors (financial, health, organizational 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 was 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 recognized 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 recognized retirement factors when considering the retirement question. That section is followed by the results, which are discussed in terms of the existing literature.

2.2.2.1 Age

The age at which any individual retires was 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. *International Journal of Organizational Behaviour* Volume 10 (5)

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).

2.2.2.2 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 was 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 payment was dwindle and individuals was need far more to financially fend for themselves, suggests that some older workers was be forced to continue working because they was 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 Shacklock&Brunetto Employees’ Perceptions of the Factors affecting their Decisions to Retire.

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 was continue to work to provide greater financial resources, while women was 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:

2.2.2.3 Organizational Policies and Practices

As stated earlier, organizational policies have traditionally been of little support in encouraging employees to stay working beyond the traditional age of retirement. In particular, Drucker (2001) criticized 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 victimization in the workplace, the forceful use of casualization 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 organizational human resource management (HRM) policies that have encouraged older employees to retire early. To examine the significance of organizational HRM policies and practices on employees’ decisions to retire, the following secondary research question was developed:

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:

2.2.2.4 Predicting future happiness

Unfortunately, previous research has demonstrated that individuals do not make accurate affective forecasts (see Wilson and Gilbert (2003) for a review of the literature). There are a number of strategies individuals use to help them make accurate predictions of their future well-being, but often cognitive biases lead to erroneous predictions (Hsee and Hastie 2006). For example, prediction errors can result from the impact bias (Wilson and Gilbert 2003), which broadly describes individuals’ tendency to overestimate the intensity and duration of their emotions in reaction to positive and negative future events. Football fans tend to not be as happy for as long as they would expect after their favorite team wins a big game, nor do they tend to be as unhappy for as long as they would expect following their team’s loss. Similarly, teachers who obtain or fail to obtain tenure report being equally as happy, even though both groups imagine that outcome will affect their happiness for years to come (Gilbert and others 1998).

2.2.2.5 Affective forecasting

As mentioned earlier, being tired of work (Beehr and others 2000; Bidewell, Griffin, and Hesketh 2006) or dissatisfied with work (Helman and others 2008) are important determinants of preferred retirement age, suggesting that many potential retirees would quite likely consider additional years of working to be unpleasant. Put another way, many prospective retirees may think they would be happier if they left the workforce. Previous research has demonstrated that predictions of future happiness, referred to as affective forecasting (for example, Wilson and Gilbert (2003)), often lead individuals to imagine that the event in question would be better or worse (that is, more extreme) than it actually turns out to be. Affective forecasting is a crucial aspect of decision making because it allows individuals to anticipate how they would feel if they engage in one course of action or another. In turn, those anticipated emotions serve as information regarding which alternative from a variety of options to choose (Gilbert and Wilson 2007). As such, inaccurate affective forecasts can lead to suboptimal decisions.

Gilbert and Wilson (2007) suggested that inaccurate predictions of future happiness stem from imprecise mental simulations of future events. The authors argued that humans have the distinctive ability to "pre-experience" future events through mental simulation, and those prospection enable humans to make predictions about what choices would make them happy or unhappy. For example, when considering whether to make a doctor's appointment for a colonoscopy or mammogram, patients are likely to mentally simulate that event, resulting in a feeling of uneasiness about the procedure. This example highlights the importance of affective forecasting in the decision-making process because negative feelings generated from the mental simulation can cause some individuals to avoid getting those potentially life-saving examinations. The particularly troubling aspect of affective forecasting is that individuals' prospecting are often inaccurate, but they drive behavior nonetheless. A colonoscopy or mammogram can produce stronger negative feelings in prospection than would the experience itself. Positive experiences are susceptible to the same forecasting errors. Imagining obtaining tenure (Gilbert and others 1998) or witnessing your favorite sports team win an important game (Wilson and others 2000) most likely produces stronger positive feelings than do the events themselves. Again, these exaggerated expectations can lead to certain behaviors, like skipping a child's recital to watch a football game, which the decision maker may later regret.

Recognizing the role that affective forecasting can play in the retirement decision may be important for understanding why individuals retire when they do. Just as potential patients mentally simulate the experience of getting a colonoscopy or mammogram before deciding whether to make an appointment, potential retirees very likely mentally simulate what retirement would be like before deciding to retire or not. Gilbert and Wilson (2007) described four characteristics typical of affective forecasts and explained why those features often lead to a mismatch between mental simulations and actual experiences. The authors argued that mental simulations are unrepresentative, essentialized, abbreviated, and decontextualized. Although previous research has not directly applied affective forecasting to the retirement decision, I suggest that the characteristics of affective forecasts may contribute to the decision by leading individuals to prefer retiring earlier rather than later.

First, mental simulations are unrepresentative, which means they are constructed from memories of past events that do not necessarily reflect how future events will unfold. Specifically, individuals tend to remember most vividly the best and worst aspects of an event (as well as the final moments of it), neglecting the instances that were simply average (for example, Kahneman, Wakker, and Sarin (1997)). As a result, when thinking about working additional years in order to secure a larger monthly Social Security benefit, individuals may construct mental simulations of future work experiences using their best and worst work-related memories. However, individuals typically display a negativity bias (see for example, Rozin and Royzman (2001)), whereby individuals are more sensitive to negative events than to positive events. When deciding whether to work extra years, then, mental simulations of such a future are likely to be negatively skewed, potentially leading individuals to leave the workforce sooner rather than later.

In addition to being unrepresentative, mental simulations are essentialized, which means that they only contain the main features of the event, but not the more minor details. Essentializing mental simulations of working longer may mean thinking about fundamental aspects of one's job, such as feeling undervalued by a boss, while omitting smaller details, such as interacting with coworkers. Although feeling undervalued is a valid reason for a lack of job satisfaction, omitting more minor details of daily work activities from mental simulations means that individuals' prospecting will not accurately reflect what it might be like to actually work longer. An individual's overall experience with an event takes into account major and minor factors that are both positive and negative, but mental simulations of future events take into account mostly the major events (Gilbert and Wilson 2007). Therefore, the major, sometimes negative, events that factor into individuals' mental simulations of future work will not be tempered by smaller, potentially positive factors that could make the actual experience of working

longer not so bad. In addition, essentialized mental simulations of retirement may lead individuals to focus on the major aspects of leaving the workforce, such as large amounts of leisure time, to the exclusion of the seemingly smaller details, such as possibly having few retired friends with which to spend this newly acquired leisure time.

Mental simulations of future events are also abbreviated, that is, they are necessarily shorter than the actual event being simulated. Furthermore, abbreviated prospectations generally contain representations of only the earliest moments of the event in question. Therefore, when mentally simulating how retirement might be, a potential retiree is quite likely to consider only the early stages of retirement. For example, an individual may imagine the first holiday season during which he or she will not have to work on Christmas Eve, or the first Memorial Day after which he or she will not have to return to the job. Particularly in the realm of the retirement decision, those early events tend to be mostly positive aspects of retiring. The notion that mental simulations are abbreviated suggests that retirees consider less, if at all, the lasting impacts of retiring early, namely reduced benefits for themselves and their surviving spouse. The abbreviated nature of mental simulations, then, may be extremely important for the retirement decision; if retirees do not consider what the state of their retirement and finances will be in their 80s and 90s (when perhaps their retirement savings accounts have been exhausted), they will not fully realize the importance of delaying benefit claiming as long as possible. Some retirees may also find themselves bored and disengaged from society (Nuttman-Shwartz 2007), conditions that normally present themselves further into retirement. These delayed effects of early retirement most likely are underrepresented in the mental simulations of retirement.

2.2.3 Stage in work life when decision develop

Idealize Once you have accepted a position, they are likely to feel the highest positive regard for the job. You are motivated and excited about this new position and the potential it has. This period is characterized by high motivation and excitement. You perceive your supervisor as someone you can work for and is an individual that was be committed to your success. Your co-workers seem like nice people that was help you transition smoothly into the new job. The job duties seem potentially challenging and rewarding. You are ready to begin this new chapter of your career. **Probationary** You start your new job and enter into the orientation or probationary phase. Since there is so much to know, this is the steepest part of the learning curve. Most employers expect it was take you some time to settle in before you can fully contribute. It can be a period where you have permission to make mistakes and be forgiven. However, it can also be a time where mistakes can add up to your termination. At this stage, you are learning new rules, the culture, your supervisor's leadership style, processes, procedures, rules, products and people. You may feel either overwhelmed or underwhelmed. You many even have some doubts about your ability to do this new job. You may not know exactly what you are doing or if you are doing it well. You're wondering who you can trust as well as who was be your allies and mentors. You don't want to appear foolish or a know-it-all, so balance a willingness to learn with your competence. Here you begin to understand the subtleties of office politics and etiquette. Be tactful. Find ways to fit in and gain acceptance. Start to lay the foundation for collaboration with team members. Search for focus and direction. Begin to develop a daily work routine. Time with your supervisor and key co-workers can help solidify your place and role. All parties are adjusting at this point, so give yourself some time to get use to your new job.

Ideal/Real Reconciliation After some time, you may think this was not the best choice. Reality sets in and a gap forms between the ideal and the real. After you settle in, the reality becomes clearer. The job and work environment turn out to be different than what you envisioned. You are still learning, however, the job duties may be more routine, boring, and less exciting that what you initially expected. Your co-workers and supervisor are not exactly what you thought they would be like. You may feel disappointed or frustrated. This is a transitional phase. This is a good time to stop, re-evaluate expectations, reflect on your progress, chart any new and more realistic goals and reaffirm the positive things seen so far.

Peak Performance This phase is characterized by your highest degree of mastery of the job and highest productivity. Your energy is focused on accomplishing tasks and goals. Your self-confidence and competence are excellent. You have raised your visibility. You are fully integrated into the work group and organization; you are able to better negotiate changes effectively.

You have taken on increased responsibilities and roles. You have established yourself by generating positive results. This period may be characterized by financial rewards or public acknowledgement of your performance.

Plateau You've hit an area of little variation. Your professional development in this job has leveled off or declined. You notice an increase in routine and decrease in challenge and creativity. You are not learning very much and your enthusiasm has waned. In other words, you're coasting. You come in and do your job and then leave. You have lost a sense of urgency or caring. You are maintaining your work performance, but there is not a lot beyond that.

What you may need to do is to reinvent your job or reposition yourself. You can continue to keep yourself marketable by join professional associations, training others, taking on new projects, upgrading old knowledge, learning new skills, networking, attending seminars or classes. This may be the time to stop and re-evaluate your short-term and long-term goals. **Devalue** At this stage you are feeling mostly negative about your job. Your commitment to the job and employer wanes. You tend to focus on the weaknesses of the job, your boss and your co-workers. Your productivity and attitude decline. You are either overworked or underworked. You may receive a poor performance evaluation. Requests for new responsibilities, training, supervision, promotion and salary increases are either stalled or rejected. You are left out of key meetings. There are more office politics and conflict than you can tolerate. Minor issues quickly trigger negative emotions. You are in real danger of “Rage Quit.” Without question, it’s time to get professional help to objectively assess the situation and come up with a strategic action plan.

The researcher found out in the various stages mentioned above from entry into the organization, the stay in the organization till a time when one quits or retires is influenced by their attitude towards work, relationship with various workmates and generally the work environment provided by the employer.

Life stage versus career stage

Early adulthood (20-40), middle adulthood (40-60), and late adulthood (over 60). As indicated above, more specific sub-stages associated with particular career issues are identified. This model has fostered a good deal of research on individuals' career adjustment as influenced and moderated by age. Much of this research, however, does not directly test the model identified by Levinson, *et al.* For example, Rhodes (1983) reviewed over 185 studies that explored age as a correlate of various job attitudes and behaviors. She found that across the majority of studies age was positively correlated with overall job satisfaction, job involvement, organizational commitment and was negatively correlated with turnover. None of the studies specifically looked at variations across age categories as suggested by Levinson. Similarly, although Gould (1979), Slocum and Cron (1985), and Hafer (1986) divided their samples by age classification, they all have operationalized age categories as under 30, 31-45, and over 46. Given Levinson *et al.*'s suggestions about the various stages that exist between the ages of 31 and 45, it is no surprise that these researchers only found differences in job attitudes in those under 30 years of age. Different age categories have also been explored by Hall and Mansfield (1975) and Rabinowitz and Hall (1981). In these two studies, people were categorized by ages 21-35, 36-50, and over 51.

Interestingly, although they found that age moderated the relationship between job involvement and various job attitudes, no differences in job attitudes were found across age groups.

The few studies that have used the Levinson *et al.* operationalization of age categories have not focused generally on organization commitment, involvement, satisfaction, and performance. For example, Blackburn and Fox (1983) found that the values physicians placed on the teaching of medicine varied across the different life stages. Similarly, Alderfer and Guzzo (1979) found that, as predicted by Levinson *et al.*, people would seek different levels of psychological growth at different stages. In yet a different operationalization of life stages. Rush *et al.* (1980) gave subjects vignettes describing the tasks and psychological adjustments expected at different life periods (no ages were given) and asked subjects to choose the vignette that best represented their current life stage. Using these classifications. Rush *et al.* reported no differences across groups in terms of job commitment, satisfaction or performance.

This study seeks to more directly examine the Levinson *et al.* model than has been done in the past. Although Levinson proposes that individuals was differ in how they attempt to work on these tasks and how successfully they was be resolved, it is argued below that the nature of the developmental tasks was allow certain career attitudes and perceptions to dominate individual life stages. Thus, the early adult stages involve the tasks of both making commitments and of keeping options open.

Individuals vary in the relative emphasis given to these tasks—they may virtually ignore one, they may vacillate between the two, or they may work on each in different spheres of life.

Based on the contention that the entry to the adult world phase is provisional in terms of an individual's commitments to an organization, other people, and activities, it is hypothesized that individuals in this phase of their life was be less committed to their organizations, less involved in their jobs, and less satisfied with their work in general than Individuals in any other age group.

Similarly, it is hypothesized that people in this group was express greater intentions to leave their organization and willingness to relocate due to their attempts at continued career and life exploration than people in other age groups. Due to their lack of work experience, it is predicted that the job performance of individuals in this life stage was be lower than that of individuals in any other life stage.

The age 30 transition is a time of instability and change. It is expected that commitment, involvement, and satisfaction was remain relatively low during this period of time. Due to instability and change, it is predicted that individuals at this time in their life was express greater intentions to leave their company and to relocate than at all periods of time other than during the entering adult world phase. It is predicted that the job performance of

people in this stage was be improved over those still in the entering the adult world stage, but lower than for people in other life stages. This increase in performance can be accounted for by the greater work experience of people in the age 30 transition stage.

The settling down period of the mid-late thirties in which people are concerned with reestablishment of personal and professional goals and striving for advancement is likely to be the period of greatest organizational commitment, job involvement, satisfaction, and performance.

Additionally, it is hypothesized that individuals in this life stage was be less likely than those in the two earlier stages to express an interest in leaving the organization or in geographically relocating due to their concern for stability and settling down in a community. It is expected that individuals between the ages of 34-39 was be more interested in attaining promotions—and was want them sooner rather than later—than individuals in other life stages. This is based on their striving for professional advancement and accomplishment.

The mid-life transition, with its concomitant questioning and redirection, is likely to be a time of decreased organizational commitment, involvement, satisfaction, and performance relative to the settling down stage. It is during this stage that Levinson *et al.* suggest individuals start questioning the importance of work in their lives. Because of refocus on family, it is expected that people at this age was express less intention to leave or relocate than people in the three earlier life stages. This mobility reluctance can be derived from individuals' desire not to disrupt the family (which at this point in time is likely to involve teenagers) to achieve greater organizational attainment(s).

Entering middle adulthood is suggested to be a stage of relative tranquility during which adjustments are made to decisions and actions taken during the mid-life transition. It is expected that organizational commitment, involvement, satisfaction, and performance was all improve during this period relative to the previous life stage. It is not expected, however, that these attitudes and behaviors was be as strong (positive) as they were during the settling down period. This is because the entering middle adulthood stage is less filled with pressure to advance and meet personally determined goals than is the settling down stage.

Levinson *et al.* clearly identify that the age 50 transition was be more or less marred by conflict, questioning, and change depending on the resolution of the individual's mid-life transition.

Assuming a mild degree of uncertainty about one's career aspirations and accomplishments at this stage, it is expected that job attitudes such as organizational commitment, job involvement, and overall satisfaction was be lower during this period than in the stages immediately preceding and proceeding this one. By this point in the career, however, it is expected that other career attitudes and performances was remain stable.

Finally, as individuals reach the culmination of middle adulthood, stability again returns as individuals come to accept their work and family situation. Based on this, it is expected that job attitudes and performance was remain stable.

2.3 Critical Review

Retirement refers to the time when an employee reaches the end of his working life. Retirement is regarded as important stage in human development all over the world. Retirement is an inevitable activity in the lives of workers. It is a transition from the world of work into a world of less rigorous work activity and rest especially in respect to old age or long years of services (Beisky,1990)

Retirement is the period of a persons life during which he or she is no longer working or the commencement of that period.

In most developed countries, the official age of retirement is 65.however, is well below (Organization for Economic Cooperation and Development (OECD,2006). This has led to a growing contingent of early pensioners, which presents a threat not only to existing health and pension systems, but also to organizational functioning. Early retirement may result in loss of valuable, organizational specific knowledge that is costly and time-consuming to replace (Beehr,Glazer,Nelson,Farmer 2000.)

Key findings and implications for practice

Midlife and older employees, self-employed workers, and top management pre-retirement professionals surveyed in 2009 (average age 52.6) reported an average intended retirement age of 64.4 years; approximately one year greater than the age they reported that they had intended to retire at prior to the economic downturn beginning in early 2008. Over 60 percent of employees reported intentions to work after retirement, and half the retirees surveyed (average age 59.4) reported currently working in full-time or part-time jobs. Employees 45 years and older who planned to work after retiring, intended to work for on average of 6.5 years after retirement (on average to 69.5 years of age). Only 40 percent of all pre-retirement professionals reported an intention to postpone retirement in March 2009 because of the recent economic downturn. “Delayers” were significantly older, in poorer health, more motivated to prevent financial loss and negative outcomes, held more positive attitudes toward retirement, and viewed work as less central in their lives than “Non-Delayers.”

- Organizations are unlikely to successfully mitigate retirement intentions among Delayers, who can be expected to retire when personal finances permit.
- Organizations can improve workforce retirement prediction accuracy by identifying employees with Delayer-type profiles.

Striking differences were also obtained between the motivational and attitudinal profiles of professionals holding early and late retirement intentions, intentions work after retirement, and intentions to leave the workforce altogether. These differences predicted variance in retirement and post-retirement work intentions beyond that of age, health, retirement finances, and work centrality. Professionals who reported later retirement intentions and intentions to work after retirement were higher in achievement motivation and held less positive attitudes toward retirement than professionals who reported intentions to retire sooner and did not expect to work after retiring.

Motivational traits also differentiated employees and self-employed/top management groups, and contributed to the significant differences in work and retirement intentions found between these groups. Employees reported higher levels of avoidance motivation than self-employed/top management participants, held stronger positive attitudes toward retirement, and viewed work as less central in their lives than self-employed/top management participants. Health was not a significant predictor of retirement intentions for either group.

Motivational traits and retirement attitudes also differentiated retirees who were working and those that were not. Non-working retirees were significantly older, lower in achievement motivation, and held a more positive attitude toward retirement than working retirees, though the groups did not significantly differ on work centrality or health. Working retirees rated their current job (compared to their job at retirement) as less stressful, more enjoyable, less prestigious, and somewhat less demanding.

- To increase retention of older, achievement-oriented professionals, organizations should focus on providing intrinsic and extrinsic rewards at work and in the job, including for example, task assignments that utilize knowledge capital and mentoring opportunities.

- To avoid an increase in negative motivational states that make retirement more salient, organizations should establish norms that publically recognize older worker contributions to the firm and the work units, minimize relationship-based stressors, and introduce greater job autonomy where possible.

Interestingly, midlife and older professionals reported relatively few major life events during 2009-2010, but did report the occurrence of many major work events. More than one-third of all employees took on additional work responsibilities, and about one-quarter of all employees reported changes in their work roles, being assigned a new supervisor, and/or increasing their work hours. One-fifth of the employee sample reported participating in training. Among self-employed/top management participants, over one-quarter reported losing significant revenue, changing their business plans, and/or laying off workers.

- Train supervisors to monitor older worker reactions and adjustment to major work changes in order to provide for early identification and mitigation of detrimental effects of work events on work motivation and attitudes.

Research design and methodology

The research design adopted was mainly a case study design. According to C.R Kothari (2008), research design is the arrangement of consideration for collection and analysis of data in manner that it aims to combine tolerance to the research purpose with economy in procedure. The researcher used case study research design as it gives a clear representation of the variable under study. James Finlay Ltd is a private entity and hence gave an in-depth investigation of challenges facing employee perception in regard to retirement in the private sector.

Target population

According to Mugenda (2003), target population is the population to which the researcher wants to generate the results of the study. The target population was the top management, departmental heads and employees. The study targets 100 employees from the three departments.

Sample design

The study employed random sampling. Mugenda (2003) defines stratified sampling as a probability technique that ensures that each population category has an equal chance of participating in the study. The target population was subdivided into three status namely: top management, departmental heads and employees.

Data collection instruments

The researcher designed the questionnaires which have both open and closed-ended questions. Questionnaires were chosen because they gather information simultaneously. According to Mugenda (2003) they give important

information about the population and since each item is developed to address specific objectives and research questions.

3.5 Data collection procedures.

The researcher was seek permission from the institution and also request the management of James Finlay (K) Ltd to allow her conduct the research. The questionnaires was then be administered.

Validity and reliability of instrument

Mugenda (2003) defines validity as the degree to which results obtained from the analysis of the data actually represent the phenomena under study.

ANALYSIS

Participant's characteristics

The study had a response rate of 100. This was because the questionnaires were self administered and the proximity of location of study made followup easy. Ages of respondents was of great importance in this research study. Tough efforts were exerted in finding out whether age could contribute to factors influencing employee retirement decision.

As shown from the pie chart and bar chart 4.1,35% of the respondents were aged between 21 and 25 years,22.5% were aged between 26 and 30 years,37.5% were aged between 31and 45 years, while 5% were of the age of 35 years and above.

The researcher found out that most of the respondents were aged between 31 to 35 years meaning that their response in the questionnaire had a greater impact on employees decision to retire, This therefore, provided the firm with basis confidentiality in the study findings.

The researcher also wanted to know the exact genders of the respondents, whether they were male or females.

Analysis of data showed that females are natural ignorant and reluctant in answering obvious questions while male always appear to treat every question as important, with utmost sincerity and harmony, and for this aspect, females should be given a first priority in a research, in filling in questionnaires, for the most preferable responses than males.

From the pie chart 4.3, 20% the respondents were a certificate holders, 35% were diploma holders, 25% were Bachelors degree holders while 20% were postgraduate.

The researcher discovered that since (35%) respondents to the questionnaires were diploma holders compared to those who are certificate and postgraduates. Diploma people appear to be majority clear, straight forward and understanding than the certificate holders, Bachelors degree holders and postgraduates.

The researcher enquired to know about the employment period of the respondents, how long they had been working for the firm.

Table 4.6 shows that 35% of the respondents had been working in the firm between less than 5 years, 37.5% had been working between 5-10 years, and both 10-15,15-20 and those who had been working for more than 20 years had a 15% and 7.5 % respectively.

The researcher discovered that the young employees had courage to work and rebuilt the company's name by devoting themselves in trying to solve the problem they face, while those who were employed in the company for over 10 years had lower response numbers, since they appear to be used to, and tired of trying to solve chronic problems than seem not to end soon/easily.

What factors influence employee's decision to retire?

According to the respondents, they pointed out that the cause of early retirement were age, sickness, lump sum amount of money and work stress were among the causes of early retirement at James Finlay (K) Ltd.

What work factors influence employees to postpone retirement?

According to the respondents, they highlighted some of the factors that employees tend to postpone retirement is current benefits (e.g. provision of a car, house, garden e.tc)

What stages in their employment life that such intentions develop?

The researcher found out that most jobs are not set up to satisfy us for a lifetime. A job has a life cycle characterized by various stages. If you can recognize where you are at each stage you can improve your experience or prepare for a successful exit.

Conclusions

This research study was carried out in the James Finlay (K) Ltd firm with a main aim of accessing factors influencing employees decision to retire.

From the findings of the study, it shows that there is a great importance of recognizing the various stages in the employment life so as to motivate employees so that they can perform and improve on the organization productivity.

According to the study, there should be ways of identifying the needs of the employees in the various career life or employment stage, well identified and analyzed before retirement is done.

From the study, there were also reasons why employees postpone retirement the importance this helps in keeping experienced workforce who understand the procedures and work they are doing, they also help in guiding and training of new entrants into the organization by taking them through the system.

Recommendations

The following are the suggested recommendations:-

1 Well designed retirement decision procedures

Retirement decision procedures should be well designed through the understanding the various stages of employees career life, so as to make reach, an effective and efficient.

2 Recognize the factors influencing retirement decision

In order to make retirement a well performed activity there should be the consideration of human resource as a core activity to educate employees on their employment since it has major impacts to businesses, and thus should never be ignored, and this was lead to better productivity and well performed activities. The positive impacts helped the organization, while the negative impacts were pull back the existence of the firm.

3 Better ways of locating those to retire

Retirement decision should have better ways of locating employees in any department, through the introduction of better ways of locating employees in various department of the organization.

Suggestions for further studies

This study has an advanced knowledge by accessing factors influencing retirement decision deeply. In most instances, the research study gained support and courage from prior researches conducted across different organizations in different countries of the world, and therefore, generalizability is not so much of a surprising fact, or similarity in ways of framing it, but this is a unique product.

The scope of the study

The research study was done to examine the factors influencing employees retirement decision. It was carried out at James Finlay, that is multinational company found in Kericho with a target population of 100 respondents of the company. This study was carried out from April 2013 to September 2013.

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