EXPLORING THE PERCEPTIONS OF EMPLOYEES WITHIN THE NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT REGARDING RETIREMENT READINESS

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BY

MMAKWATA EVELYN TSATSI

Supervisor: Dr Laetitia Petersen

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DECLARATION

I Mmakwata Evelyn Tsatsi, student number 517498, hereby declare that this is my own original work. It is hereof submitted as part of the requirements for MA degree of Occupational Social Work at the University of Witwatersrand, Johannesburg. This report has not previously been submitted for any other degree or examination in any other University. Where I have used the work of any authors, I have properly acknowledged them, and I have not copied any author or scholars work with the intention of passing it as my own

I hereby declare that this research report is my own original, unaided work. I have acknowledged and correctly referenced all sources utilized.

Mmakwata Evelyn Tsatsi

Student Number: 517498

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ABSTRACT

Retirement as a life event may be perceived and handled differently by employees due to a lack of or inadequate preparation because some employees have a negative view or experience difficulties concerning their transition from work life to retirement. Employees often procrastinate the preparation, especially the financial part, which exacerbates the difficulties. Some wait until a certain age before they can start saving for this life event. The delay in financial planning or retirement preparation translates into little savings and the onset of psychological distress. This study intended to influence the development and designing of preparation programmes within the National Department of Social Development to close the gap in policy regarding the unavailability of such programmes. The study is quantitative using a survey research design. The instrument used to collect data was a questionnaire. The study sample was respondents between the ages of 55 and 65 years of age within the National Department of Social Development. This number is inclusive of both genders, professionals and non-professionals and all racial groups. Saturation or census sampling was utilised. Data was analysed using descriptive and inferential statistics such as graphs, pie charts and tabulations to present the findings.

The main findings drawn from the study was that 64.3% of respondents consider themselves ready for retirement and are considering retiring at the mandatory age of 65 within the public sector. Furthermore, the all the respondents i.e., 100% indicated they did not attend any pre-retirement programmes within the department and indicated the need for pre-retirement programmes including counselling prior to retirement.

KEY WORDS: Early Retirement, Employees, National Department of Social Development, Retirement, Retirement Planning/Preparation, Retirement Readiness.

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LIST OF ACRONYMS

Commission for Conciliation Mediation and Arbitration	CCMA
Coronavirus Disease of 2019	COVID-19
Department of Public Service and Administration	DPSA
Government Employee Pension Fund	GEPF
National Department of Social Development	NDSD
Protection of the Personal Information Act	POPIA
South Africa	SA
State Old Age Pension	SOAP
Statistical Programme of Social Science	SPSS

CHAPTER ONE

GENERAL INTRODUCTION

1.1 INTRODUCTION

Retirement is one of the life transitions where an employee retires from his/her daily formal working activities or paid work. The transitions need to be prepared well in advance for proper adjustment. According to Wang and Shi (2013, p.211) “retirement is an individual’s exit from the workforce, which accompanies decreased psychological commitment to and behavioural withdrawal from work”. According to Carr (2016, p. 1) “retirement is a departure event in an individual's life course from a phase of the occupational life cycle”. The researcher is of the opinion that retirement involves a process where an individual stops working in a formal working environment.

Bonsang and Klein (2012, p. 311) supported the statement by affirming that “retirement is a major life event that affects individual well-being in various ways namely economically, socially and psychologically”. This means that retirement as a life event may affect an employee in all spheres. Economic, social and psychological difficulties associated with retirement may differ from one person to another. Retirement, if not planned, in essence, may affect an individual's social functioning. Retirement as a life event should be prepared well in advance to ensure that the employee’s sense of well-being or life satisfaction is achieved because failure to do that might affect the employees because of the loss of occupational attachments, social networks, and identities. This means that retirement may bring positive or negative outcomes in the life of retirees depending on how well one prepares for it. The study, therefore, focuses on the retirement readiness of employees who are about to retire. It aims at measuring the level of their preparedness regarding the transition to retirement taking into consideration all aspects of life. Pre-retirement planning or preparation should be considered important for the employees to experience a positive adjustment post-retirement and to minimise negative consequences. Retirement readiness is defined as the state and or the degree of being ready for retirement (Kagan, 2019, p. 1). On the other hand, retirement readiness is explained as the “state of being financially prepared for retirement, or the degree to which an individual is on target to meet his or her retirement income goals" so that the standard of living enjoyed while working can be maintained after retirement. It also includes mental, social, emotional and physical aspects of one's life. (Dhir, 2021).

Retirement readiness should be undertaken by the employee on a personal level and the employing organisation as a macro intervention. The study conducted by Stephen and Alpass (2009, p. 1-2) indicated that "preparations to welcome retirement could help obtain a prosperous life after retirement in the future". The researcher is of the view that pre-retirement planning or preparation, can enhance life satisfaction and alleviate some negative behaviours/consequences associated with poor planning. This means that proper planning contributes towards a satisfying life after retirement.

1.2 STATEMENT OF THE PROBLEM

Retirees are often exposed to challenges related to their finances, loss of work-related connections or relationships and poor health after retirement. In some instances, poor health is exacerbated by lack of or being unable to afford medical expenses as compared to when the employee was still working. Ju et al. (2017, p.1517) stated that "retirees experience a loss of social contacts, financial hardships and burdensome health care needs which contribute to stress and exacerbate poor physical and mental well-being". Akpan (2016, p. 219) indicated that retirement may be seen as a phase of disaster in an employee's life and may end up developing psychological stress like anxiety and depression, and as such, may become less energetic and experience difficulties adapting to a new lifestyle. Marilynh (2019, p. 1) stated that retirement is considered one of the most stressful events in life. In addition, it is said that retirement depression is rated as the number one condition amongst new retirees; therefore, retirement planning is critical for a successful retirement. In addition to psychosocial stress and depression, some employees within the South African context may develop a fear related to the fact that after retirement, they must assume the responsibility of providing for their immediate and extended families without the normal salary as was the case before retirement.

There is limited research conducted on the retirement preparation or planning in South Africa especially in both public and private sector. The recommendation of the research conducted by Mushaphi (2010) on the knowledge of and involvement in retirement planning among employees in their middle adulthood, was that further studies should be conducted in all government departments on retirement issues because more knowledge is needed in this field in the country. In addition, the study conducted by Reyers (2018, p. 346) on the perceptions of retirement adequacy: evidence from SA, also revealed that there is limited research done on retirement adequacy in the country. Therefore, the findings of the research as highlighted in the study, revealed that “retirement confidence levels of South African workers are high, which do not correspond with the general view that South African workers are inadequately prepared for retirement”. To that effect, the researcher also recommended that further research should be conducted to ensure that there is synergy between the perception of employees and their retirement income adequacy.

Considering the above, the research problem for this research study is based on the gap identified in terms of lack of pre-retirement programmes and lack of policy position regarding the development of preparation programmes for employees to deal with retirement transition within the National Department of Social Development (NDSD). The NDSD orientation programme does not address the issue of retirement in full since, in some organisations, retirement preparation starts when an employee is hired. Ms Makinta (personal communication, March 23, 2018) conducted group work sessions with pre-retirees within NDSD. The sessions’ topics covered preparation for retirement. The group findings identified the lack of pre-retirement programmes as a concern for employees since there is nothing in place regarding retirement programmes within the department.

Departmental administrative processes are followed regarding the preparation of employees for retirement. Ms Makinta (personal communication, March 23, 2018) indicated that the procedure followed within NDSD is that the Human Resource unit retrieves a list of all employees who will be going on pension in that particular year, namely, those who will be turning 65 years. The employees are notified three months before their retirement month. The purpose of that exercise is to assist such employees to complete the necessary forms (notice of exit form, debt advice form, and exit interview form) for retirement. In addition, all employees are required to undergo a compulsory pre-exit interview. The purpose of the exit interview is to make sure that the termination procedure as prescribed in the Department of Public Service and Administration (DPSA) (2012) is followed by employees exiting the department. The Government Employees Pension Fund (GEPF) Booklet (2018) explained or provided information on membership and benefits in case one resigns, retires, passes away or is discharged. The GEPF Booklet is the only source of guidance distributed to all government employees to provide them with information on retirement and benefits; the information is, however, inadequate since it does not cover other issues on the preparation for retirement.

1.3 RATIONALE FOR THE STUDY

The rationale for the study is to close the gap in policy regarding the availability of pre-retirement or preparation programmes for employees within NDSD. The study will inform or influence the development of the policy on retirement preparation within the department. This will also put the department in an advantageous position within the public service regarding retirement preparation for employees since the public service relies mostly on the Government Employee Pension Fund (GEPF) in terms of retirement funds administration.

The NDSD orientation manual does not cover issues pertaining to retirement preparation. The following information is covered in the NDSD Orientation Manual (2015): the contribution of employees towards the GEPF in which the employer contributes 13% and employees contribute 7.5% of their pensionable salary, the compulsory age of retirement is 65, penalisation for retirement between 55 and 65 and completion of the nomination of beneficiaries. All the aspects mentioned above is the only information given to new employees when they assume duty within the department. This implies that the department in their orientation only focuses on what is contained in the GEPF booklet. Therefore, NDSD as one of the government departments also relies solely on the Government Employee Pension Fund’s information on retirement preparation for employees. The GEPF booklet serves as the only guide to government employees regarding retirement issues and is not comprehensive enough to cover aspects of retirement preparation/planning; it focuses only on the benefits that employees are entitled to after retirement and the mandatory age of retirement.

Therefore, the study provided insight regarding the need for retirement programmes within the department. This is the case because the empirical findings of the study indicated that there was a need for retirement preparation programmes including counselling to enable employees to deal with the psycho-social aspects associated with retirement. Therefore, the study enabled the employer to align the Human Resource policies (Directorate: Employee Health and Wellness 2022) with the needs of employees identified through the study. According to Goods and Millsteed (2016, p. 716), “the need for retirement preparation programmes is essential for selecting/deciding and transitioning skills to prepare elderly employees for retirement”. The researcher is of the view that retirement transitioning skills and plans are necessary in order to navigate through this life event and for effective exit to employment.

Therefore, this study contributes theoretical knowledge to inform policy development since a lack of pre-retirement programmes was identified. With regard to the employees, the study enabled them to realise the importance of preparing in advance for the transition to retirement including the post adjustment plans since it was reflected in the study that some respondents were prepared for retirement.

1.4 RESEARCH QUESTION

What are the perceptions of employees within NDSD regarding retirement?

1.5 AIM OF THE STUDY

To explore the perceptions of employees within NDSD regarding retirement readiness.

1.6 OBJECTIVES

- To explore the factors that influence an employee's decision for retirement.
- To explore the attitudes of employees towards retirement.
- To determine whether pre-retirees have adjustment plans post-retirement.
- To determine the need for pre-retirement planning for NDSD employees

1.7 DEFINITION OF TERMS

The purpose of defining key concepts in research is to enable both the researcher and the reader to have a clear understanding of the concepts used.

Retirement –According to Summers (1987, p.892) "retirement is the period after one has retired, and to retire is defined as to stop working at one's job or profession, usually because of age". The researcher is of the view that retirement is when an employee withdraws from the day-to-day work that he or she used to do, changes his or her routine and engages in some activities such as leisure, community work and transfer his or her skills to others.

Early retirement – According to the Government Employee Pension Fund Booklet (2018, p.34) "early retirement means retiring before your 60th birthday if you choose to do so or with or without the approval of your employer".

Retirement preparation/planning – According to Rumitha and Usha (2020, p. 24), "retirement preparation or planning is defined as the process of determining retirement income goals, risk tolerance, and the actions and decisions necessary to achieve those goals." According to the authors, preparing for life after paid work ends is more than just financial preparation, it encompasses leisure time and post retirement living arrangements. In this study, retirement preparation/planning involves a process whereby an employee starts preparing for an exit from employment (financially, socially, and psychologically) taking into consideration life post-retirement.

Retirement readiness – According to Summers (1987, p. 876) "readiness refers to when you ready for something" state or quality of being ready". "Retirement readiness is defined as the state and or the degree of being ready for retirement" (Kagan, 2018). In the current study, retirement readiness refers to being financially, psychologically, emotionally and socially prepared for retirement.

Employees – Summers English (1987, p.333) defines an employee "as a person who is employed" whereas to employ is defined as "to use the services of (a person or group) to perform work in return for payment." The word employee in the study refers to all persons employed by NDSD within the age category of 55 and 65. These are employees who are about to retire.

National Department of Social Development (NDSD) – refers to the Department of Social Development within the Republic of South Africa.

1.8 THEORETICAL FRAMEWORK

The theoretical framework that underpins this study, is the life-course perspective. The theory was founded by Elder Glen in 1960s. The theory provides an analysis of people's lives based on three domains i.e., structural, social and cultural aspects. According to Hutchison (2007, p. 12) the following are the main concepts of the life course perspective "cohorts, transitions, trajectories, life events and turning points".

This theory is applicable to the study in a sense that retirement can be contextualised as a life event, transition, and a pathway in one's life that needs to be managed properly. In addition, it can be viewed as one of the pathways in life that contribute to life satisfaction. Retirement in essence brings about changes in one's life. The changes might affect the employee's social, familial and psychological aspects and also person's identity and individual sense of wellbeing. This means that retirement can bring changes to an individual's psycho-social and developmental aspects which might affect or alter his or her functioning.

An in-depth discussion of the theoretical framework is on chapter 2.

1.9 RESEARCH METHODOLOGY

The researcher used a quantitative research method whereby survey research design was utilised to explore the perceptions of employees who are about to retire regarding retirement readiness. The sampling method used was census or saturation sampling whereby survey questionnaires were sent to all the employees between the ages of 55 and 65 within the NDSD. Seventeen questionnaires were completed. The data from these respondents were analysed using descriptive statistics.

The following are some of the limitations that the researcher encountered:

(i) The initial sample which was highlighted in the proposal was 77; therefore, the questionnaires were distributed to all the employees, but a few employees managed to complete and return the questionnaires. Due to this limitation, the result cannot be generalised to the population at large. In this instance, the researcher experienced a non-response error which occurs when all the targeted respondents do not take part in the survey as envisaged or to whom the survey questionnaires were distributed.

(ii) The questionnaires were emailed to the employees; physical distribution of questionnaires was not possible because employees within the NDSD worked on a rotational basis due to the COVID-19 restrictions.

(iii) Section B and C of the questionnaires required employees' personal information; some employees might have considered the ramifications of the Protection of the Personal Information Act (POPIA) and decided not to disclose their information. Non-participation of other employees due to the protection of personal information negatively impacted the study and the results of the study cannot be representative of the entire population studied.

1.12 SUMMARY

In this chapter, the researcher provided an overview of the general introduction, the orientation of the study and unpacked the concept of retirement. The problem statement was formulated based on the lack of or inadequate preparation of employees to deal with retirement as one of the life transitions. Therefore, the study aimed at influencing the development of the policy on retirement preparation within the department. The next chapter focused on the theoretical framework underpinning the study and literature review on retirement including factors influencing the readiness of employees to retire.

1.13 STRUCTURE OF THE RESEARCH REPORT

The research report is divided into five chapters which are as follows:

Chapter 1: General Introduction

Chapter 2: Literature Review on retirement preparedness

Chapter 3: Research Methodology

Chapter 4: Data Presentation and Analysis

Chapter 5: Conclusions and Recommendations

CHAPTER TWO

THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.1 INTRODUCTION

Retirement is considered as one of the life transitions of an employee which needs preparation to be managed effectively. According to Talib and Manaf (2017, p. 13), "retirement is the last phase in career development and all working people either in the public or private sector will retire in the future". The researcher is of the view that retirement is the stage where the employee discontinues formal work and engages in voluntary work, he or she utilises his or her time either engaging in leisure or unpaid work. This means that retirement can be explained as a final stage in one's formal career and employment where paid work stops at a specified time. The process is accompanied by some changes in one's life that one needs to adapt or adjust to. Zeka (2016) indicated that retirement "as a major life event affects individual well-being in various ways, namely, economically, socially and psychologically including changes in the financial situation of an individual". The process of retirement as a life event can also affect the individual's wellbeing including his or her social relations with his or her family members. In short, one can deduce that it can affect the social functioning of an individual including his or her coping capacities.

Therefore, since retirement affects an individual socially, financially, psychologically and emotionally, retirement planning, or preparation is necessary. Cohen-Mansfield and Regev (2018, p. 429) emphasised the importance of retirement planning which is "goal-focused behaviour in various areas such as finances, health, family, society and leisure". Planning or preparation for retirement will result in a more satisfying and positive outcome for both the individual, his or her immediate family and society. This means that for one to adjust post retirement, retirement planning and preparation is important.

This chapter will focus on the theoretical framework relevant to this study which is the life-course perspective and will also cover in-depth literature on retirement as one of the life events, factors influencing or determining the retirement readiness of employees, best-practice models in other countries relating to retirement readiness and the importance of retirement preparation.

2.2 THEORETICAL FRAMEWORK

The theoretical framework that underpins this study, is the life-course perspective theory.

2.2.1 LIFE-COURSE PERSPECTIVE/THEORY

The life course-perspective in general attempts to explain an individual’s life span in terms of his or her mental, physical and social and health aspects taking into account the life stage concepts that determine the health trajectory. The life-course perspective, often called a “gerontological theory provides a useful framework for exploring retirement identity because it stresses how each life-course transition is integrated into an individual's life trajectory”. (Silver, 2016, p. 2). This means that this theory viewed retirement as one of the life-course transitions that can be understood through an individual's life paths. The life course perspective provides an explanation of retirement as of one's life phase or stage which comprises a series of events embedded within one’s life pathways.

Moen and Smith (1998, p. 736) viewed retirement in terms of the “life-course perspective and emphasises the importance of major transitions of which retirement is one of them and the fact that lives are interdependent”. This means that retirement is viewed as one of the changes in life and the fact that the lives of individual people influence each other. It is said that the retirement of one spouse may influence the retirement decision of the other spouse. This perspective also explains how individuals are influenced by the timing of social change and how in turn individuals influence their environment.

It is further stated that retirement as a life transition is also viewed within the family context. This means that the family as a system influences the retirement decision of its members as subsystems. Apart from the family context, the life-course perspective explains that the decision to retire or the transition to retirement is influenced by structural changes for instance, mandatory policies on retirement age and early retirement packages. Therefore, it can be concluded that the influence of the structural changes on retirement transition, leads to a purposefully considered or pre-arranged pathway.

The life-course perspective also viewed the retirement transition as influenced by the concept of gender and marital relationships. It is said that couples may influence each other's timing of retirement. On the other hand, gender also plays an important role in influencing the retirement transition. It is said that men and women do experience and respond to the retirement transition in different ways. Kim and Moen (2002, p. 22) supported this statement by stating that “men and women experience retirement transition differently because of their different work histories, employment opportunities and general life experiences”. However, it is further argued that women and men are affected differently by retirement, with women being more susceptible to a destructive life, depression and loneliness as compared to men. The reason why men and women experience retirement transition differently, it is because of firstly life-time work histories. In this case some women start their careers late in life because of childbearing including the nurturing. This is part of life events that compels some women to start working later in life and as a result, they consider retirement later in life than men. Secondly, such women who start their career later in life, end up considering late retirement with the aim of accumulating retirement pension fund. This means that early work roles tend to shape future behaviours later in life more specifically for women.

Silver (2016, P. 2) identified “the following principles of the life-course perspective which are developmental timing, historical time and place, human agency, and linked lives”. According to Silver (2016), with regard to “developmental timing, individuals make plans and decisions that are shaped by personal history and social circumstances, past labour force participation patterns and career trajectories and may influence perceptions to retirement”. This means that according to the life-course perspective, the decision to retire and/or retirement readiness is precipitated by the individual's past and present circumstances in relation to his or her social life, previous employment and the career pathways that he or she followed in life and identified with. Lyberaki et al. (2013, as cited in Silver, 2016, P. 2) stated that “the timing of development is important because human development is biologically, socially and psychologically meaningful throughout the course of life, and the impact of the transition depends on the expectation one has at a given age". With regard to historical time and place, it is said that an individual's expectations concerning retirement are influenced by their interactions with their environment including the social, economic and cultural aspects.

Valverde (2018, P. 8) maintained that the human agency principle indicates that "individuals can make their own choices that are constrained to people's life histories and environments, such as work motivations, health, job characteristics and financial factors".

The principle of linked lives is viewed in relation to how the lives of people are interdependent to one another. This is the case because human beings interact and communicate with each other on a daily basis. This principle basically explains that the transition to retirement and early retirement is influenced by the social relations that an employee is connected to namely family and colleagues. This implies that the retirement of one spouse may be influenced by the other spouse and/or the retirement of one family member may be influenced by the health condition of another member.

Salifu et al. (2021) supported the concept of life course perspective to explain retirement transition by affirming that the theory links retirement with individual attributes of demographics, health, coping skills and abilities, social factors (age-based norms, roles) and individual history to individual adjustment.

The life-course perspective theory is considered relevant to the study since it is based on the following concepts: transition, trajectories, and life event. Therefore, the rationale for choosing this theory in this study it is because the concept of retirement is seen as a process of transition, life event and trajectories. The afore-mentioned concepts are considered the basic aspects of Life Course Perspective. Employees who were considered as respondents in the study, are perceived as pre-retirees who will in no time will have to undergo changing roles or and statuses of been an employee to retiree, i.e., assuming new roles. Therefore, it is important for them to manage the retirement transition accordingly.

In terms of trajectories, the pre-retirees will have to undergo role changes including work, educational, health and family. This is the case since the findings of the study indicated that some employees intend changing their work role post retirement through working as consultants or and researchers. Some indicated that they intend changing their living arrangement by staying with children or living independently.

Lastly retirement is also viewed as a life event which needs adequate preparation because it can bring sudden changes in one’s life which can affect ones functioning or adjustment post retirement.

In addition, the researcher considered some of the themes of this theory relevant to the study such as timing of lives and linked or interdependent lives. Retirement is explained or linked to a chronological age which is between 60 and 65 years depending on organizations. In public service the mandatory age of retirement is 65. Linking this with the findings of the study, the majority of employees indicated that they consider retiring at the age of 65.

Lastly with regard to the theme of linked or interdependent lives, Hutchins (2007, p. 24) mentioned that “life course perspective emphasises the interdependence of human lives and the ways in which relationships support and control an individual behaviour”. Therefore, during retirement process, the support of the family towards the retiree is essential more especially in case where health is a concern.

On the other hand, the principle of human agency also applies to the actual study in the sense that pre-retirees make their own choices and that these choices are influenced by the events that occurred in their lives and immediate surroundings, such as work and or career, health, job characteristics and financial factors. This is the case because some of the employees in this study, indicated their choices or plans post retirement such as living arrangements and career pathing (working beyond retirement) are influenced by their current career.

2.3 GENERAL OVERVIEW OF RETIREMENT

According to Silver (2016, p. 1-2), gerontologists view retirement as having two distinct meanings: first, as a social institution providing compensation to older individuals who previously participated in the paid workforce, and second, as a life-course event that affects an individual's well-being. This means that retirement is viewed in terms of the labour/employment aspect which rewards employees once they decide to stop working. Contrary to that, it is viewed as one of the pathways in life that contribute to life satisfaction. Retirement is viewed from an individual perspective; retirement is viewed as a transition with various life events and at the same time bringing changes in one’s life. This means that retirement can bring changes to an individual's psycho-social and developmental aspects which might affect or alter his or her functioning.

Research in psychology conceptualises retirement as a “decision-making process, which emphasises that when workers decide to retire, they make a motivated choice to decrease their psychological commitment to work and behaviourally withdraw from work-related activities”. (Shi and Wang, 2013, p.211). The researcher concluded that the time of retirement, decreases the employee’s commitment to a structured normal work routine and the time that was spent on work-related activities is diverted to activities other than work such as family and community-related activities. This means that retirement as a decision-making process involves making a voluntary choice in terms of one's work-related activities that one was part of and deciding on substitute activities post-retirement which can be either family or community engagements. The decision to retire can be influenced by issues such as health, taking care of the loved ones, passion regarding one’s career, work-related incentives, and desires for leisure pursuits.

2.3.1 TYPES OF RETIREMENT

Mushaphi (2010) stated that different literature use terms interchangeably to explain types of retirement. For instance, some use the age at which the person retires to describe the type of retirement. This can relate to normal, early and late retirement. On the other hand, the reasons an employee decides to retire can also be used to describe the type of retirement. For instance, where an employee decides to retire due to health reasons is explained as ill-health retirement. The following types of retirement will be discussed in brief:

i. Normal/Old age retirement

This type of retirement is determined by age. “The normal retirement age for government employees in South Africa is 65 as per the provisions of the Public Service Act”. (GEPF Booklet, 2018, p 37). According to Mushaphi (2010, p. 28) “retirement at this age is expected, socially mandated and no stigma is attached to not working at this age”. According to the GEPF Booklet (2018), during this type of retirement, the employee is entitled to his or her pension benefits in accordance with his or her contribution and experience which is calculated by the years spent in public service. The employee is also entitled to the retirement annuities saved.

ii. Early retirement

This type of retirement is influenced by certain circumstances in one’s life. According to Mushaphi (2010) this type of retirement can be voluntary and perpetuated by circumstances beyond the retiree’s control. This means that this type of retirement can be influenced by issues such as one’s health conditions and personal, family and organisational issues. According to the GEPF Booklet (2018), this type of retirement occurs before one reaches the age of 60 with or without the approval of the employer.

iii. Retirement due to ill-health

Ill-health retirement occurs due to health conditions. According to GEPF Booklet (2018, p.39), this type of retirement occurs because of the “poor health of the retiree or an injury on duty”. In most cases, employees consider this type of retirement when faced with chronic diseases.

Apart from the types of retirement, there are a number of phases that employees go through as a process of retirement. “Retirement is a psychological process that follows a pattern similar in nature to the emotional phases accompanying other phases of life”. (Cussen,2021, p. 1). This means that the process of retirement involves a series of phases that resembles an emotional event that a person goes through. Retirement is the last transition in life that follows the transition of joining the working world. The retirement period is described as a time when one stops working formally as it was directed by the career and the individual has time for leisure and family.

The following are identified as the phases of retirement by Cussen (2021, p. 2); pre-retirement (planning phase), big day smile phase, the honeymoon phase, disenchantment phase, reorientation and routine phase (moving on).

The researcher is of the view that although retirement may follow a series of phases, employees might experience the said phases in different ways because people are unique. The manner in which employees prepare or plan for retirement as a major life event will also determine the way one will deal with the complexities that accompany the process of retirement.

2.4 GLOBAL OVERVIEW OF RETIREMENT

The Transamerica Centre for Retirement Studies (2016) conducted research on Retirement Insecurity: Multi-Generational View in Los Angeles. The study revealed that fears and challenges are experienced by different generations such as baby boomers, generation X, and millennials. Findings of the study stated above indicates that the decision to retire is associated with great fears including health that may require long term care, social security may decline, retirees may outlive their savings and investment, and lastly, employees' fears that they may not be able to meet the basic needs of their families and will not have access to affordable health care. This implies that employees may experience some mixed feelings related to retirement. These mixed feelings affect or determine the level of readiness towards retirement. The results of the Retirement Confidence Survey (2017) indicated that some workers feel mentally and/or emotionally stressed about preparing for retirement. The research further indicated that employees whose debt level is high feel financially insecure and experience stress regarding the decision to retire. The findings of the Retirement Confidence Survey (2017) further revealed that between 53% and 43% of the employees indicated that retirement and financial planning are necessary respectively. The researcher is of the view that although retirement planning is identified as a gap, in some instances, people do consider it a necessity and plan accordingly.

In South Africa there is less research conducted on the subject matter which is retirement especially in public sector. A study conducted by Pretorius (2020, p. 8) on the perceptions of elderly black South Africans perceive successful retirement, indicated that SA has got a lot of challenges that makes retirement difficult. The author further mentioned that those "challenges include amongst other things extreme inequalities, chronic poverty, high unemployment and unequal distribution of resources and lack of access to basic resources; inadequate housing and poor health care". Due to chronic poverty, most of the SA when they retire, they are forced to care for their immediate families including their children, grand-children and parents. The author further mentioned that black SA do not have access to finances and other resources that could promote successful retirement. Bomikazi (2017, p. 19), further argued that “a lack of financial literacy and poor retirement planning has led to the majority of elderly South Africans becoming poorer, as inflation rises and reduces their financial capital and rapidly depletes their retirement funds”. The researcher is of the opinion that in SA, employees are not prepared adequately for retirement and also there are some structural and economical challenges that makes the retirement transition difficult.

A study conducted in 2017 with dentists in private practice around SA, revealed that “retirement planning is more complex since it does not involve only contributing to pension, provident and annuity fund but require knowledge on tax laws, compound interest, present and future value of money and investment strategy”. (Snyman et al., 2017, p. 204). The study put an emphasis on employees to start saving as early as possible for retirement. Snyman et al. (2017, p. 204) further indicated that “statistics revealed that SA will not be able to retire financially independent. Based on the conclusions of the said study, it was stated that the dentists thought of postponing their retirement due to lack of proper or inadequate preparation.

A comparative study was conducted in 2020 with professional soccer players in SA and Polish on retirement planning. The findings of the study indicated that SA football players need to attend information sessions on financial literacy to increase their preparedness for retirement as compared to the Polish. This means that there is a need for pre-retirement programmes for the SA football players so that they can be prepared for a more satisfying life once their football career comes to an end. The findings of the study revealed that the Polish soccer players have increased financial literacy, more investments and they have prepared themselves for life after retirement. (Dhurup et al. 2020, p 101). Dhurup et al. (2020, p. 101) further indicated that there are “differences between SA and Polish football players in terms of retirement planning and due to the following: professional players approach to their careers, organisational support and the management of the professional soccer clubs. This means that the two countries differ in the way they perceive football as a career and their management, operation and support given to their players including retirement planning.

2.5 FACTORS INFLUENCING OR DETERMINING EMPLOYEE'S DECISION FOR READINESS TO RETIRE

According to Szinovacz and Davey (2005, p. 36), retirement decision two factors namely choice and motivation; choice refers to circumstances, primarily disability and labour market obstacles that limit the older worker's ability to remain employed in their pre-retirement job; they are compelled to retire and "motivation constitutes the workers' inclination to retire and is typically defined by the benefit-cost ratio of retiring" (Szinovacz & Davey, 2005, p. 36). Two concepts explain the reasons why employees consider retiring. The first one is choice; employees may decide to retire for reasons beyond their control such as being unable to be as productive as before due to physical limitations such as disabilities or because retirement is mandatory.

The second concept which is motivation explains that employees are motivated by the benefits associated with retirement; for example, pensions, more time for leisure and reduced stress related to work. The following factors contribute to or influence employees' decisions to retire, namely health, psychological, social and economic factors.

According to the findings of the current study, it is revealed that most of the employee's retirement decision will be based on choice. This the case because they indicated that their retirement will be driven by work-related reasons such as unconducive work environment and health factors (employees having chronic illnesses). The mandatory age of retirement was also the most common cause of retirement.

2.5.1 HEALTH FACTORS

Health status plays a major role in determining whether one needs to continue working or not. According to Meng et al. (2020, p.2), "poor health has been identified as the strongest push factor to retirement". This means that the health status of an employee predicts his or her retirement readiness and or early or late retirement. Ill-health including physical and mental health contribute as factors that compel one to retire. Szinovacz and Davey (2005, p. 38) argue that although "some workers may have some disabilities that allow them to continue working in less physically and mentally demanding jobs, many others have severe disabilities to continue any kind of employment".

Therefore, one can deduce that personal health is critical in determining an employee's retirement readiness or decision to retire. Szinovacz and Davey (2005, p. 38) added that there is a linkage between retirement transition and health limitations. The author also stated that a heavy burden of caring for loved ones including the immediate family can prompt workers to retire early. Therefore, it can be concluded that since life including issues around health care changes is unpredictable, it is envisaged that, in some instances, employees may be forced to retire earlier than planned. This means that employees may retire voluntarily because they do not have any other choice but to care for close or extended family members.

2.5.2 PSYCHOLOGICAL ASPECTS

Shacklock (2008, p. 257) suggested that psychological factors such as diminished job attachment, satisfaction with career attainment and anxiety about separation from the workplace may influence an employee's decision to retire and impact on his or her well-being after retiring. This implies that if an employee feels dissatisfied and experiences burnout regarding the current job, he or she may think of retirement and at the same time, he or she might experience feelings of isolation, and loneliness after retirement due to the loss of attachment with colleagues. As a result, this might affect him or her emotionally and psychologically. Therefore, the following factors might contribute to retirement decisions and affect employees post retirement.

i. Acknowledging losses

This aspect refers to the ability of retirees to acknowledge the loss of their employment. It is important for the employees to learn to adjust to the outcomes of retirement including the loss of the relationships established while working and to establish outside supportive structures outside the work environment. This means that employees experience challenges related to the loss of their jobs and struggle to cope with life after retirement. Therefore, it is important for them to adjust to the processes of retirement and post retirement. In other words, the processes of retirement should be managed effectively. This is the case because the transition is accompanied by feelings of shock, loss, and poor adjustment. Other psychological feelings that employees might experience include feelings of isolation, loneliness and anxiety for those who are unable to manage it. Therefore, employees should engage in substitute activities such as volunteering in community activities or imparting the knowledge that they have to the younger generation. This is important in order to have a rewarding retirement. In other words, retirees need to prepare well in advance for their retirement, including the management of time that they used to spend at work.

ii. Fears about retirement

This aspect implies that some people who are about to retire may develop fear around retirement because they think that retirement will change them and they will be perceived as inactive, unproductive and worthless when they approach retirement. Therefore, having a positive attitude towards retirement lessons the fears about the subject and the future.

Van Den Bogaard, et al. (2014) indicated that paid work provides a number of benefits to employees such as a minimum level of subsistence, gives them something to do, and serves as a way to fill time. The authors assert that employment is critical because it defines, shapes and connects employees to one another for support and motivation. Therefore, retirement is perceived as a loss of work, relationships as well as a decrease in work-related activities. This might have negative consequences for the well-being of retirees, but it depends on how well prepared the employees are for the transition. Those who are well prepared may have a positive view of retirement than those who are not. Therefore, retirement planning, or preparation may lessen the fears associated with loss of contacts, relationships, financial issues and social stigma attached to the retirees.

2.5.3 SOCIAL ASPECTS

Family commitment and relationships are necessary for influencing the retirement decisions of employees. Family considerations concerning retirement, are classified or explained in terms of women, and couple issues. Wata et al. (2015, p.2-3) stated that “pull factors may attract workers into retirement such as having a partner who has retired, and married couples are more likely to have more positive attitudes towards retirement”.

2.5.4 OCCUPATIONAL FACTORS

Occupational factors include work-related issues that may affect or contribute to the retirement or early retirement of employees. Work-related issues such as the meaning of work, career identification, organisational policies and economic factors may influence employees either negatively or positively towards retirement. Shacklock (2008, p. 259) is of the opinion that “organisational policies have traditionally been of little support in encouraging employees to stay working beyond the traditional age of retirement”.

i. Meaning of work

Wata, et al. (2015, p. 2) classified the meaning of work as occupational factors. Occupational demands and the meaningfulness of work also influence the decision to retire. Work or occupational demands are viewed in terms of white-collar and blue-collar workers. Employees involved in hard labour, for example, mining or construction tend to retire earlier than white-collar employees. According to Wata, et al. (2015, p. 2), “work environment issues play a key role in a person's decision to retire” and a stressful work environment may lead to early retirement for staff members while employees in a less stressful environment may choose to work longer. Szinovacz and Davey (2005, p. 38) supported this statement by arguing that “older workers may have difficulty performing physically demanding tasks and may be unwilling to stay in stressful or dissatisfying jobs”. Meng, et al. (2020, p. 2), on the other hand, affirmed that work demands may force employees to retire or exit the workforce. The authors further state that a “scoping review identified physical and cognitive demands at work as barriers for prolonged work participation after pensionable age”. This means that job evaluations and re-designs to align work activities with the current technology may pose a threat to older workers remaining in their jobs. Therefore, the researcher is of the view that physical work demands, and work pressure are related to early retirement.

Apart from the job demand, the level of education that employees possess also influences the decision to retire. Research conducted by Joo and Pauwel (2002, p. 3) indicated that “employees who had higher levels of education had higher levels of retirement confidence”. Professionals who seem to be not ready for retirement, are those who still consider their jobs to be meaningful and satisfying and perceive retirement as financially unfeasible and unhealthy. Shacklock and Brunetto (2005, p. 257) explained this in terms of intrinsic factors that “some older workers, particularly those in professional occupations, are motivated to work longer simply because they enjoy the job tasks and stimulation provided by colleagues”.

Wahrendorf et al. (2013, p. 793) stated that research has proved that a low social position is an important determinant of early retirement. Shacklock and Brunetto (2005, p. 258) added that one of the reasons employees retire early is job satisfaction related psychological factors (financial and health issues). They further state that dissatisfied employees attempt to find alternative ways of being rewarded, including lifestyle choices and satisfaction outside the workplace.

ii. Identification with one's career

Shacklock and Brunetto’s (2011, p.257) study on the “model of older workers’ intentions to continue working” revealed that being emotionally attached to one’s work and developing a good working relationship with other workers may influence the retirement decision of an employee who may choose not to retire. Conversely, a positive attitude towards work that is influenced by the employee’s experience may also influence pre retirees to continue working post retirement. According to the authors, older workers also report that the opportunity to interact with others while at work is rewarding, and at the same time retirees indicated that they miss the relationships with their colleagues that they established. Social relationships or networks established at work which led to emotional and psychological attachments also contribute to employees working longer, particularly later in life even after the mandatory age of retirement.

This means that some employees value their jobs/careers because it developed their identity, boosted their self-esteem and enabled them to establish lifetime connections. Their motivation to remain in their jobs is based on the social ties that they have with their colleagues.

iii. Organisational Policies and Practices

New developments in an organisation such as the appointment of new managers and restructuring within the organisation also influence employees who are of retirement age to retire since they sometimes fear adjusting to a new organisational structure. Wata, et al. (2015, p. 2) emphasised that the labour market also influences attitudes towards retirement and retirement decisions. According to Wata, et al. (2015, p. 2) "labour market situation/processes including its impact on the economy, the role of human resource policies, labour force participation as well as individual orientation to work influence the attitudes toward retirement decision".

Meng, et al. (2020, p.3) indicated that "skill development and challenges at work have been identified as stay factors". The authors further indicated that employees with a higher focus on skills development and knowledge are less likely to retire early and challenges at work were associated with employee's willingness to continue working. This means that skills development as part of human resource policies or strategies in retaining employees works well in delaying retirement. The researcher is in support of the statement by arguing that in-service training or skills development to enhance employee personal development plans are necessary and leads to career satisfaction and ultimately the retention of older workers.

2.5.5 ECONOMIC FACTORS

Economic factors concerning retirement may be explained in terms of pull and stay factors. Meng, et al. (2020, p. 3) state that the "financial situation can be viewed as a stay factor, for instance, financial advantages/incentives at work may motivate an employee to continue working and economic incentives are associated with willingness to work until age 65 or beyond". However, it can also lead to the person being stuck in the labour market because the person cannot afford to retire at the desired age.

Meng, et al. (2020, p. 3) indicated that acknowledgement at work is also a stay factor that motivates employees to continue working and work autonomy was found to be associated with willingness to work longer. It is also noted that reward and appreciation are important for the motivation to prolong working life. This means that reward and appreciation whether in a form of money or any form may keep employees at work rather than retiring early.

Low job autonomy, on the other hand, is associated with early retirement. According to Drolet et al. (2010), p. 46, workers consider two views when choosing retirement age and implementing a lifetime saving plan; the first view is that workers “choose their retirement age and savings plan based on their own preferences, financial rewards from working and the pros and cons of retiring at different ages” and the second view is based on whether “one plans in advance or not considering his or her age of retirement and savings plan”. This means that from the economic point of view, there are two categories of workers explaining whether workers prepare rationally for retirement. Some workers consider financial stability/wellness as the most important factor that determines their retirement age or readiness while other workers prefer to prepare in advance for the retirement transition bearing in mind their retirement age and savings or investments. Therefore, there are three main concepts namely retirement age, financial rewards, and savings plans are linked to retirement readiness or preparation.

Drolet, et al. (2010, p. 48) are of the opinion that by the time workers get close to their desired retirement age, they should have accumulated enough savings to afford to stop working. It is said that if there is a balance between retirement age and savings plans, the worker's annual consumption will be almost the same as before retirement.

According to Drolet, et al. (2010, p. 49), the life cycle consumption model explains retirement from the economic point of view. The model is based on the idea that workers who plan for their retirement, plan their consumption over a full lifetime. It is further said that in planning for consumption, they take into consideration their labour earnings as they grow older, and they accumulate their savings in preparation for their retirement. According to Shi (2013), rational choice theory illustrates this statement by relating retirement decision to a worker’s financial status and their external economic environment, which views the retirement decision as a comparison of accumulated and needed financial resources needed during retirement. The author, further states that rationally, workers will only be ready for retirement once they feel that they have acquired adequate financial savings that will enable them to meet their basic needs during retirement.

Drolet, et al. (2010, p. 50) indicated that the “goal of a good consumption plan is to maximize one's lifetime well-being, subject to the constraints that lifetime consumption cannot exceed one's lifetime wealth”. “Lifetime wealth consists of workers' initial assets and presents the discounted value of anticipated labour earnings and other kinds of income that are not derived from initial assets or labour earnings” (Drolet, et al. 2010, p. 50).

Emphasis is placed on the fact that rational workers plan their life together with their consumption to avoid disappointments in the future. The plan depends on the relationship between the worker's subjective rate of time preferences and the interest rate obtained on savings. The life cycle model emphasises the single most important financial aspect of retirement which is the sharp drop or complete loss of earnings when employment ends in old age (Drolet, et al. 2010, p. 52). This implies that the model explains or focuses on the period of financial loss or decline of an individual when he or she retires. The model further considers both the individual's retirement age and pattern of lifetime consumption. Their choice of retirement age and consumption savings is influenced by their wage income, the interest rate they pay on their loans and the investment earnings they obtain on the money they save.

According to Drolet, et al. (2010, p.52), the implication of the theory/model is that “year to year changes in consumption should be much smaller than year to year changes in earnings, especially around the planned age of retirement”. This means that what the employee earns on a yearly basis is different from what they use. Emphasis is on the fact that there is a great difference between what employees consume and what they earn. The theory further explains that “people retire because their potential earnings decline in old age and the payoff from accepting a longer work-life eventually grows smaller with advances in age”. This means that as one grows old, the opportunities for work become fewer which results in retirement including early retirement. The other reason why workers retire is based on the fact that they are involuntarily laid off and cannot find another job with wages, benefits and working conditions as good as those in the job they lost (Drolet, et al. 2010, p. 53). This implies that in some instances, some workers become retrenched during their advanced years, and it becomes difficult for them to secure the same job with the same benefits. On the other hand, poor health also influences retirement in two ways. Firstly, it reduces workers' potential wages, and it makes continued work less pleasant.

The life cycle model provides some clear predictions about how wealth is accumulated. It emphasises the fact that workers or employees should accumulate their savings while still employed in preparation for retirement. According to Drolet, et al. (2010, p. 54), “empirical research suggests that households discount short-run fluctuations in income when determining current consumption because unstable day-to-day household needs change over time impacting one’s consumption and prompting workers to save more for retirement”.

The theory predicts that as young people progress in life, they gradually increase their savings to build their wealth as they approach retirement. Drolet, et al. (2010, p.55) asserted that the “life cycle model implication that consumers have a target wealth-income ratio that increases with age up to retirement” is valid for many households. This implies that some workers plan their wealth in conjunction with their retirement age.

2.5.6 COVID-19 impact on Retirements and Retrenchments

According to Davis (2021, p. 88), COVID-19 pandemic dealt unique shock to older workers. The author further stated that 3.7 million workers aged 55 and older became unemployed between March and April 2020 and although a certain proportion of the number went back to their jobs, most of the older workers became permanently unemployed. Based on this, the researcher is of the opinion that COVID-19 pandemic affected the employment of older workers as opposed to young ones either through job loss or early retirement. This means that during the period of the pandemic, older workers lost their jobs through voluntary retirement or and early retirement.

Factors that were associated with job loss such as health risks, heightened occupational stress and over work as well as age discrimination in hiring were identified as push factors that led to early retirement or and retrenchments. Davis

(2021, p. 89) indicated that rapid recovery in asset prices that followed the initial COVID-19 shock, contributed as pull factor into retirement. On the other hand, the increased economic uncertainties during the start of the pandemic in 2020, led to increased retirement. Most of the workers who went on retirement or early retirement were categorised as older workers between the ages of 55 to 64, part time employees and those that work in physical proximity to others.

Naicker (2020, p. 44) is of the view that 2.2 million jobs were lost in SA during the second quarter of 2020 due to COVID-19 pandemic. Statistics from the Commission for Conciliation Mediation and Arbitration (CCMA) indicated that “a massive in large scale retrenchments cases with the highest number of job losses were recorded in mining sector followed by food and beverage as well as manufacturing”.

2.6 SOUTH AFRICAN CURRENT STATE OF RETIREMENT

According to Reyers (2018, p. 344), the South African segment of the population over the age of 60 years is expected to grow rapidly over the next few decades. South Africa as a country does not have a retirement system in place for employees in all sectors. There is only a state-sponsored non-contributory old age grant of which the recipients must qualify based on the criteria in place. There is also a pension fund for government employees and an established private pension system. This means that compared to other developed countries, SA needs to have a mandatory national pension scheme for all employees in preparation for their retirement. Reyers (2018, p. 344) mentioned that 20% of the South African employees work outside the formal sector and therefore they are not covered by the retirement fund which is available within the formal sector. The author also indicated that 30% of the population is unemployed; therefore, it is said that half of the labour force does not have access to retirement funds. Reyers (2018, p.344) stated that “two-thirds of all South Africans may not have a funded pension benefit at retirement and will need to rely on social grants after retirement”. According to the Department of Social Development (2018), 3.5 million South Africans access the State Old Age Pension (SOAP) grant. The department encourages employees to participate in other retirement savings vehicles to minimise dependency on the government social grant as the only form of income in later years.

According to Zeka (2016, p.431),

> South Africa has other income streams that may contribute to the retirement savings of individuals; and these include government pensions, cash savings and informal savings clubs, financial support from children or extended family or income from the continuation of working past the normal retirement age.

This implies that there are various informal and formal retirement savings in the country in which employees within the public or private sector have invested.

According to Nathan (2018, p.1), the National Treasury indicated that “South Africa is sitting on a retirement time bomb, with only 6% of the country's population on track to retire comfortably”. The results of the Retirement Reality Survey conducted by Brand Atlas with 11. 9 million economically active South Africans in 2017, indicated that: 7% of the population have proper plans for retirement and they are implementing them, 41% do not have plans for retirement, 31% describe themselves as having a pretty good idea of what they are doing and 21% see their plans as vague. The findings of the study revealed that most South Africans lack concern and engagement with the topic of retirement planning. This means that most South African government employees have inadequate information on retirement as a life event and this indicates that there is a lack of planning or inadequate planning. Therefore, the report further indicated that the country is in crisis regarding retirement planning. According to Pask and Marx (2018, p. 1), the “National Treasury acknowledges that 90% of all South African retirees will not have adequate resources to sustain themselves”. The authors further stated that “only 10% of South Africans will be able to maintain their pre-retirement level of consumption after retirement”. This is perpetuated by factors such as personal spending, budgeting, and macro or socio-economic issues. It is stated that the above-mentioned factors contribute to the country's retirement income shortfall crisis. This means that from an economic point of view, South Africans’ personal budgeting and spending behaviour negatively influence the consumption level of pre-retirees. In other words, South Africans will not be able to meet their needs post retirement due to the current spending and budgeting behaviour.

According to Pask and Marx (2018, p.1),

personal spending and budgeting that contribute to retirement funding shortfalls include the following: insufficient accumulated funds at the time of retirement because of either saving too little or saving too late and or not saving frequently enough; excessive withdrawals and insufficient investment return growth before or after retirement because of poor investment decisions.

Pask and Marx (2018, p. 1) further stated that macro and socio-economic factors such as inflation and increased longevity contribute to the retirement income shortfall. According to the findings of the study on factors that influence retirement self-actualisation, financial difficulties are some of the challenges experienced during retirement. Pask and Marx (2018, p. 1) cited the example of one of the retirees who retired 20 years ago explained that although he “believed that he had made adequate provision for retirement, he is now finding it difficult to cope financially”. In addition, the authors state that when “early retirement is enforced, financial burdens are increased by the cost of higher education of children”.

The article, SA Face Retirement Crisis (2012), raised the question of whether employees retire just because they are ready, or is it because of the age factor. This question also probes the retirement readiness of employees within the country. Furthermore, it is stated that most South African employees retire without being ready and as a result, they find themselves in a crisis post retirement (Article on SA face retirement crisis, 2012). The Retirement Crisis report (2012) further indicated that most of the employees within the country will face challenges post retirement. The following are the statistics as cited in the report regarding the retirement situation in SA:

- 94% of South African employees cannot maintain a decent standard of living.
- 64% cut back on living expenses.
- 31% continue to work after the retirement age of 65.
- 21% of employees still have debts.
- Employees below the age of 55, cash their pensions when they change jobs.

Therefore, it is predicted that in the coming years, only a few employees, approximately 10%, will have adequate retirement funds.

The findings of the study conducted on determining retirement intentions of working individuals in the Eastern Cape, by Zeka (2016, p.431) indicated that “many of the employees in the country will be unable to meet their needs during retirement because of lack of preparation and or planning”. Prior research has indicated that fewer South Africans can afford to retire and meet their needs while most employees will be forced to work post retirement. Alternatively, South Africans have to depend on their families, friends and the South African government for income during retirement. This is possibly caused by the fact that planning for retirement is a priority only later in one’s life.

Despite the fact that South Africa seems not to be doing well regarding retirement planning/preparation, some countries have better retirement preparation practices.

2.7 BEST PRACTICES ON RETIREMENT PLANNING FROM DEVELOPED COUNTRIES

The literature below discusses the best practices in developed and developing countries with regard to retirement planning or preparation.

There are good practices in terms of exiting employment and transitioning to retirement. These “practices mean basing a redundancy decision on objective job-related criteria and making sure that retirement schemes offer a choice of options and are fairly applied”. (Naegele & Walker, 2010, p.21). This means that developed countries have retirement preparation programmes in place that are job-specific and are accessible to all employees. Such programmes are aimed at ensuring a smooth transition to the retirement of the employees. Naegele & Walker (2010, p. 21), identified the following retirement policies as constructive approaches to exiting the workforce and transitioning to retirement:

- Preparatory measures for retirement at the corporate level.
- Making counselling facilities available to former employees.
- Providing assistance in the search for a new position.
- Providing opportunities for retirees to maintain contact with colleagues.
- Flexible forms of transition; retirees may continue to be employed on a temporary basis, the organisation benefitting from their professional ability.

Alternatively, they may undertake work outside the organisation, namely, voluntary work in the community.

- Flexible forms of retirement that allow for a phased reduction of working hours,
- Sabbaticals provide time to prepare for retirement.

According to Naegele & Walker (2010, p. 21), good exit retirement policies benefit European countries in the sense that:

- The organisations find successors and familiarise them with the job,
- A well-designed corporate exit and retirement policy enhance the internal and external corporate image.
- Even after employees have retired, organisations can still to some extent draw on their skills and specialist knowledge in such areas as company history and customer contacts.
- In the case of staff shortage, it is easier to call in former employees to make up the shortfall (at a short notice or on a temporary basis).

This means that retirement exit policies or programmes that are implemented benefit both the employees as individuals and the organisation itself in the sense that the organisation's self-image is enhanced, it is easier for the organisation to utilise the retired employees in case there is a need which also benefits the retirees.

According to Naegele & Walker (2010, p.21), "good exit and retirement strategies are practised in the United Kingdom, for instance, the country allows its employees to retire at any time after 55 years up until 65". On the other hand, employees are allowed to continue working after their years of retirement. This benefits the organisation in terms of the skills and experience of the employees. For instance, medical consultants are allowed to apply to remain until the age of 70. In some instances, some employees after retirement are re-employed in lower grade positions that do not require higher responsibilities and are less stressful until age 65.

Naegele & Walker (2010, p. 44) stated that European countries such as Germany, the Netherlands, Finland and Austria adopt a common strategy about the age of retirement. The strategy adopts a change in perspective about the age of retirement which is incorporated into the human resource policies. This means that the approach makes it easy for organisations not to consider age as a barrier, stumbling block or an issue regarding human resource processes starting from selection/recruiting to retirement. This allows for flexibility regarding human resource processes.

These countries also consider other measures such as flexible working hours combined with health care measures and readjusting qualifications as part of exit strategies. For instance, in Germany, there are programmes for older employees that offer them age and situation related matters that act as incentives to defer retirement. This programme includes discussions with employees, integrated appraisal and advice on in-house vocational prospects, provision of specialised further training, release from night shifts, flexible work time arrangements, mentoring systems that facilitate knowledge transfer, relieves the workload of older employees and health checks.

Israel, on the other hand, also has retirement programmes in place. It is stated that social workers have retirement programmes in place in the form of counselling to older workers regarding retirement as a life transition.

South Africa seems not to be doing well regarding retirement planning/preparation. Considering the literature reviewed for some of the developed countries above, like the United Kingdom, seem to have better retirement preparation/planning programmes in place as compared to South Africa.

2.8 RETIREMENT PREPARATION/PLANNING FROM AFRICAN COUNTRIES

African countries differ from developed countries regarding retirement preparations. A review of the literature has been done on African Countries regarding retirement planning or preparation. Information on retirement preparation practices was found only for Tanzania and Kenya. The research findings on a study conducted by Ahmed and Wang (2018, p. 235) regarding the review of practices towards public employees in Zanzibar in Tanzania revealed that the concept of retirement has been taken into consideration or given special attention. The reason is that every human being or employee is considered to be vulnerable and at risk of income or financial aspects after retirement since nowadays money is considered a means of life sustenance. In this instance, the risk is associated with financial planning regarding retirement. To that effect, the government of Tanzania made sure that these vulnerabilities are covered through access to social security assured by the family, community, and society referrals. Therefore, employers play a major role in ensuring that every employee is a member of the social security funds that are found within the prescribed area of employment.

Ahmed & Wang (2018, p. 237) emphasised the “importance of retirement in an individual's life as increasing globally although many still view their retirement years with apprehension”. He further states that retirement is a challenging period that can bring rewards and new experiences. This means that retirement is still viewed as a process in life that is unusual and associated with fears and other negative feelings. Ahmed and Wang (2018, p. 237) concluded that “employees must be prepared for their retirement and preparation should focus on financial planning considerations, retirement income sources, interpersonal relationships, other savings alternatives, physical and social considerations, the availability and use of leisure time and life insurance”. This means that in Tanzania, retirement as a life transition is considered important and measures need to be put in place to facilitate the transition.

A study was conducted on financial knowledge and retirement strategy in the informal sector with the aim of identifying the impact of financial literacy on retirement planning in the Kenyan informal sector. The results of the study found that “financial knowledge remains limited and has a constructive influence on retirement arrangements”. (Ahmed & Wang, 2018, p. 237). The study also revealed that other elements such as income levels, age, marital status and level of education are strongly related to retirement planning. In conclusion, the findings of the study suggested the introduction of financial and pension education curriculums in middle and higher learning institutions as well as community pensions awareness programmes to enlighten people on the importance of retirement planning. The recommended programmes included roadshows and aggressive advertising campaigns.

According to Thuku (2013, p.5) the findings of the study conducted on the Influence of Retirement Preparation on Happiness in Kenya revealed that “less than half of the respondents, i.e., 47% had access to retirement planning information and the employees in the public sector were the most affected with 67% of employees not having access to retirement planning information”. In other words, retirement planning is still not taken into consideration and as a result, employees are not prepared well in advance for exit. It is said that the dissemination of information on retirement preparation information is done through social media. This means that in Kenya, the issue of knowledge about retirement is not well discussed among employees and affects the retirement planning/preparation of employees.

Other sources used to disseminate retirement information are through social engagements with friends and family. The above-mentioned study conducted on the Influence of Retirement Preparation on Happiness in Kenya, the findings also revealed that although “the majority of retirees had made prior retirement plans, only 7% were able to adhere to those plans during retirement and the remaining 93% had to make adjustments to their previously made retirement plans during actual retirement in order to cope with unanticipated financial demands that came with retirement”.

The study concluded by recommending that employers have the obligation to ensure that employees are well prepared for the retirement transition by a way of structured programmes offered through workshops or seminars. This will enable the employees to make informed decisions and to be able to deal with the social, physiological and financial challenges that come with retirement.

2.9 THE IMPORTANCE OF RETIREMENT PREPARATION/PLANNING

“Retirement planning is defined as goal-directed behaviour in various areas, such as finances, health, family, society and leisure with the main overall objective being optimising personal well-being in the post-retirement years” (Mansfield and Regev, 2018, p.429). Dhir (2021, p.1) defined “retirement preparation as the process of determining retirement income goals, risk tolerance and the actions and decisions necessary to achieve those goals”. This implies that when an employee plans for retirement, the preparation or planning should include all aspects of one’s life, namely, psychological, social and economic aspects. Preparation should be geared towards achieving good retirement adjustment and/or life satisfaction after retirement. The process of preparation or planning should take into consideration the risks and challenges associated with the transition to retirement and plans to mitigate such challenges or risks. Tordera and Peiro (2010); Taylor and Doverspike (2003) and Taylor and Shaffer (2013), as cited in Cohen-Mansfield and Regev (2018, p. 429) stated that research has shown that the planning process affects adjustment and life satisfaction. This means that good planning or adequate preparation may lead to good adjustment and more life satisfaction as compared to poor planning. Cohen-Mansfield and Regev (2018, p. 429) supported the above statement by stating that “planning and preparation contribute positively to the adjustment to retirement and subsequently life satisfaction, reporting that planning helps individuals to establish realistic and alternative lifestyles”. Realistic expectations will encourage an individual to set social, health, economic and leisure goals which will contribute to his/her adjustment to life after retirement (Taylor, Goldberg, Shore, and Wipka, 2008 as cited in Mansfield & Regev, 2018). Taylor and Shaffer (2008 as cited in Mansfield and Regev, 2018) used the Person-Environment Fit model to explain the importance of planning and/or preparation for retirement. The model explains or describes the factors that promote, support and/or facilitate good retirement preparations including health orientation and personality characteristics such as self-mastery and social resources and factors that hinder retirement preparation such as a drastic change in post-retirement environments and neuroticism.

Noone, Stephen and Alpaas (2009, as cited in Cohen-Mansfield & Regev, 2018, p. 429) emphasised the importance of planning both financially and psychologically in order to foster personal well-being after retirement. This means that an employee needs to be financially, emotionally, socially (support from family and friends) and psychologically (the change in perception of life, belief regarding personal identity as a non-worker) ready for retirement and post-retirement. In addition, they stated that good adjustment will depend on individual resources (health, cognitive assessments, beliefs, personality characteristics, social support and areas of interest). Hansson et al. (2009, p. 1543) supported this statement by explaining the importance of having adequate resources post retirement through the Resource-Based Dynamic Model.

According to Hansson et al. (2009, p. 1543), the Person-Environment Fit model is based on the idea that "resources namely emotional, motivational, social, physical, cognitive and financial aspects of an individual's total resource capability are valuable assets in the adjustment process because they define the conditions of retirement" and influence what people can do physically and mentally and afford financially in retirement. The model further explains that employees having limited resources might experience challenges post retirement and those with adequate resources might cope with the demands of living post retirement and achieve optimum well-being and life satisfaction.

Person-Environment Fit model explains that an individual is better understood in relation to his or her environment. The model explains that change is effective when there is fitness or togetherness between an individual and his or her familial, social and cultural factors that affect his or her social functioning. In addition, the model emphasises the relatedness of people and their environment. This model is applicable to the concept of retirement planning or preparation in the sense that for an employee to adjust well post retirement, there must be sufficient resources in his or her immediate environment (family support and community). For instance, social support is required from the family point of view and the community at large since the employee has lot social networks or relationship with former colleagues. In addition, the availability of resources in the community such as libraries, sports equipment's are also important in the life of the retiree for the purposes of leisure activities. Adequate financial resources post retirement also contributes towards good adjustment.

According to Cohen-Mansfield and Regev (2018, p.429) "retirement planning and/or preparation should take the form of seminars and courses". Retirement preparation programmes should provide assistance to practical issues and be addressed by providing information on topics such as financial resources and budgeting during retirement, legal issues (including wills, inheritance, national insurance institute rights, pension rights, taxation issues, volunteerism, leisure activities including studies) and living arrangements. This is the case because some employees fail to plan or prepare for retirement because of a lack of information or knowledge.

Secondly, psychosocial topics such as overcoming anxiety regarding retirement, developing a positive attitude towards retirement, helping retirees not to view work as one’s main role in life and to substitute various activities as a source of feelings of self-worth and satisfaction. This is the case because some employees develop psychological and emotional feelings and negative thoughts about retirement transition as a life event and post retirement such as fears, anxieties, depression, and feelings of loss.

2.10 SUMMARY

Retirement can be explained as an event and process whereby an employee stops working, and he or she must go through a process of adjusting to post-retirement life. Retirement can be voluntary or involuntary. In the case of voluntary retirement, an employee decides on his or her retirement readiness based on his or her situation. For instance, some employees may decide to retire due to ill health, some are persuaded by the mandatory age of retirement while involuntary retirement may be precipitated by the policies of the organisation. The lack of or inadequate preparation or planning for retirement may affect the employee’s psycho-social functioning, which might result in post-retirement difficulties. Therefore, there is a need for retirement preparation programmes in the organisation to mitigate the risks and challenges associated with poor planning for retirement, which include amongst others, psychosocial and financial difficulties.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter discusses the process of developing the research methods needed to complete the current research study. The chapter will outline in detail the various stages of developing the study's methodology, which include the research approach, type of research, research design, methodology, sampling, data collection, analysis, and ethics.

Taking into consideration the chapter above on the literature reviewed which unpacked the concept of retirement, factors influencing or determining employees' decisions regarding retirement readiness and best-practice models, the researcher applied a survey research design to explore the perceptions of employees (who are about to retire) regarding retirement readiness. According to Creswell (2014, p. 203), "survey research design provides a quantitative or numeric description of trends, attitudes or opinions of a population by studying a sample of that population". The questionnaire was utilised as the data collection instrument. The questionnaire assisted in obtaining information from the respondents based on what influences their decision for retirement, their attitudes towards retirement and information on post-retirement adjustment plans and what determines the need for retirement planning programmes.

A census or saturation sampling procedure was followed, the researcher administered the questionnaires to a total of 77 employees, both professionals and non-professionals between the ages of 55 and 65. This method of sampling allowed everyone within the specified age category an opportunity to participate in the study.

3.2 RESEARCH APPROACH

Creswell (2014, 31) stated that "research approaches are plans and procedures that range from steps including making broad assumptions to detailed methods of data collection, analysis, and interpretation". There are two main research strategies in social research, namely, quantitative, and qualitative. Bryman (2012, p. 35) distinguished between quantitative research and qualitative strategies. The quantitative strategy emphasises quantification in the collection and analysis of data whereas the qualitative strategy, emphasises words/descriptions rather than quantification in the collection and analysis of data. In addition to the two research strategies, there is also mixed methods research, which incorporates the two mentioned methods.

The researcher adopted the quantitative approach, and a research question was formulated as opposed to the hypothesis. Creswell (2014, p.188) stated that the investigators use either quantitative research questions, hypotheses or sometimes objectives to shape and specifically focus the purpose of the study in order to avoid redundancy. Quantitative designs include experiments and surveys. Survey designs provide a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population. On the other hand, the purpose of experiments is to test a particular instrument and evaluate the results taking into consideration the aspects that might contribute or assist to carry out the intervention. Through the quantitative approach, the researcher managed to determine the perceptions and attitudes of the employees within NDSD regarding their readiness towards retirement.

3.3 TYPE OF RESEARCH

According to Neuman (2014, p. 38), there are three reasons for conducting research. Therefore, the purposes of research are as follows: exploring a new topic (explorative), describing a new phenomenon (descriptive) and explaining why something occurs (explanatory). Therefore, in this instance, the purpose of the study is explorative. Neuman (2014, p. 38) further stated that “the primary purpose of exploratory research is to examine a little understood issue or phenomenon and develop preliminary ideas about it and move towards refined research questions”. The researcher explored the question of retirement readiness within NDSD because the research on the subject matter is limited. The issue of retirement preparation or planning for the employees has not been explored much and the outcome of the research addressed some of the gaps identified and will also inform policy decisions.

3.4 RESEARCH DESIGN

According to Babbie and Mouton (2012, p.71), “a research design is a plan or a blueprint of how the researcher intends to conduct the research”. Research designs guide the arrangements of conditions for the collection and analysis of data in a way that economically balances relevance to the research purpose within the procedure.

The researcher used a survey research design to explore the perceptions (feelings, thoughts, opinions and attitudes) of employees (who are about to retire) regarding retirement readiness. According to Creswell (2014, p.201), “survey research design provides a quantitative or numeric description of trends, attitudes or opinions of a population by studying a sample of that population”. Maree (2016, p.111) supports this statement by stating that “in survey research, researchers select samples of respondents before administering questionnaires or conducting interviews to collect information about their attitudes, values, habits, feelings, opinions, perceptions, plans and beliefs”. The author added by stating that survey research is defined as the assessment of the current status, opinions, beliefs and attitudes by questionnaires or interviews from a known population Monette, et al. (2008 as cited in De Vos, et al. 2011) indicated that the questions may be simple single-item measures or complex multi-item scales. According to Leedy and Ormrod (2005, p.159), through surveys, the researcher “poses a series of questions to willing participants, summarises their responses with percentages, frequency counts, or more sophisticated statistical indexes; and then draws inferences about a particular population the responses of the sample”.

The most used types of data collection methods for conducting survey research are face to face or telephonic interviews and online surveys through e-mails or a website. The survey questionnaires were emailed to the employees so that they might fill them in at their own time. The availability of the researcher was guaranteed to the respondents in case challenges were encountered during the completion of the questionnaire.

The advantage of using a survey is that it is effective in the sense that the researcher can reach more respondents widely without costs and the respondents have control over the completion of the questionnaire in terms of time and making references. According to Neumann (2014, p. 345), mailed questionnaires offer anonymity, avoid interviewer bias and are very effective in achieving acceptable response rates from an educated sample that has a strong interest in the topic or the survey organisation.

3.5 POPULATION AND SAMPLE

Neuman (2014, p.247) defined as “population as the abstract idea of a large group of many cases from which a researcher draws a sample and to which results from a sample are generalised”. The population of the study was the total number of 934 employees within NDSD. This number is inclusive of both genders and all racial groups per South African classification, namely, Africans, Coloureds, Whites, and Indians. The sample was selected from the entire population focusing on NDSD employees, both professionals and non-professionals within the ages of 55 and 65 of which the total number was 77. The breakdown in terms of gender is as follows: 58 females and 19 males. (National Department of Social Development, 2018).

Census or saturation sampling was considered as a sampling method since the survey was sent to all the employees. The census method is a statistical enumeration where all members of the population are studied. According to Heimbach (2021, p.12). “saturation sampling allows the researcher to survey all the identifiable targets, and this assisted the researcher to overcome problems of lack of intentional sampling frames”. The researcher used the entire population as a sample because of the limited number of employees in this age category. The questionnaire was distributed to all 77 employees within NDSD between the ages of 55 and 65 but responses were received from 17 respondents only. All the employees, irrespective of their race, gender and profession were eligible to participate in the study.

3.6 DATA COLLECTION

The researcher utilised open and closed questionnaires to gather information from the participants. Questionnaires were divided into three sections. Section A covered the demographic information, Section B covered issues on retirement preparation (including attitudes towards retirement) and Section C covered factors influencing retirement readiness. Open-ended questions enabled the respondents to elaborate and raise new ideas regarding the topic of research. According to Neumann (2006) (as cited in De Vos et. al, 2011, p. 196) open-ended questionnaires permit an unlimited number of possible answers, adequate answers to complex issues and creativity, self- expression and richness of detail.

The questionnaires were emailed to all 77 employees. According to Maree (2016, p. 96), this type of data collection method is advantageous in the sense that it is relatively cheap and easy to do; respondents can complete the questionnaires at a convenient time; respondents can check personal records if necessary, and the absence of an interviewer will not affect the responses.

In addition to the questionnaires, the researcher also used the Likert scale to measure the attitudes of the employees regarding retirement which made the process simpler by allowing the participant to offer a range of possible responses, usually in the form of a five-point scale, ranging from strongly agree, agree, undecided, to disagree, and strongly disagree. The Likert scale was developed as a measure to assess the level of agreement or disagreement of a symmetric agree-disagree scale. According to Neuman (2014, p. 230), the “Likert scale provides an ordinal-level measure of a person’s attitude”. Likert scales usually ask people to indicate whether they agree or disagree with a statement.

3.7 PRE-TEST

A pre-test of the questionnaire was undertaken to check whether the respondents will experience any difficulties with regard to the completion of questionnaires (Bless, et al. 2007). Neumann (2014, p. 358) stated that “cognitive testing helps us to identify problems in questionnaires under development by asking a small number of pre-test participants to verbally report their thinking while answering the draft questions”. The author further indicated that pre-tests “provide a window into the respondents’ thinking and the problems they face when answering survey questions”. Cognitive testing probes for additional information about the process of answering questions. This information is used to refine the questionnaire. Therefore, in this study, the questionnaires were administered to five employees between the ages of 55 and 65 including managers from the human resource department. The aim was to improve the effectiveness of the data collection instrument for the main investigation. After the completion of the questionnaire, the employees gave feedback. Four employees amongst the five indicated that the questionnaire is fine, understandable and easy to complete whereas one employee added the issue pertaining to the need for counselling prior to retirement. Feedback received from the pre-test was used to improve the quality of the questionnaires and to determine if respondents will understand the context of the questionnaires and be able to complete them without any difficulties which will ultimately achieve the objectives of the study. Pre-testing was also undertaken to test the validity of the questionnaire data. The employees who participated in the pre-test were not part of the sample.

3.8 DATA ANALYSIS

Babbie and Rubin (as cited in De Vos, et al. 2011, p. 249) indicated that “quantitative data analysis can be regarded as the technique by which researchers convert data to a numerical form and subject it to statistical analysis”. The purpose of the analysis is thus to reduce data to an intelligible and interpretable form so that the relationships of research problems can be studied and tested, and conclusions can be drawn. Data was analysed through the descriptive statistics method. According to Neuman (2014, p. 396), this type of statistics describes numerical data. Furthermore, the data was categorised in terms of the variables involved. Frequency distribution graphs and other statistical graphs such as pie charts and histograms were used to describe univariate data. Bar charts and graphs were used to describe discrete variables.

The questionnaires were assigned numbers as part of the coding process in preparation for analysis. A codebook was prepared prior to data analysis. The data was analysed according to the codes attached to the questionnaires. The bar code entry method was used to enter the information gathered into the computer. The gathered information was converted into different widths of bars that are associated with specific numerical values and exported to the Statistical Programme of Social Science (SPSS) for analysis.

3.9 VALIDITY AND RELIABILITY

3.9.1 VALIDITY

According to Neuman (2014, p.215), “measurement validity refers to how well an empirical indicator and the conceptual definition of the construct that the indicator is supposed to measure “fit” together”. Salkind (2006, as cited in De Vos, et al. 2011, p. 172) refers to validity as truthfulness, accuracy, authenticity and soundness as synonyms for validity. The emphasis is on the fact that an instrument actually measures the concept in question, and that the concept is measured accurately. In this study, the researcher considered construct validity appropriate because it aimed at ensuring that the instrument measures the theoretical construct being studied which is retirement readiness. De Vos, et al. (2011, p. 154) state that in order to “establish construct validity, the meaning of the construct must be understood and the propositions that the theory makes about the relationship between this, and other constructs must be identified”. In this instance, the construct of retirement readiness was measured in terms of retirement age, financial stability, psycho-social happiness and bio-medical aspects (healthy aging, medical care prevention and treatment, understanding longevity and inherited health traits. In addition to construct validity, convergent validity was also applicable in the sense that it emphasised the fact that the multiple indicators of a construct converge or are associated with one another. It means that multiple measures of the same construct hang together or operate in similar ways. (Neuman; 2014).

3.9.2 RELIABILITY

According to Neuman (2014, p. 212), “measurement reliability means that the numerical results an indicator produces do not vary because of the characteristics of the measurement process or measurement instrument itself”. Shenton (2004, p. 71) states that if the work were repeated, in the same context, with the same methods, and the same participants, similar results will be obtained. In this research, stability reliability is appropriate. Stability reliability emphasises reliability across time. It is based on the notion that the measure will deliver the same results when applied at different times. Therefore, if the same questionnaire was given repeatedly to the same population which is employees between the ages of 55 and 65, the same results will be obtained. In order to achieve the desired results, the researcher will clearly conceptualise all the constructs. According to Neuman (2014, p.214), "reliability increases when each measure indicates one and only one concept and we must develop unambiguous, clear theoretical definitions". In this instance the concept of retirement readiness was clearly defined, therefore, the measure only measured what was defined.

3.10 ERRORS

Neuman (2014) indicated that "the logic of statistical significance rests on whether chance factors might have produced the results". In addition, it is said that the level of statistical significance refers to a set of numbers that researchers use as a simple way to measure the degree to which a statistical relationship results from random factors rather than the existence of a true relationship among variables. In this research, the type of error experienced is non-response. A non-response error in surveys occurs when the researcher does not obtain a full response from the respondents to whom the survey questionnaires were administered. (Kruttschnitt et al, 2014, p.1). Non-response bias is a product of the difference between respondents and non-respondents on a particular measure and the size of the non-response population. (Bose, 1990, p1). According to Kruttschnitt et al. (2014, p.1), a lower response rate increases the potential for greater non-response bias, but when the data is missing at random, a lower response rate will neither create nor increase the non-response error".

In this study, the researcher experienced a lower response rate from the employees. Although the questionnaire was distributed to all the respondents, a few managed to complete it. According to Neumann (2014, p. 341), "non-response can be a major problem because if a high proportion of the sampled respondents do not respond, results may not be generalisable, especially if those who do not respond, differ from those who do". The research question for the study which addresses the employees' perceptions regarding retirement was explored during the data collection.

3.11 ETHICS

Ethics are defined by De Vos et. al. (2002, p. 114) as a "set of moral principles, which is suggested by an individual or group and is subsequently widely accepted and offers rules and behavioural expectations about the most correct conduct towards experimental subjects”. Neumann (2014, p. 145) provides a simple definition of ethics as what is or is not legitimate to do or what moral procedure involves. He further stated that ethics are an integral part of the research process. This implies that the researcher needs to conduct himself or herself in a moral or legitimate way towards the participants.

3.11.1 INFORMED CONSENT –

According to Strydom (2005, p.59),

> informed consent implies that the participants must be given information regarding the goal of the study, the procedure to be followed, any possible risks involved, the credibility of the researcher and the advantages and disadvantages of participating in the study.

With this information, they must be able to make an informed decision on whether to participate in the study or not taking into consideration the psychological and legal aspects. The respondents were given the participant information sheet to complete. The participant information sheet included information on the purpose of the study, their role in the process, what is required from them, what kind of information may be asked, whether the participants’ information will be disclosed in the report, and they have the right to exit the study at any time Babbie (2010, p. 68) supports these statements by suggesting that with all the information given, the respondents can voluntarily give a written or verbal consent. The researcher preferred written consent as opposed to a verbal one because written consent is more credible.

At the onset of the study, the respondents should understand what the study is all about including the impact of their participation. The consent forms were available in English and the researcher was available provide clarification to the questions if it was needed. The respondents who participated in the study signed the consent form with the knowledge in mind that they are not forced to participate and can withdraw at any time during the process. Both the researcher and the respondents kept signed copies of the consent form.

3.11.2 PRIVACY, CONFIDENTIALITY, AND ANONYMITY

According to Strydom (2005, p.61), “privacy is that which is not normally intended for others to observe or analyse”. Every person has the right to decide when, where, to whom and to what extent his or her private information will be revealed. Kumar (2005, p.215) indicated that “certain information requested from a respondent could be sensitive and the request for such information could be regarded as an invasion of privacy”. Therefore, revealing sensitive information of the respondents may be detrimental to his or her life although it may be beneficial to the research in general. It is important for the researcher to be sensitive and to safeguard such information.

Confidentiality and anonymity are interrelated but do not have the same meaning. Confidentiality refers to the handling of private information (Strydom, 2005, p. 61). He further states that confidentiality refers to the agreements between persons that limit others' access to private information. This means that the information should be shared between the researcher, the respondents and among those within the limits of confidentiality.

The researcher will ensure that the information contained in the reports or externally published works will remain confidential. This implies that whatever information that the participants have provided, should not be disclosed and linked to a particular respondent’s name or disclosure of information linked to the participant's characteristics that will identify an individual or a group. Babbie (2010, p. 65) suggests that the “researcher may be in possession of certain information about a respondent but promises not to disclose the information with any identifying particulars”. The researcher ensured that questionnaires and data were identified by numbers rather than names and destroyed the questionnaires after the completion of the study.

Anonymity implies that the respondent's identity is not known, even to the researcher (Strydom, 2005, p. 65). Babbie (2010, p. 64) agrees with this view by emphasising the fact that not just the public but also the researcher must not be able to identify the respondents. The questionnaires were emailed to the respondents for completion without revealing their identity. Numbers were attached to each questionnaire.

3.11.3 ETHICS PERMISSIONS

The researcher applied for ethical clearance from the Human Research Ethics Committee (Non-Medical) within the University of Witwatersrand and the permission was granted.

In addition, the researcher wrote a letter to the Acting Director-General of the National Department of Social Development to request permission to conduct the study within the department. To that effect a permission to conduct the study was granted.

3.11.4 ETHICAL LIMITATIONS

i. **Privacy, confidentiality and anonymity** – although the respondents were assured of the fact that their participation including their responses will be treated confidentially, most of the employees decided not to participate in the study due to the protection of personal information. Therefore, their right to privacy had some limitations and impacted in the study.

ii. **Informed consent** – the participants were given information regarding the study including the aims, goals, advantages and disadvantages associated with their participation. They had a choice whether to participate in the study or not taking into consideration the psychological and legal aspects. Therefore, the researcher is of the opinion that the participants decided not to participate in the study due to some other reasons such as that there was no incentive, there was lack of motivation to participate.

iii. **Voluntary participation** – Participation is voluntary when individuals are free to choose to participate without being pressured or coerced. The fact that the respondents have a choice to participate in the study and their participation in the research process is voluntary, the researcher had to respect their decisions although it had some limitations and impacted the study.

3.12 SUMMARY

The study adopted the quantitative approach. The aim of the research was explorative focusing on exploring the question of retirement readiness among the employees within the NDSD because research on the subject matter was limited, especially within the department. A survey research design and questionnaires were used as the method for data collection. The respondents were employees from the age category of 55 to 65. Due to the limited number of employees within this particular age group, the researcher decided to use the whole population as the sample thereby adopting census or saturation sampling. Data was analysed using descriptive statistics.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

Data was gathered from employees between the ages of 55 and 65 within the National Department of Social Development through a questionnaire. The questionnaires were assigned numbers as part of the coding in preparation for analysis. The purpose of coding the questionnaires was to organise the raw data into a format that will simplify it for analysis. The method of data analysis used was descriptive statistics. Data was categorised in terms of the variables involved. Frequency distribution tables, statistical graphs such as pie charts were utilised to describe both univariate and discrete variables. The purpose of using frequency distribution tables, charts or graphs for the presentation of the data was to summarise the features and interpret or give theoretical meaning to the results of the study.

The questionnaire was divided into three sections as follows:

SECTION A – Demographic information.

SECTION B – Preparation/Readiness for retirement.

SECTION C – Likert Scale (Factors influencing retirement readiness of employees within the Department of Social Development).

4.2 DATA PRESENTATION

SECTION A – DEMOGRAPHIC INFORMATION

This section describes the respondents' (N=17) personal/demographic information, such as age, race, marital status, education level and work experience.

Table 4.1

Demographic Information

Table 1 depicts the demographic information of the respondents

Variable	Categories	Frequency	Percentage
Gender	Male	7	50
	Female	7	50
Race	African	11	78.6
	White	1	7.1
	Coloured	1	7.1
	Indian	1	7.1
Age cohort	50 – 55	3	21.4
	56 – 60	8	57.1
	61 -65	3	21.4
Marital Status	Single	2	14.3
	Married	5	35.7
	Divorced	4	28.6
	Widowed	1	7.1
	Other	2	14.3
Highest education	Matric	1	7.1
	University degree	10	71.4
	Other	3	21.4
Working experience	15 – 20 years	5	35.7
	20 + years	9	64.3

Number of participants

The illustration above (Table 1) shows that there were 50% males and 50% females. The analysis reveals that the majority (78.6%) of the respondents were African, 7.1% were White, 7.1% were Coloured and 7.1% were Indians. This information reflects that respondents were from all racial groups although the Africans dominated.

Age cohort

The analysis reflected that 21.4% of the respondents were between the ages of 50 and 55, while 57.1% of the respondents were between the ages of 56 and 60, and 21.4% were between the ages of 61 and 65. This implies that NDSD has a high number of employees who are within the age group of 56-60 and less employees between 50-55 and 61-65.

Marital Status

The analysis reflected that 14.3% of the respondents were single, the majority of the respondents with a total of 35.7% were married and 28.6% of the respondents were divorced. Furthermore, the results indicated that 7.1% were widowed and 14.3% of the participants had no specific category to fit in.

Educational Qualifications

The respondents were also required to specify their highest qualification, the majority (71.4%) of the respondents stated that they have university degrees. 51% indicated that they have BA degrees and 20% have Honours and Master's degrees; 7.1% of the respondents have a matric certificate and 21.4% of the participants have neither a university degree nor a matric certificate. This implies that the department has more graduates and professionals as opposed to non-professionals. According to the data collected, those who indicated that they would work post retirement, are those with university degrees including BA, Honours and Master's degrees in various disciplines such as Social Work, Law and Administration.

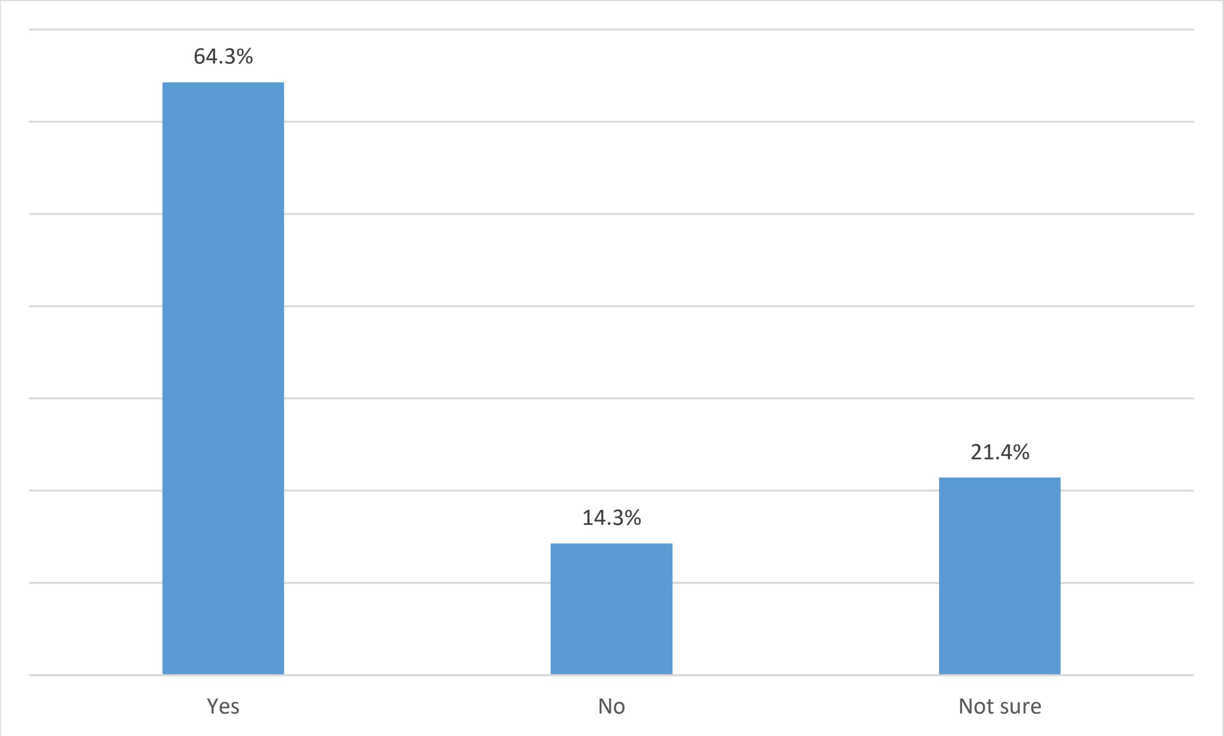
Work experience

In terms of work experience**,** 35.7% of the respondents had 15 to 20 years' work experience whilst 64.3% had more than 20 years of work experience within NDSD. This indicated that the respondents have a vast experience and expertise in their area or scope of work within the department including social work, community development, strategy and transformation and corporate functions.

Figure 4.1

Retirement preparedness

The subject *Do you feel prepared/ready for retirement?* was categorised into three possible responses, that is, “yes”, “no” and “not sure”.



The graph in Figure 1 illustrates that the majority (64.3%) of the respondents established that they feel prepared/ready for retirement. This statement is supported by the findings of the research conducted by Meyer (2018) on the perceptions of retirement adequacy which indicated that the retirement confidence levels among South African workers are high in respect to perceptions of retirement income adequacy.

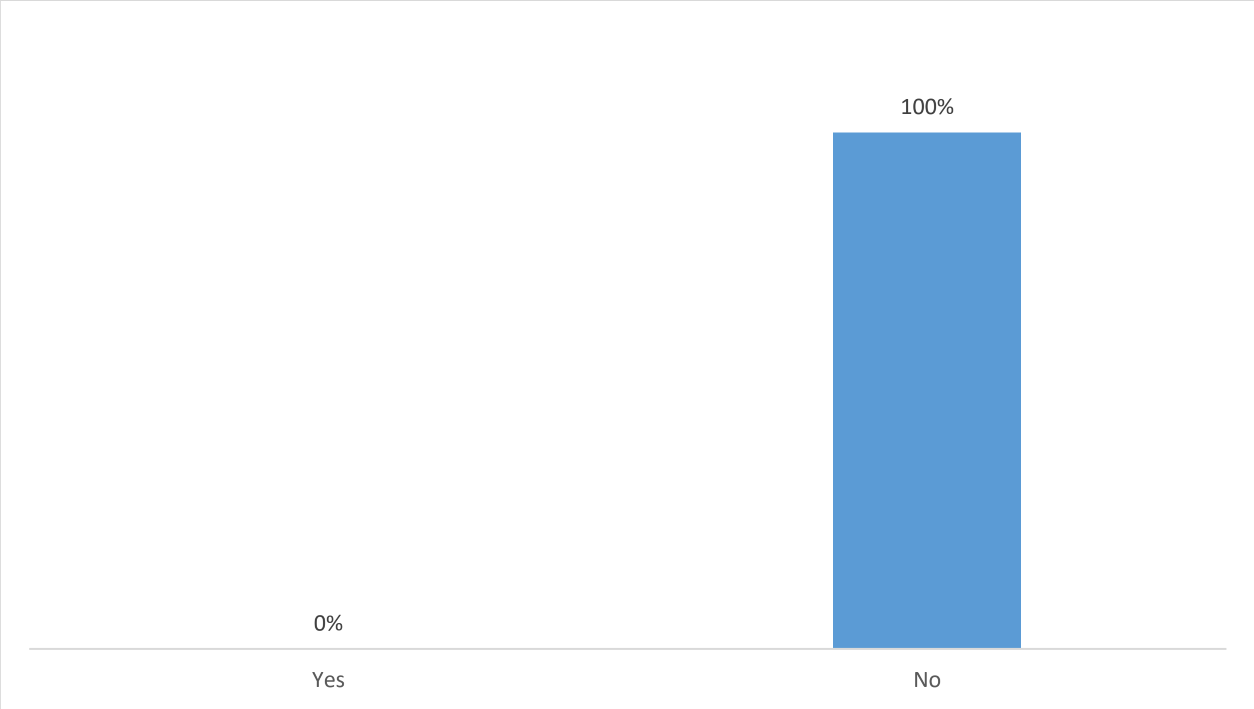
The employee’s readiness was influenced by the fact that they will be able to meet their retirement income goals so that the standard of living enjoyed while working will be maintained after retirement. According to the life cycle model from the economic point of view regarding retirement, the retirement readiness of employees is influenced by both the individual's retirement age and pattern of lifetime consumption. Their choice of retirement age and consumption savings is influenced by their wage income, the interest rate they pay on their loans and the investment earnings they obtain on the money they save.

On the other hand, 14.3% of the respondents mentioned otherwise, which implies that their uncertainties regarding their retirement readiness might be associated with a lack of preparation including fears related to the fact that they might outlive their savings and investment; will not be able to meet their basic needs and that of their families and that they will not have access to affordable health care. Lastly, 21.4% of the respondents indicated that they were not sure of the subject. This might also be due to a lack of or inadequate preparation and planning. This might be associated with fear related to losing social contacts, experiencing financial burdens, and not being able to afford proper healthcare needs which can contribute to stress which might ultimately lead to poor physical and mental well-being.

The study also investigated the attendance of retirement preparation programmes in the department. Responses to the question **'Have you ever attended any retirement preparation programmes in the Department?'** is represented in Figure 4.2

Figure 4.1

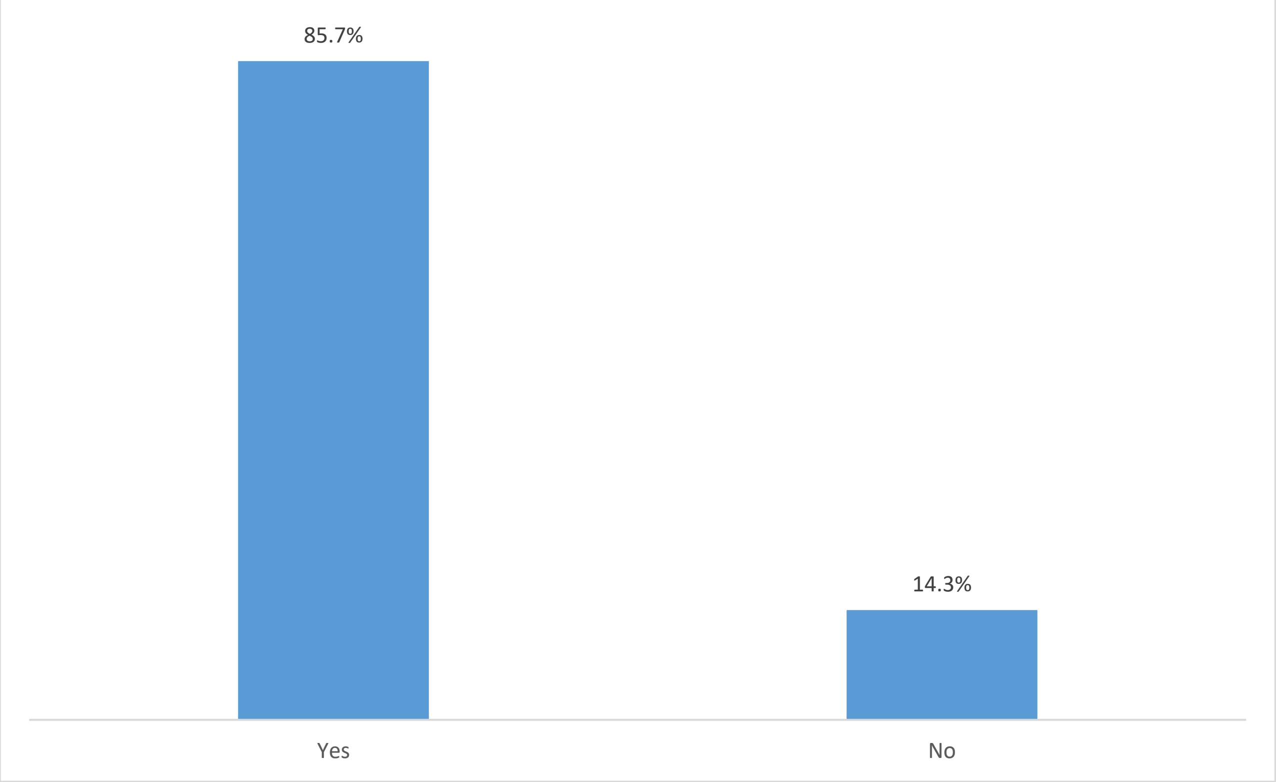
Attendance of retirement preparation programme



The analysis uncovered that all (100%) of the respondents have never attended any retirement preparation programmes in the department. This might be supported by the fact that currently there are no retirement preparation programmes within the department. Hence the study will inform or influence the development of policy regarding pre-retirement or preparation programmes. These findings are in line with the findings of the study conducted by Mushaphi (2010) on the knowledge and involvement in retirement planning among employees in their middle adulthood which indicated that 51 employees (88%) say that there is no workplace retirement education programme within their workplace which is Louis Trichardt Memorial Hospital in Limpopo and 56 respondents (95%) say they have never attended such a programme. In addition, the findings of the study conducted by Diko (2013), also revealed that 78.7% of employees within the SAPS were never exposed to pre-retirement programmes. There the researcher is of the opinion that that most of the government departments do not have pre-retirement programmes and as a result the employees are well prepared for the retirement transition.

Figure 4.3

The need for pre-retirement programmes



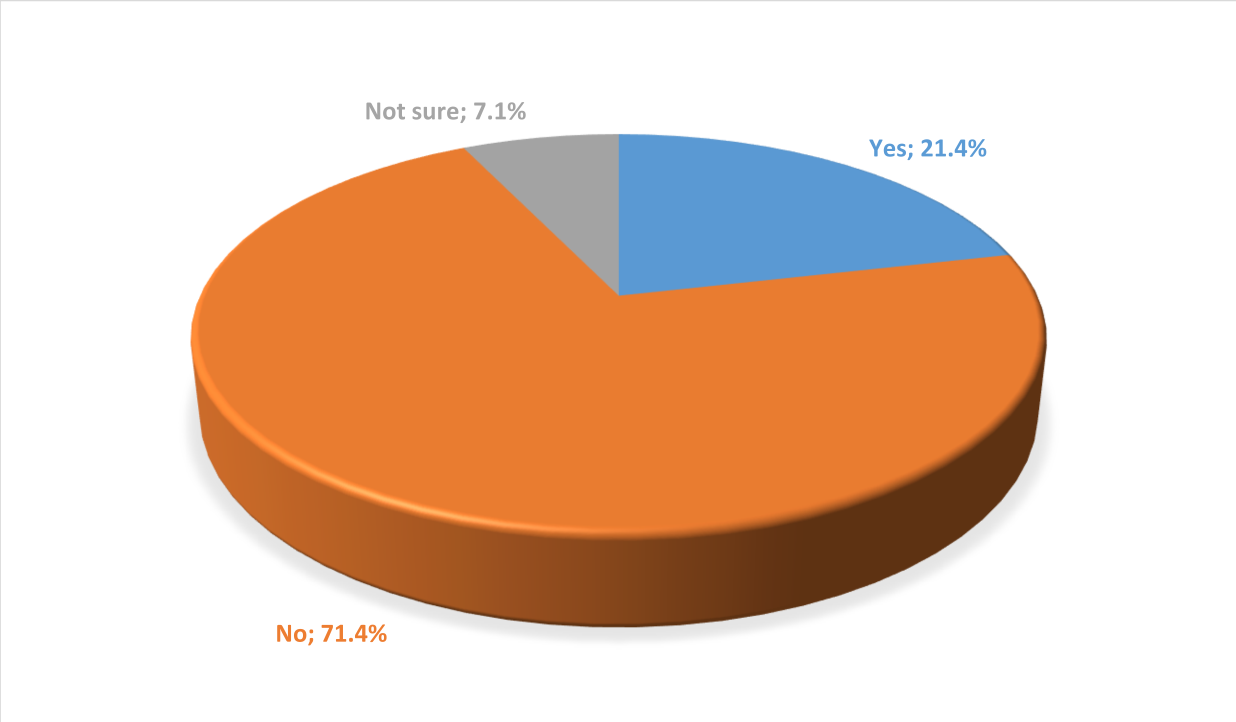
In response to the question, d*o you think there is a need for pre-retirement programmes within the department?"* According to the findings, 85.7% respondents disclosed that there is a need for pre-retirement programmes within the department, whereas 14.3% of the respondents disagreed and indicated that there is no need for pre-retirement programmes within the department. The study conducted by Diko (2013) on the need assessment of pre-retirement programmes in the South African Police Service, the majority of the respondents (67%) recommended the development of pre-retirement programmes for the employees.

According to Kalenga (2015) "pre-retirement programmes provide answers to the main concerns of future pensioners which are retirement plans, staying healthy and adapting to a new way of life". The programmes specifically provide members with information about the financial means at their disposal upon retirement, as well as the steps they need to take.

The researcher is of the opinion that lack of or inadequate preparation or planning for retirement may affect the employee's psycho-social functioning which might end up affecting their adjustment post-retirement. Retirement programmes should take into consideration the risks and challenges associated with the transition to retirement and plans to mitigate such challenges or risks.

Figure 2.4

The need for counselling prior to retirement



The analysis of the question, *Do you require counselling prior to your retirement for preparation?* According to the findings, 21.4% of the respondents required counselling prior to their retirement for preparation while 71.4% of the respondents mentioned otherwise, and 7.1% of the respondents specified that they were not sure. Respondents who constituted 71.4% who indicated that they do not require counselling prior to retirement, their ages ranges from 55 and 60 and have university degrees including bachelor's and Master's degrees. The results of this indicator were linked to the question where participants were asked as to whether they are ready for retirement. Therefore, the findings of the study indicated that 64.3% of the respondents indicated that they are ready for retirement. This means that employees who are ready for retirement within the department felt that they do not require counselling to enable them to deal with the mixed feelings and uncertainties regarding retirement.

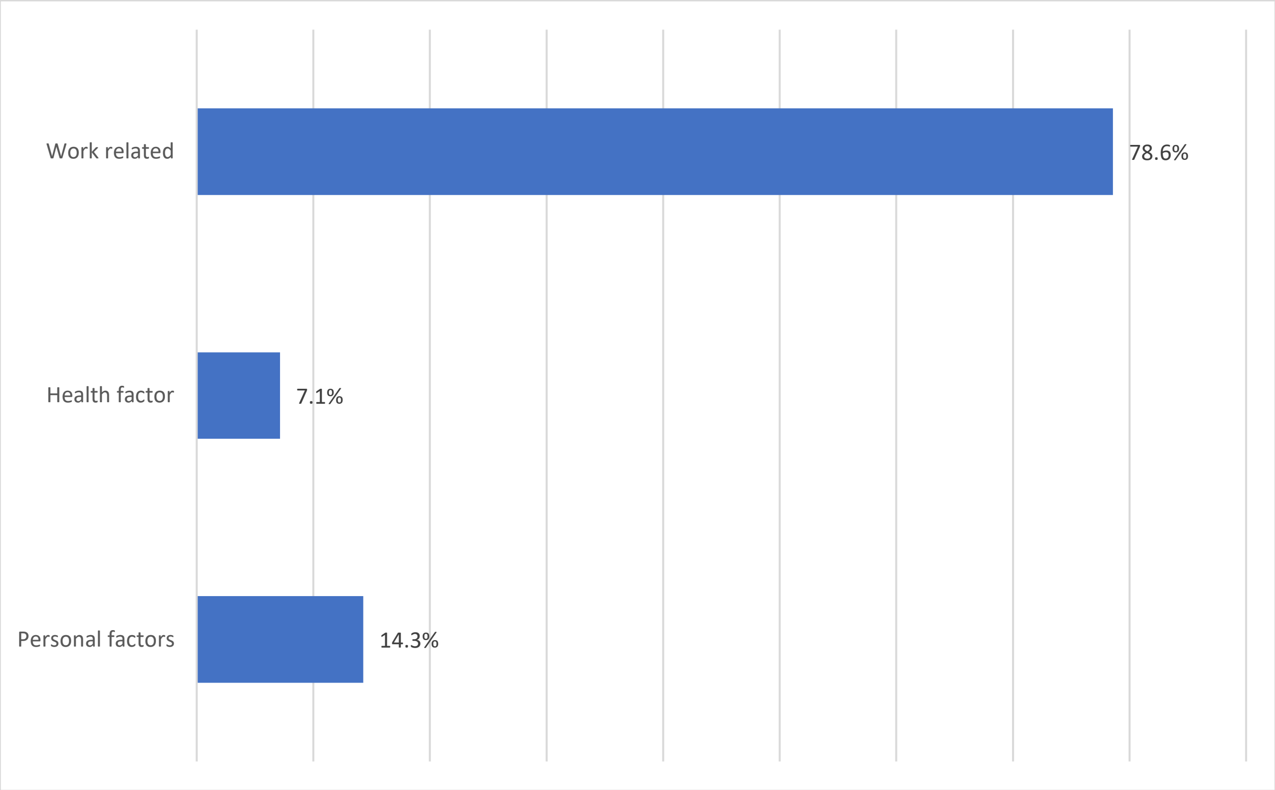
The 21.4% of respondents who indicated that they required counselling, their ages ranges from 55-65 and with regard to the level of qualification, they have matric.

The researcher is of the opinion that pre-retirement counselling is necessary to prepare and assist pre-retirees and those who are already in retirement to adjust to the transition and help them deal with any psycho-emotional and financial difficulties that they might experience.

According to Wilson and Aggrey (2012, p.759), "retirement counselling refers to the process of providing prospective retirees with factual information needed to make a pleasant transition from the world of work into a less rigorous occupational retirement schedule". The author further said that the "concept of retirement counselling encompasses the review of all insurance policies, management of personal income during retirement, explanation of the retirement process, general information about social security, medical coverage and acquisition of life skills needed for optional adjustment to retirement roles".

Figure 4.3

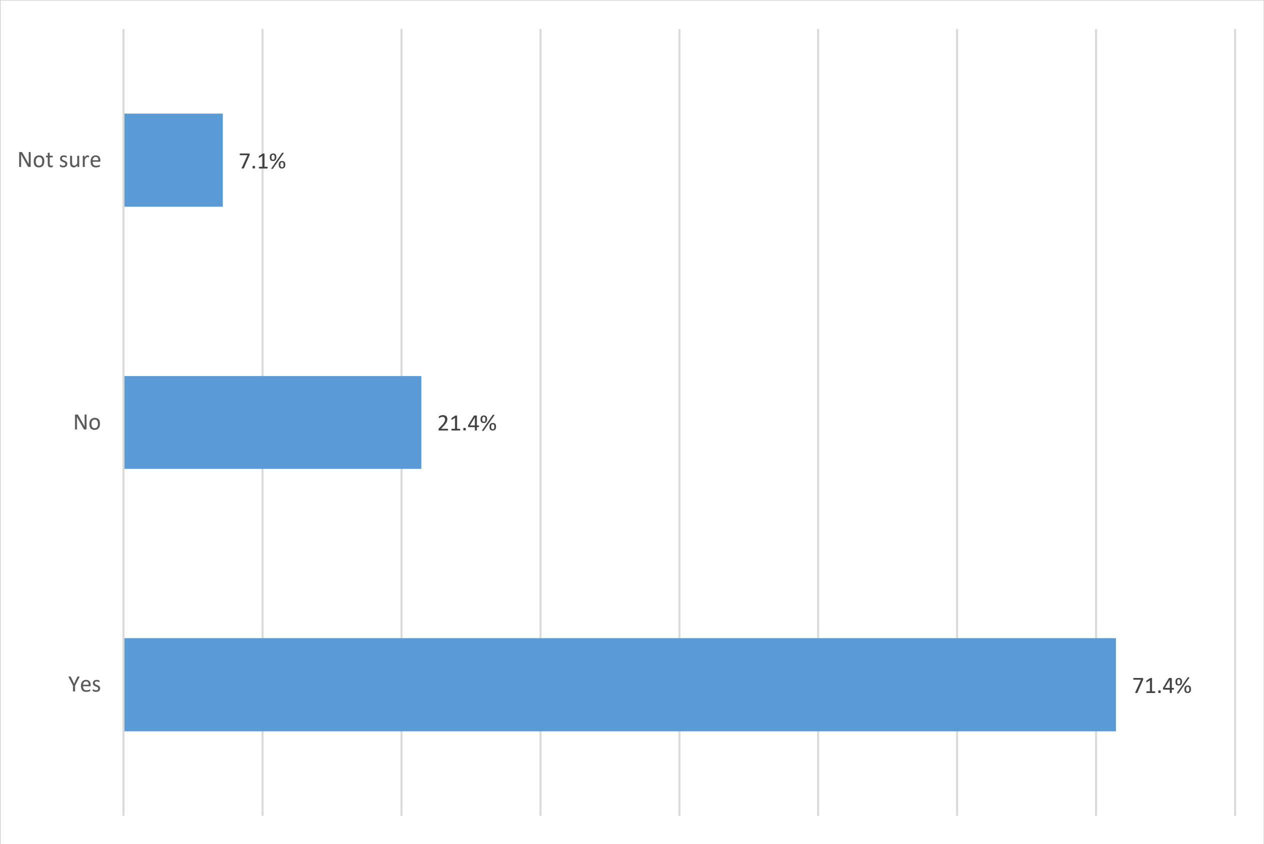
Reasons for retirement



The analysis shows that the majority 78.6% of the respondents want to retire because of work-related reasons. Among other reasons, an unconducive work environment was the most cited reason for retirement. Employees involved in hard labour, for example, mining and construction tend to retire earlier than those who are doing soft (white-collar) jobs. Wata, et al. (2015), support this statement by indicating that work environment issues play a key role in a person's decision to retire. Whilst 14.3% of the respondents indicated that they want to retire due to personal factors and 7.1% of the respondents want to retire because of health factors. The mandatory age of retirement was the most common cause of retirement. Health factors such as employees having chronic illnesses have been indicated to influence employees' early retirement. According to Meng, et al. (2020), poor health has been identified as the strongest push factor to retirement. The findings of the study conducted by Mushaphi (2010) differs from the findings of this study in the sense that the majority of the respondents which is 94%wanted to retire because of personal factors whereas a small proportion which is 6%, is due to work and organizational factors.

Figure 4.4

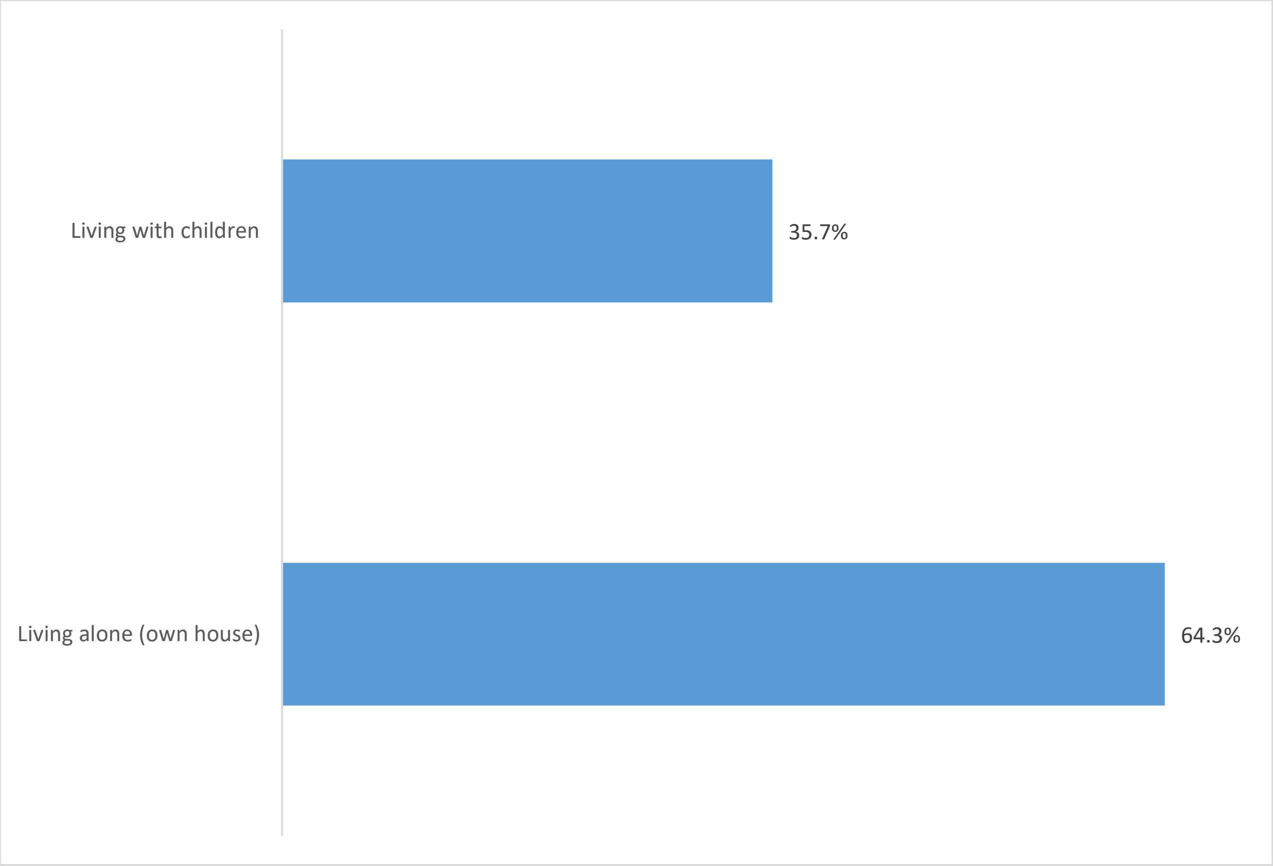
Plans to work post retirement



The analysis confirms that 7.1% of the respondents were not sure about their working plans post retirement and 21.4% of the respondents were not planning to work post retirement, However, the majority, 71.4% of the respondents indicated that they have plans for post-retirement. Employees with university degrees such as Master's degrees were the ones who specifically indicated the need to pursue personal careers after retirement, namely, they indicated the need to work post retirement. Some mentioned that they will work as consultants, others indicated that they would work for international organisations and others said they will start their own businesses such as small-scale farming.

Figure 4.5

Living arrangements after retirement



Approximately 36% of the respondents specified that they were going to live with their children post retirement, while 64.3% of respondents mentioned that they are going to live alone (own house) post retirement. The majority of the respondents who were between the ages of 55 and 60 indicated that they preferred living alone post retirement. The findings that the majority of employees prefer to live alone post retirement, concur with findings of the study conducted by Diko (2013) where it is indicated that 83.7% of the employees decided to stay in their own homes post retirement. Blakely and Ribeiro (2008) indicated that “employees need to explore the type of accommodation that will suit their needs taking into consideration their affordability, accessibility, safety and security, type and climate and the support system in their area as well as proximity to the facilities such as shops, chemist, hospitals, library and sport”.

Those who were between the ages of 60 and 65 indicated that they preferred to stay with their children (Reher & Requena 2018). People's preferences and resources combined with the constraints of aging determine the living arrangements of the elderly, specifically living alone. They reflect material conditions, health realities, the support they can expect to receive from their families, communities, and societies, and the extent to which they are willing or determined to live alone during the final stages of their lives. These preferences are generated within the context of prevailing cultural norms. This means that in most cases, the retirees decide to live alone post retirement because they are aware of the resources and support systems that are available to them. Although they may choose to live alone, they know that their children will be available to assist them in case a need may arise.

The below table explains the factors that might influence the retirement readiness of
employees within the department. The respondents were required to indicate or rate their responses on a Likert scale.

TABLE 4.1

Behavioural Characteristics

The table 2 indicates how the factors influence the retirement readiness of employees within the department. The factors were clustered into five constructs namely the occupational factors, Economic, social, health, psycho-emotional factors. For each construct, the reliability analysis was done to show the internal consistency of the instrument used for data collection.

Construct and Items	Factor loading	Cronbach alpha
Occupational factors		0.778
Work environment issues play a key role in one's decision or readiness to retire.	0.896	
A negative work environment may influence a decision to retire early	0.999	
Departmental issues influence attitudes towards retirement and retirement decision.	0.517	
Negative and stressful departmental issues may influence an attitude in favour of early retirement.	0.914	
Job satisfaction contributes to retirement decisions.	0.994	
Economic/Financial factors		0.850
Employees with high demanding jobs choose to. retire early.	0.968	
An imbalance between work and family demands may lead to early retirement	0.982	
Retirement anxiety affects the social well-being or condition of the retiree.	0.799	
Social factors		0.705
Older employees have a negative attitude towards retirement.	0.85	
Family factors such as having a spouse/partner who has resigned or retired and having to take care of a sick	0.771	

Construct and Items	Factor loading	Cronbach alpha
family member may attract employees into early retirement.		
Married couples are likely to have a more positive attitude towards retirement.	0.826	
Health factors		0.729
Poor health influences employees' decisions to retire earlier.	0.742	
Most of the employees do not have medical aid post retirement.	0.664	
Psycho-emotional factors		0.810
Psychological stress affects employees who are about to retire.	0.826	
The decision to retire is always accompanied by fear, anxiety and stress.	0.536	
Retirement is exciting and should be looked forward to.	0.599	

The analysis indicated that the constructs (occupational factors, economic/financial factors, social factors, health factors and psycho-emotional factors) used in the study have high level of internal consistency for the scales since all Cronbach alphas were greater than 0.7 (which is the recommend minimum value for substantial good level).

Table 2 above indicates the reliability of the instrument used; this is done by a Cronbach alpha that measures the internal consistency between variables (Questions). From the result, with N=14 (variables considered) the Cronbach alpha α=0.778, α=0.850, α=0.705, α=0.729 and α=0.810 for occupational factors, economic/financial factors, social factors, health factors and psycho-emotional factors respectively. This highlights a high internal consistency of variables measured. An acceptable alpha starts at 0.6.

Table 4.2 Model Summary

The table provides the R and R-squared values which represent the simple correlation and how much of the total variation in the dependent variable.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.683[a]	0.466	0.009	0.848

a. Predictors: (Constant), Psycho-emotional, Occupational, Social, Health, Environment, Economic

The result indicates a mild degree of correlation (R=0.68) and R-squared value of 0.466 indicates that 46.6% can be explained by the model.

Table 4.3 Analysis of variance

The table report how well the regression model fits the data.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	4.396	6	.733	1.019	.483[b]
Residual	5.033	7	.719		
Total	9.429	13			

a. Dependent Variable: Do you feel prepared/ ready for retirement?

b. Predictors: (Constant), Psycho-emotional, Occupational, Social, Health, Environment, Economic

Table 4 above, shows that the regression model does not predicts the readiness for retirement significantly well (p-value>0.05). The results suggest that the feeling of being prepared/ready for retirement cannot be determined by psycho-emotional, occupational, social, health, environment and economic challenges.

Table 4.4 Coefficients

Table 5 provides the details concerning prediction of the retirement, as well as determine whether constructs identified used in the study significantly model the outcome.

Coefficients

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.001	2.241		1.339	.222
Occupational	-.016	.602	-.012	-.027	.980
Economic	-.656	.514	-.644	-1.276	.243
Environment	.653	.373	.829	1.747	.124
Social	-.696	.577	-.609	-1.206	.267
Health	-.252	.404	-.223	-.624	.552
Psycho-emotional	.575	.416	.557	1.382	.209

a. Dependent Variable: Do you feel prepared/ ready for retirement?

Retirement readiness is not significantly influenced by occupational, economic, environment, social, health and psycho-emotional factors according to the results. Hypothetically, when retirement readiness increases by 1%, occupational, economic, environment, social, health and psycho-emotional factors decreases by 0.016, 0.656, 0.653, 0.696, 0.252 and 0.575 respectively ($N=17$, $p<0.05$).

Based on the literature reviewed on the factors that influence retirement readiness, health, psychological and occupational aspects contribute towards employee's retirement readiness. For instance, Meng, et al. (2020) indicated that poor health has been identified as the strongest push factor to retirement. This means that the health status of an employee predicts the time of retirement and the intention to retire early or late. Ill-health including physical and mental health status are factors that contribute to the decision to retire. According to Hutchinson (2007) "the life course perspective recognizes the importance of timing of lives not just in terms of chronological age, but also in terms of biological age, psychological age, social age, and spiritual age". Based on this theme, it is important to take into consideration the biological and psychological age of employees as a determining factor towards retirement or early retirement. For instance, how the biological development and physical health of an employee influences his or her retirement.

Social aspects such as family considerations explained in terms of women and couple issues, are said to influence the retirement readiness of employees. Wata, et al. (2015) stated that pull factors may attract workers into retirement, such as having a partner who has retired. The life course perspective also explains how human beings especially the family as a system is interdependent. Different sub-systems of a family as a system are interrelated and interdependent. In the case of retirement, the wife and the husband might influence each other's decision to retire. Based on the objectives of the study, the study intended to explore the factors and attitudes that influence the employee's retirement readiness. Therefore, based on the results of the analysis, the majority of employees feel ready or prepared for retirement. The indication is that the contributing factor is their financial position and the age factor which is the mandatory age of retirement. The employees' attitudes towards retirement were assessed and the majority indicated their readiness even without any attendance of preparation programmes.

In addition, some viewed retirement as an opportunity to start new career paths and others saw it as an opportunity to transfer their skills to their children and grandchildren. This was evident from the participant's responses to their adjustment plans post retirement. This reflected a welcome into new lifestyle post retirement.

The study aimed at closing the knowledge gap in terms of policy development with regard to retirement planning or preparation. Therefore, the findings of the study will assist in influencing the development or the designing of retirement programmes within the department.

4.3 Summary

The study aimed at exploring the perceptions of employees within the NDSD regarding their retirement readiness. This chapter managed to explore/examine the perceptions (thoughts, feelings and attitudes) of employees regarding their retirement readiness as well as the factors that might influence their retirement decision. The study managed to cover employees of all the racial groups, namely, Africans, Whites, Indians and Coloureds. The majority of the respondents were Africans followed by Whites, Indians and Coloureds constituting the same representativity. In terms of the age cohort, the majority of the participants were between the ages of 56 and 60. The study revealed that 64.3% of the respondents indicated that they feel prepared/ready for retirement compared to 21.4% who indicated that they are not sure of their retirement readiness. Respondents indicated environmental factors was the major reason to retire. Therefore, it revealed that most of the employees will retire because of an unconducive work environment. The majority of the respondents who constituted 85.7% indicated that there was a need for pre-retirement programmes within the department. The results of the study will however contribute towards closing the gap in policy regarding the availability of pre-retirement or preparation programmes for employees.

The next chapter focuses on the key findings, conclusions and recommendations.

CHAPTER FIVE

SUMMARY KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The aim of the study focused on exploring the perceptions of the employees within NDSD regarding retirement readiness. To that effect, the researcher aimed achieving the following objectives:

- To explore the factors that influence an employee's decision for retirement.
- To explore the attitudes of employees towards retirement.
- To determine whether pre-retirees have adjustment plans post-retirement.
- To determine the need for pre-retirement planning for NDSD employees.

A quantitative research method in the form of survey research design was used in the study. The researcher adopted census or saturation sampling whereby survey questionnaires were distributed electronically to all the employees in the age category of 55 to 65 years. Seventeen (17) respondents completed the questionnaire. Findings were presented according to descriptive and inferential analysis.

5.2 KEY FINDINGS

The following are the key findings of the empirical study:

i. The majority (64.3%) of the respondents considered retiring at the mandatory retirement age of 65 within the public sector. According to the GEPF Booklet (2018) retiring at the age of 65 is also known as the normal retirement age for government employees in South Africa as per the provisions of the Public Service Act. In addition, the majority of the participants considered themselves ready for retirement.

ii. Regarding the issue of the type of retirement savings plan, 80% of the employees indicated that they have personal retirement annuity savings and the government pension fund as a financial means post retirement.

iii. 71.4% of the respondents indicated that they do not require counselling prior to their retirement. Respondents who indicated that they require counselling prior to retirement, mentioned that will help them deal with psychological and emotional trauma post retirement.

iv. Concerning living arrangements post retirement, 64.3% of the respondents indicated that they prefer to live alone. Some respondents indicated that they preferred to live independently and if their health deteriorated, they would move to retirement villages. Respondents who indicated that they preferred living with their children and grandchildren indicated that they need to transfer some of the skills they have to their children.

v. All (100%) of the respondents indicated that so far they didn't attend any pre-retirement programmes within the department. Therefore, they indicated there is a need for pre-retirement programmes within the department.

vi. The findings of the study revealed that the respondents who intend taking early retirement, it will be due to work-related activities, personal and poor health factors. In addition, the issue of negative and stressful departmental issues were considered to influence an attitude strongly in favour of early retirement.

vii. The findings of this study revealed that behavioural characteristics such as health, occupational, social and psychological factors do not contribute to or influence the retirement readiness of employees.

CONCLUSION

Based on the above key findings, it is concluded that retirement should be considered as one of the pathways, life events or transitions in life that needs preparation taking into consideration financial, health and personal inclusive of family aspects. Therefore, employers need to ensure that there are pre-retirement programmes within the work-place including counselling services. Such programmes can be part of the induction programme for newly appointed employees so that the process of preparation could start as early as possible.

The availability of pre-retirement programmes within the department will equip the employees with the necessary knowledge and understanding on the subject matter. In addition, they will be able to make informed decisions, assess their retirement readiness and to adjust effectively post retirement.

5.3 RECOMMENDATIONS

Based on the above findings, the following recommendations can be made:

i. Employees:

NDSD should necessitates the importance and need for a workplace retirement preparation or planning programme to prepare or assist employees with the transition to retirement. The programme should be holistical to address the psychological, social, health and economic aspects of retirement.

The department should ensure information on retirement is available and shared with employees either through seminar, workshops, pamphlets and posters. Counselling services should also be available to address the individual needs of employees to enable them to deal with any uncertainties and mixed feelings that might be experienced pre and post retirement.

A resource directory of all relevant key stakeholders should also be developed and be available to employees for referral purposes.

ii. NDSD

The department to consider the development of pre-retirement programmes for employees. The programmes can also be included in the orientation/induction programme of the department to enable retirement planning to start as early as possible. Programme contents may include the following aspects:

- The concept of retirement (world of work and retirement).
- Phases or stages of retirement
- Challenges associated with the transition to retirement.
- Provision of counselling (individual or group therapy)
- Professional planning (post-career pathing – especially for those who need to work post retirement).
- Financial planning (source of income, budgeting, expenditure)

- Personal and Family aspects (include living arrangements, taking care of family members)
- Health aspects (medical, physical activity, nutrition / dietary)
- Life plans including issues of disability, life insurance and legal aspects such as wills
- Evaluation of the programme.

Retirement planning and/or preparation programmes may be offered either formally or informally through physical or online seminars or the issuing of pamphlets and posters.

The Directorate: Health and Wellness within the department should assist with the establishment of the retirement preparation programmes and the department should consider including retirement planning in the orientation or induction programmes so that new employees should be prepared as early as possible and be knowledgeable about the role of GEPF in order for them to make informed choices regarding their age of retirement and choose the best investments in preparation for retirement.

iii. Policy Development/Formulation:

- The lack of pre-retirement programmes within the NDSD was viewed as a gap and should inform human resources policy development with regards to retirement as one of the life transitions experienced by the employees. Therefore, the department should consider policy reform/amendments to the existing HR policies to include retirement as one of the issues affecting the well-being of employees.
- The department should also learn best-practice models on retirement planning as a benchmark from both nationally and internationally.

Further research needs to be undertaken regarding the following:

- ✓ A comparative analysis of retirement preparation programmes in public and private sector.
- ✓ evaluation of the existing retirement programmes within the public sector in South Africa.
- ✓ To explore life satisfaction or adjustment of retirees / employees post retirement.

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ANNEXURE – 1: PERMISSION LETTER FROM NDSD TO CONDUCT RESEARCH

social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

Private Bag X901 Pretoria, 0001, 134 Pretorius Street, HSRC Building, Pretoria Tel: +27 12 312 7647 / 7833, www.dsd.gov.za
Private Bag X9150, Cape Town, 8000, Tel: +27 21 469 6632 / 6633, e-mail: directorgeneral@dsd.gov.za

OFFICE OF THE DIRECTOR-GENERAL

Ms ME Tsatsi
1911 B Berg Avenue
Amandasig
0182

Dear Ms Tsatsi

RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH STUDY

The Department of Social Development wishes to inform you that your request for permission to conduct research towards fulfilment of your research study has been granted with the following conditions:

1. You must sign a confidentiality agreement with the Department to protect unauthorized sharing of Departmental information.
2. You must make the necessary appointment with the respective managers that are required to support you during your research to ensure that DSD officials are not disrupted in performing their duties.
3. Your conduct during the duration of your research at DSD must be one of a professional nature at all times.
4. The Department must be provided with a copy of your final research report.

I wish to inform you that the Department of Social Development will not bear any financial and legal liabilities that may arise from your research study.

I further wish to bring to your attention that research ethics must be considered and adhered to in this regard.

I wish you all the best in your research study and look forward to your final research product.
Given the subject area of your research study, you must contact Directorate: Human Resource Management Ms A Schoombie at 012 312 7510 (AnnerieS@dsd.gov.za) to facilitate assistance that you require during research.

Yours sincerely,

....
MR L MCHUNU
ACTING DIRECTOR-GENERAL: DEPARTMENT OF SOCIAL DEVELOPMENT
DATE: 23/10/2020

ANNEXURE - 2: DEPARTMENTAL HUMAN RESEARCH ETHICS COMMITTEE (SOCIAL WORK) CLEARANCE CERTIFICATE

UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG

DEPARTMENTAL HUMAN RESEARCH ETHICS COMMITTEE (SOCIAL WORK) CLEARANCE CERTIFICATE

PROTOCOL NUMBER: SW/19/07/07

PROJECT TITLE: Exploring the perceptions of employees, within the National Department of Social Development (NDSD), regarding retirement readiness

RESEARCHER/S: Mmakwata Evelyn Tsatsi (517498)

SCHOOL/DEPARTMENT: Social Work

DATE CONSIDERED: 11 July 2019

DECISION OF THE DEPARTMENTAL COMMITTEE: Approved

RATIFIED BY THE WITS HREC (NON-MEDICAL): 13 March 2020

EXPIRY DATE: 13 March 2023

DATE: 22 April 2020

CHAIRPERSON: Dr F. Masson

Cc: Supervisor: Ms Laetitia Petersen

DECLARATION OF RESEARCHER(S)

To be completed in **DUPLICATE** and **ONE COPY** returned to the Administrative Assistant, Room 8, Department of Social Work, Umthombo Building Basement.

I/We fully understand the conditions under which I am/we are authorised to carry out the abovementioned research and I/we guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the committee. **For Masters and PhD an annual progress report is required.**

SIGNATURE

22/09/2020
DATE

PLEASE QUOTE THE PROTOCOL NUMBER ON ALL ENQUIRIES

School of Human and Community Development: Social Work
Private Bag 3, WITS, 2050, South Africa
T +27 11 717 4472 | E socialwork.SHCD@wits.a.c.za | www.wits.ac.za/shcd/social-work/social-work-as-a-profession/
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ANNEXURE -3: PARTICIPANT INFORMATION SHEET

Title of the study: Exploring the perceptions of employees, within the National Department of Social Development (NDSD), regarding retirement readiness.

Greetings

My name is Evelyn Tsatsi and I am a post graduate student registered for the degree MA in Social Work at the University of the Witwatersrand. As part of the requirements for the degree, I am conducting research regarding the perceptions of the employees regarding retirement readiness. It is hoped that the information gathered will attempt close the knowledge gap in terms of policy formulation regarding pre-retirement programmes /planning within the Department of Social Development. The outcome of the study will contribute to theoretical knowledge on factors influencing retirement readiness of employees and will also provide insight to the employer and the employees regarding retirement as a process that has several stages, namely pre-retirement, decision making and retirement adjustment stages. Therefore, departmental programmes / policies that affect employees should be linked with pre-retirement planning process at an individual level in order to minimise the psycho-social effects related to retirement. In this regard the study will be useful to the department more especially the intended target group which in this instance is the pre-retirees.

As an employee of the Department of Social Development within the age group of 55 and 65, you are ideally positioned to contribute to my research. I therefore wish to invite you to participate in my study. If you accept my invitation, your participation would be entirely voluntary, and you are free to withdraw at any time without penalty. There are no consequences or personal benefits of participating in this study. If you agree to take part, please complete the questionnaire below at your own time. No-one other than the researcher and the supervisor will have access to the questionnaires. The questionnaires will be kept confidential, and no names will be attached to it. A copy of the questionnaire will be stored in a locked cupboard until the process of analysing the information is completed.

The result of the research may also be used for academic purposes (including books, journals and conference proceedings) and a summary of findings will be made available to participants on request.

Please contact me on (083 7728758) or (EvelynT@dsd.gov.za), or my supervisor, (Dr Laetitia Petersen) on (011-717 4474) or (laetitia.petersen@wits.ac.za) if you have any questions regarding my study. We shall answer them to the best of our ability. If you have any concerns and complaints about the study, please contact Human Research Ethics Committee (Non-Medical) Contact Details; Chairperson: Jasper.Knight@wits.ac.za or the administrator: Ms Shaun Schoeman, Tel 011 717 1408 or Shaun.Schoeman@wits.ac.za

For any Employee Assistance Programme services required please contact Ms Rejoice Molelekwa on 012 312 7999 or email RejoyceM@dsd.gov.za

Thank you for taking the time to consider participating in the study.

Yours Sincerely,

Evelyn Tsatsi

ANNEXURE -4: CONSENT FORM FOR PARTICIPATION IN THE STUDY

Title of the study: Exploring the perceptions of employees, within the National Department of Social Development (NDSD), regarding retirement readiness.

I hereby consent to participate in the research study. The purpose and the procedures of the study have been explained to me.

I understand that:

- My participation in this study is voluntary and I may withdraw from the study without being disadvantaged in any way.
- I may choose not to answer any specific questions asked if I do not wish to do so.
- There are no foreseeable benefits or particular risks associated with participation in this study.
- My identity will be kept strictly confidential, and any information that may identify me, will be removed from the questionnaire.
- A copy of my questionnaire without any identifying information will be stored in a locked cupboard until the information has been analysed.
- I understand that my responses will be used in the write up of a Masters project and may also be presented in conferences, book chapters, journal articles or books.

Name of the Participant: ---------------------------------------

Date: ---

Signature: ---

ANNEXURE: 5: QUESTIONNAIRE

Questionnaire Instructions:

- Answer the questions as they relate to you.
- The researcher will protect the respondent's privacy, confidentiality and anonymity
- Please mark with an X next to the answers that relate to you.

SECTION A: DEMOGRAPHIC INFORMATION

A.1 What is your gender

Male	
Female	
Other (specify)	

A.2 Race

African	
White	
Coloured	
Indian	
Other (specify)	

A.3: Age cohort

50-55	
55-60	
60-65	
65+	

A.4: Marital Status

Single	
Married	
Divorced	
Widowed	
Other (specify)	

A.5: What is your highest educational level?

Matric	
Diploma	
University Degree	
Other (specify)	

A.6: Number of working years

1-5 years	
5-10 years	
10-15 years	
15-20 years	
20+	

SECTION B

PREPARATION /READINESS FOR RETIREMENT

B.1: When do you plan to retire? (Please tick form the box)

Earlier than you planned /expected	
About the same time as you planned /expected	
Later than you planned	

B.2: At what age will this be?

B.3: Do you feel prepared / ready for retirement?

Yes	
No	
Not sure	

B.4: Reasons for retirement. Please tick what is appropriate for and specify.

Personal factors □ yes □ no

Specify: ____

Health factors □ yes □ no

Specify: ____

Work-Related □ yes □ no

Specify: ____

B.5: What type of retirement savings plan do you have?

B.6: Do you plan to work post retirement? (Please tick from the box).

Yes	
No	
Not sure	

If yes, specify the reasons:

____

____

B.7: Do you have plans post retirement? (Please tick from the box)

Yes	
No	
Not sure	

If yes, please explain?

B.8: What will your living arrangements be post retirement? (Please tick from the box.)

Living alone (own house)	
Living with children	
Retirement village	

B.9: Give reasons for the indicated living arrangements in B8?

B.10: Have you ever attended any retirement preparation programmes in the Department? Yes / No (Please tick from the box).

Yes	
No	
Not sure	

B.11: If yes, please specify the type of programme (what does the programme entail and how is the information disseminated to employees and by who?

B.12: Do you think there is a need for pre-retirement programme within the department. Yes or No. Please tick from the box).

Yes	
No	
Not sure	

B.13: If yes, please elaborate on your answer.

B.14: Do you require counselling prior to your retirement for preparation. Please tick from the box.

Yes	
No	
Not sure	

SECTION C: THE LIKERT SCALE

To investigate the factors influencing retirement readiness of employee within the Department of Social Development

Please indicate whether you agree, disagree, with the following statements regarding the following factors (1 –strongly disagree, 2- disagree, 3- undecided, 4-agree, 5- strongly agree).

C.1: Occupational factors

	1	2	3	4	5
Work environment issues play a key role in one's decision or readiness to retire.					
A negative work environment may influence a decision to retire early					
Departmental issues influence attitudes towards retirement and retirement decision.					
Negative and stressful departmental issues may influence an attitude in favour of early retirement.					
Job satisfaction contributes towards retirement decision.					
Job dissatisfaction contributes to early retirement					
Age plays a major role in decision making regarding retirement					

C.2: Economic / Financial factors.

	1	2	3	4	5
Accumulated pension at work has been positively related to retirement attitude.					

Financial rewards accumulated through formal work and savings influences the decision to retire.					
Retirement benefits including social security and medical aid, also determines retirement decision.					
Investment uncertainty negatively affects the decision to retire.					

C.3: Environmental factors

	1	2	3	4	5
Employees with high demanding jobs choose to retire early.					
An imbalance between work and family demands may leads to early retirement					
Retirement's anxiety affects social well-being or condition of the retiree.					

C.4: Social factors

	1	2	3	4	5
Older employees have a negative attitude towards retirement.					
Family factors as having a spouse / partner who has resigned or retired and having to take care of a sick family member may attract employees into early retirement.					
Married couples are likely to have more positive attitude towards retirement.					

C.5: Health factors

	1	2	3	4	5
Poor health influences employee's decision to retire earlier.					
Most of the employees do not have medical aid post retirement.					

C.6: Psycho-emotional factors

	1	2	3	4	5
Psychological stress affects employees who are about to retire.					

Decision to retire is always accompanied by fear, anxiety and stress.					
Retirement is exciting and should be looked forward to.					