CHALLENGES EXPERIENCED BY EMPLOYEES OF THE EKURHULENI METROPOLITAN MUNICIPALITY REGARDING PREPARATION FOR RETIREMENT

by
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A mini-dissertation submitted in partial fulfilment of the requirements for the degree

MASTERS OF SOCIAL SCIENCES (EMPLOYEE ASSISTANCE PROGRAMME)

in the
DEPARTMENT OF SOCIAL WORK AND CRIMINOLOGY
FACULTY OF HUMANITIES
at the
UNIVERSITY OF PRETORIA

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June 2013
DECLARATION

I hereby declare that the research study and report, entitled, challenges experienced by the employees of Ekurhuleni Metropolitan Municipality regarding preparation for retirement, is my own work and that the report has not been previously submitted by me for a degree at any other university. I have given full acknowledgement to the sources I have used in the research.

_________________
Nonkululeko Tyilana
DEDICATION

The study is dedicated to my husband and my two daughters whose encouragement and support made this journey a success. Thank you for your unconditional love and support and for allowing me to stretch my limits.

Love you always.

Nonkululeko Tyilana
ACKNOWLEDGEMENTS

I want to express my sincere gratitude to:

- God for giving me the courage and strength to complete my studies amidst all the challenges.
- Dr Florinda Taute, my supervisor for her support, encouragement and guidance.
- My husband Xolani for inspiring me.
- My mentor Mmapula Mnisi for your support, motivation and encouragement.
- My daughters, Lelethu and Zikhona, my babies, for coping without me when you needed me. You are my angels. Love you lots.
- Bernice McNeil for editing my work.
- Kelebogile Machika for assisting me with the statistical analysis of my research.
- The Ekurhuleni Metropolitan Municipality for granting me the permission to further my studies, for their financial support and for allowing me to conduct the study.
- Wellness Champions from Ekurhuleni for their unwavering support and dedication in the distribution and collection of the questionnaires.
- All the employees of Ekurhuleni who agreed to participate in the study.
- All my friends and colleagues for your support and encouragement.
ABSTRACT

Applied research was utilised in order to identify the challenges experienced by employees of the Ekurhuleni Metropolitan Municipality regarding preparation for retirement. The purpose of the study was to explore the challenges experienced by employees in the age bracket of 50 to 65 years. A quantitative approach was utilised.

Probability sampling with a systematic sampling method was used to obtain a representative sample of 100 employees from the larger population of 4,453 employees. Survey research was undertaken in order to provide a numeric description of the opinions of employees of the Ekurhuleni Metropolitan Municipality, by using questionnaires as the data collection method. The cross-sectional survey design was most appropriate as it involves one contact with the respondent and is comparatively cheap to undertake and easy to analyse. Questionnaires were hand-delivered to some respondents to fill in themselves and collected upon completion, whilst other respondents were assisted with the questionnaires by Wellness Champions. The data was analysed using the Statistical Package of Social Sciences program (SPSS).

The research demonstrated that the challenges faced by employees of EMM are financial, psychosocial and physical in nature. Surveyed employees indicated that they were not aware of any retirement preparatory programme offered by EMM and expressed a strong need for such a programme. One of the recommendations is the development of a retirement preparatory programme by EMM in order to mitigate some of the post-retirement difficulties that may be experienced by retirees.
LIST OF KEY CONCEPTS

• Employee
• Retirement
• Preparation
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CHAPTER ONE

GENERAL INTRODUCTION AND ORIENTATION

1.1 INTRODUCTION

Retirement always results in the need to invest effort and energy in adapting to the new situation as it is one of the many unavoidable and unforeseeable developmental crises people undergo in their lives (Lardani & Correa, 2005:24; Walsh, 2005:310). Declining birth rates, advances in health care and increasing longevity are all contributing to the rise in the number and proportion of elderly people all over the world. By 2040, one in four people in most of the Western world will be over 65 (Walsh, 2005:307).

According to Mudely [sa], there is no general retirement age in South Africa. Employers and employees are free to agree on a retirement age which works for them. The agreement is normally found in an employee’s employment contract, or may in special circumstances, be determined with reference to the rules of the retirement fund to which an employee belongs. However, subject to other provisions of the Public Service Act 103 of 1994, Section 16 says: “an officer shall have the right to retire from the public service, and shall be so retired, on the date when he or she attains the age of 65 years”. In Ekurhuleni, the rules of the Municipal Gratuity Fund provide for members to retire at the age of 65 years. Members are, however, free to choose to retire between the ages of 50 and 65 years (Retirement and then……., 2012:17).

As there is not a formal retirement preparatory programme for retirees, the employees of the Ekurhuleni Metropolitan Municipality (EMM) may lack knowledge of what retirement entails, which may lead to a lack of mindset preparation for retirement (psychological and emotional). No social orientation programme aimed at post-retirees, or no financial skills programme to equip the would-be-retirees, may also be disadvantageous in the preparation for retirement of the employees of EMM.
These deficiencies mean that employees are not planning in advance for retirement. Many workers rely largely on the employer pension funds for retirement income and sometimes the state grants when pension funds are exhausted. There are various pension funds and provident funds from which employees can choose. Pension funds give one third of the sum amount on retirement and a monthly payment until death. Gratuity funds give a lump sum on retirement.

There is a common practice amongst the employees of EMM to borrow money from their retirement funds which creates problems for employees when they retire. It means they have to pay back monies owed with interest and are left with less on retirement, and unfortunately have to rely on government support in their golden years because of poor planning. The following key concepts are discussed.

- **Employee**

The Basic Conditions of Employment Act of 1997 as amended, describes a person who works for, or provides services to another person is presumed to be an employee if:

- his or her manner or hours of work are subject to control or direction;
- he or she forms part of the employer’s organisation;
- he or she has worked for the other person for at least 40 hours per month over the previous three months;
- he or she is economically dependent on the other person;
- he or she is provided with his or her tools or work equipment; or
- he or she only works for, or renders service to, one person.

If one of the factors is present, the person is presumed to be an employee until the employer proves that he or she is not.
The Labor Relations Act 66 of 1995 updated in 2009, defines an employee as:
   any person, excluding an independent contractor, who works for another person or for the State and who receives or is entitled to receive any remuneration and
   any other person who in any manner assists in carrying on or conducting the business of an employer.

Koekemoer, Van Schalkwyk, Wilcocks, de Swardt and Jordaan (2011:380) also support the view by defining an employee as a person other than a company who receives any remuneration or to whom any remuneration accrues. The above explanations are in line with those respondents in whom the researcher is interested, as they will be the full-time employees of EMM.

- Retirement

According to Helman (2005:2), the meaning of old age, and the status given to the elderly, differs widely between societies. Retirement varies from culture to culture; from society to society; from working communities to non-working communities, and from nation to nation. Hence, there is no one single definition for the concept of retirement. The view is supported by Luborsky and LeBlanc (2003:251–271) who say a “cross cultural valid analytic definition of retirement remains elusive in gerontology” despite a long tradition of research on the topic. Various authors define and describe retirement in ways that presuppose that everybody works and at a certain age stops working.

Kendall (1996:35), Bee (2000:258-259), Rosenkoetter and Garris (2001:704) and Hodkinson (2010:95) define retirement as withdrawal from paid employment, to leave the office of work, to withdraw, to retreat, to go away. It is seen by many as the long awaited freedom from the responsibilities and pressures of employment. Lurborsky and LeBlanc (2003:254) indicate that in the United States of America and industrialised societies, retirement is defined as:
the age–fixed and socially mandated final phase in a career of employment in which a person is excluded from full-time career jobs; and that an individual is entitled to financial support without the stigma of dependency and is personally responsible for managing his/her own life.

• Preparation

The researcher views preparation as a state of getting ready or preparing for an upcoming challenge or event. Lardani and Correa (2005:24) indicate that preparation for retirement can take different forms namely, psychologically, financially, physically and socially. Firstly, the state of being psychologically ready implies being in the right frame of mind for the upcoming challenge; secondly, financial preparedness relates to financial preparations made which could include, but are not limited to the following: educational policies, mortgage bonds, medical aid schemes and retirement annuities. Thirdly, physical preparation would include taking care of one’s health by means of regular checkups, healthy eating habits, and regular physical exercise as well as taking medication if one is already on chronic medication. The last form is social preparation focusing on social relationships with others that are fulfilling and meaningful, hobbies, voluntary work and travelling that one would be looking forward to beyond retirement.

1.2 THEORETICAL FRAMEWORK

Attitudes towards retirement depend on a number of factors, including among others, the income and financial outlook, lower or higher level job, challenges experienced in the job, the love for the job, the demands and pressure of the job, position, freedom on the job, fear associated with retirement and age, the attitude towards retirement of significant others and the people from the environment in which a person lives in (Joubert, 1999:58). The author continues to say that the loss of work can be a major crisis to some people, which can result in demoralisation and low self-esteem. For employees to change their attitudes towards retirement will depend on their level of readiness; and how their place of employment will assist them to prepare for their retirement whilst they are still working (Joubert, 1999:58-61).
The researcher will make use of the Activity theory as her theoretical framework as Activity theorists accept retirement as a normal state for people (Joubert, 1999:29) and the theory has provided the basis for many programmes concerning older adults (Ambrosino, Heffernan, Shuttlesworth & Ambrosino, 2005:385). In preparation for retirement, it is essential for employees to understand the importance of participation in different roles typical of middle age.

The Activity theory was pioneered by a theorist named Burgess during the 1960s and it is based on the notion that a person’s self-concept is validated through participation in roles characteristic of middle age. Joubert (1999:27) emphasises that people play different roles during their lifetimes. The roles help to describe a person as a social being, giving meaning to his/her life and form the basis of his/her self-image. Loss of roles therefore can lead to an erosion of self-identity and self-esteem.

The Activity theory implies that “social activity is the essence of life for all people of all ages, who must maintain adequate levels of activity if they are to age successfully” (Ambosini et al., 2005:384; Joubert, 1999:28). Joubert (1999:28) makes the assumption that older people who are active will be more satisfied and better adjusted than less active elderly. It is therefore essential that older people maintain as many middle-aged activities as possible in later life, because activities are said to replace the roles lost upon retirement with new roles, which in turn allow a person to maintain a positive self-esteem (Joubert, 1999:28).

1.3 RATIONALE AND PROBLEM STATEMENT

EMM’s workforce is diverse in nature, ranging from employees who are highly qualified, high level earners down to employees who cannot read or write, earning low salaries. There are about 17,000 employees working for EMM, widely dispersed in the nine towns that form the East Rand. The study focused on the employees
aged between 50 and 65 years irrespective of their level of earnings, gender and educational background, exploring their preparedness for retirement on psychological, social and financial levels (Kumar, 2005:20; Fouché & Delport, 2011a:108).

The only time employees hear about retirement at EMM is during induction when they join the organisation for the first time, some of them in their 20s, when retirement fund presentations are done for them to make a choice between various retirement funds. When employees join the organisation as young adults, retirement presentations are not their primary concern, as their focus is on building their careers. Some are young at the time and to them retirement is something very remote and far off. Induction is the only platform that addresses issues of retirement, and, closer to retirement, the Human Resources department will communicate the date of termination to employees who are about to retire. In EMM, there are no formal retirement preparatory programmes in place. Employees are never forewarned about the realities of retirement and may thus lack knowledge regarding the following aspects:

- the phases of retirement and how to navigate it;
- the effects of retirement on individuals and their families;
- the financial adjustments that need to happen as there will be no further pay cheques;
- time management and finding activities that are meaningful and fulfilling;
- finding meaning outside of work;
- re-integration into community projects;
- decisions regarding where one plans to retire; and
- physical challenges – due to the degenerative effects of aging, and possible chronic illnesses.

Most male employees of the EMM come from the former homelands where wives have been left behind to raise the children, and only visit home when they are on leave. Such an employee may find it difficult to adjust to family structures now that he is going back home to live with the wife he never stayed with since they got married sometimes for about 30 to 40 years.
The effects are that when the time for retirement comes in EMM, prospective retirees are reluctant to retire. The lack of preparatory programmes creates problems not only for individual employees and their immediate families; it is costly to the state because when retirees’ pensions are exhausted, the state must make up the short fall with old age grants, health care facilities and other government benefits like houses.

The purpose of the study is to explore the challenges experienced by employees of EMM regarding preparation for retirement. The study will target employees in the age categories 50 to 65 years. The findings and recommendations of the research will therefore be very significant for the employees in addressing the above challenges; but they will also benefit the employer in terms of giving guidance on different strategies that could be utilised in addressing the challenges of employees. The following research question will be formulated. What are the challenges faced by EMM employees who are about to retire?

1.4 GOAL AND OBJECTIVES

The goal is to explore the challenges experienced by employees of EMM regarding preparation for retirement. The objectives are as follows:

- to conduct an in-depth literature review on the importance of retirement planning;
- to explore the knowledge of employees concerning the challenges experienced in preparation for retirement;
- to determine the need for a preparatory programme for retirement amongst the employees of EMM; and
- to formulate recommendations to the management of EMM regarding a programme aimed at preparing for retirement.
1.5 ETHICAL CONSIDERATIONS

The researcher will be guided by ethics or moral principles as laid down in the rules and behavioural expectations of researchers, subjects and respondents, assistants and students, employers as well as sponsors (Strydom, 2011a:114). The researcher views ethics as guiding principles/code of principles that guide different professions about wrong and right in order to protect the profession, clients (individuals, organisation) as well as professionals. The guiding principles are formed by the individuals or group belonging to a specific profession in order to control how professionals conduct themselves in their line of duty and not cause suffering to, or inflict pain upon those they claim to help. She further believes that a person with good ethics lives by the virtues of truth, honesty and integrity. The aspects to be discussed are set out below.

• Voluntary participation

Employees will be given the freedom to choose whether they want to be part of the study, as participation will be voluntary and no one will be forced to participate in the study concerning preparedness for retirement (Strydom, 2011a:116). The purpose of the study will be explained, what the study entails and why they have been chosen as the study group. Employees will not be forced to take part in the study against their will.

• Informed consent

The researcher will explain the purpose of the study, the reasons for the chosen age bracket, and the contribution of the study to the organisation and its employees (Kumar, 2005:212; Strydom, 2011a:117) in a letter asking for the consent of the respondents. A written consent form will be designed for employees to sign, or thumb print for employees who cannot write, after the contents of the form have been explained and understood. The importance of signing will be explained.
• **Deception of respondents**

The researcher will give information in an honest and transparent manner. Employees will not be coerced into participating in the study by deceiving them, misleading them or/and giving distorted information or making unjust promises. Concerns or questions of employees will be addressed. The researcher will not mislead management into making unrealistic undertakings or promises concerning the outcome of the study or setting deadlines which cannot be met (Strydom, 2011a:118).

• **Violation of confidentiality, privacy and anonymity**

The researcher will keep information confidential by not reporting private data that may identify the respondents (Berg, 2007:79). When writing the final report no names will be mentioned “to keep to oneself that which is normally not intended for others to observe or analyse” (Strydom, 2011a:119). It will not be possible to maintain anonymity, as Wellness Champions will assist illiterate respondents in the completion of the questionnaires (Berg, 2001:79).

• **Actions and competence of the researcher**

Under the guidance and supervision of the University of Pretoria, the researcher is confident that the research will be done in a professional, honest and competent manner. Previous training in research methodology will also help in making sure that the research is done professionally (Strydom, 2011a:123).

• **Publication of findings**

The findings will be reported in an objective manner. Only facts will be presented in a clear unambiguous manner in the report. Results will not be manipulated to confirm the views of the researcher prior to the research. The University of Pretoria and the employer will be given a copy of the report with the findings and recommendations. The research report will be available to the respondents as well (Strydom, 2011a:126). Raw data will be stored for 15 years at the University of Pretoria in the Department of Social Work and Criminology.
1.6 LIMITATIONS OF THE STUDY

The challenges experienced in conducting the study are highlighted as follows.

The researcher was required to travel around due to the wide dispersion of the EMM offices over nine towns in order to access the respondents, distribute questionnaires and collect the completed ones. Respondents were not easily accessible because various work stations and/or depots in the EMM use different time schedules to manage their employees. As a result, it was difficult to coordinate the right times to meet respondents. Some respondents were not readily available for appointments due to the nature of their work especially those working in depots. However, communication was done through the supervisors.

Some employees did not want to participate in the study stating that they did not want any interference with their pensions; ignorance was a factor in this instance because employees were concerned and scared that the study would temper with their monies. Illiteracy of the workforce might have been the cause of the lack of understanding the goal of the study even though Wellness Champions and the researcher gave a thorough explanation. As a result, refusals were encountered which required substitutions in order to proceed with the study.

Some respondents did not respond to open-ended questions. In some instances their responses were not answering the questions asked and as a result non-response items were encountered.

The researcher had to use some literature sources which were older than 10 years; however, they were used because of their contribution and the richness of information in addressing the subject matter of retirement holistically.
1.7 CHAPTER OUTLINE

The research report will be divided into the following five chapters (Neuman, 2003:469).

Chapter 1: General introduction and orientation.
The chapter will include the key concepts, rationale and the problem statement for the study as well as the theoretical framework. The goal and objectives, as well as the ethical aspects applicable to the study and the limitations, will be discussed.

Chapter 2: The importance of planning for retirement
Chapter two will focus on the challenges experienced by employees regarding preparation for retirement. A discussion will follow on the different types of retirement, the impact of retirement and the phases of retirement.

Chapter 3: Research methodology
The chapter will consist of an in-depth discussion of the research approach, design and methods that will be implemented. The empirical study, data analysis and interpretations illustrating the research results and findings, will also be discussed.

Chapter 4: Conclusions and recommendations.
The final chapter will highlight the conclusions drawn from the results and findings, and will include recommendations made to the EMM, depending on the final outcomes of the study.

1.8 SUMMARY

Chapter One focused on the definition and description of key concepts; developing a theoretical framework; exploring the reasons for the study; highlighting ethical
considerations that may impact on the research; and crystallising the goals and objectives of the study and its limitations.

In chapter Two the researcher will explore in depth the literature on retirement planning with a view to understanding the global trends in retirement preparation.
CHAPTER TWO

THE CHALLENGES EXPERIENCED BY EMPLOYEES REGARDING PREPARATION FOR RETIREMENT

2.1 INTRODUCTION

In the first chapter the study focuses on the description of key concepts, developing a theoretical framework, formulating the research problem, goal and objectives. Chapter Two will provide an in-depth knowledge on the importance of planning for retirement by focusing on the global trends in retirement preparation, the different types of retirement, the impact of retirement on various aspects of an individual’s life, and the phases of retirement.

2.2 THE TRANSITION FROM WORK TO RETIREMENT

The concept of retirement developed during the industrial revolution because of the public concern for older workers who became dependent on the workhouse when they were no longer able to work in the physically demanding and mentally stressful factories. Hundred years ago 75% of older people were in employment compared to 7% in the 1980s (Kendall, 1996:36). McIlveen and Gross (2002:146) are of the opinion that unlike unemployment, which is the sudden and generally unanticipated loss of work, retirement is an anticipated loss of work which many accept as inevitable and experience without undue psychological upheaval. However, it may be unacceptable to people when for example, they see themselves as being “too young” to stop working.

Retirement may mean different things to different people depending on their life experiences. Retirement can be described as a stage of life in which one is no longer permanently engaged in the labour market for continuous periods of time (Dan, 2004:20). Leaving one’s job implies modification of activities that one has followed
for many years. The modifications need to be made in all areas of one’s life, for example, time management, meaningful activities for the day, financial adjustments and social networks. The adjustments are worse for those employees who retire prematurely because of incapacity or being laid off.

Regardless of how retirement is viewed and or how it affects people emotionally, it is a time which is sure to come. The sad thing is that when retirement comes, it normally finds people not ready for it or without a plan for their lives after working. Views of scholars and academics differ as to how they define retirement, but they seem to agree that retirement is the end of one’s active employment life and the beginning of another period of life with different sets of activities and lifestyle patterns. To some, retirement is a transition period, when it represents the end of one’s working life and the beginning of new adventures and finally having more time to pursue favourite leisure activities, for example, hobbies and doing charity and voluntary work (Kendall, 1996:35). To others, it may be a reproach for the dreams not achieved, a hazy reflection of frustrating life experiences and a time to withdraw from life completely. The vast majority of individuals who retire do so after some period of anticipation and planning. Preparation can be done in various ways; for example talking to spouses, relatives and friends, reading articles and books and sometimes consulting with professionals. The process can start 15 to 20 years before the anticipated time of retirement (Butters, 2002: vi). Retirement thus involves a search for a new personal identity, a new meaning, and value and it is predicted that pre-retirement counseling could in some measure assist individuals with preparation (Rosenkoetter & Garris, 2001:705,706).

Ross and Drentea (1998:318) stipulate that there are two possible ways of viewing retirement. Some people view it as liberating whereas others view it as alienating. The views are based on the fact that retirees enjoy their newfound freedom and usually do things that they previously did not have time to do. People who view retirement as alienating used to be in positions of power and prestige while still employed and that power also earned them certain positions in their society. As they retire, positions are no longer attached to them and therefore their self-esteem is affected. Nuss and Schroeder (2002:91) concur with Ross and Drentea (1998:318)
by asserting that people who become so dependent on the larger salaries and the perks associated with some senior institutional officer positions may find it more difficult to make an easy transition because in every change something is gained and something is lost.

Ross and Dentrea (1998:318) base their perspective on the views and arguments of sociologists who view that paid work done for others is alienating in nature, because workers lack control over their own labour. According to the authors’ perspective, work is a means of satisfying the needs rather than being fulfilling in itself, and is imposed rather than voluntary. Because of the control exercised by owners and managers, the workplace remains the “contested terrain” and retirement would represent liberation from work done for pay. Retirement, thus, has positive benefits for a person's psychological well-being and a sense of personal control. The transition from work to retirement is an event of profound importance for the lifecycle of many individuals, yet one that employees are not fore-warned about at EMM.

According to Nusbaum (2003:429), people who enter the working world in early adulthood and exit in their late adulthood are likely to spend at least one-third as many years in retirement as they did at work. The retirement years are far more likely to include serious manifestations of problems such as psycho-social, medical and financial related issues. Fonza-Thomason (2008:68) concurs with Nusbaum that at some point in people’s lives, usually in their mature years, everyone gets ready for that state of being known as a retiree. It has many emotions attached to it including fear, uncertainty and preoccupation, and therefore, preparation of employees for the transition is crucial. Anderson and Weber (1993:400) also assert that if planning for an event is viewed as an appropriate step in promising a favourable outcome in any situation, then it can be assumed that planning for retirement is necessary, or at least a desirable activity, if one’s’ goal is to achieve satisfaction.

Butters (2002: vi) is of the view that most individuals believe that the only aspect of retirement that may cause problems is the financial part. Dennis (2007:60) takes it
further saying retirement is beyond the scope of financial security as it is a life stage and experience with qualitative aspects that are difficult to quantify and present on a spreadsheet. Many people make the mistake of believing that planning for retirement means only saving enough for the future. Although proper financial planning for retirement is one of the essential elements for retirement, there are other aspects that are extremely crucial in the retirement transition, namely psycho-social and health-related issues, and the sooner employers and employees understand that, the better the planning for everyone. Nusbaum (2003:429) also argues that the retirement process is not primarily an economic aspect but also a social, psychological and medical episode. Many people experience strong mental and emotional reactions to the prospect and the experience of retirement. Prospective retirees need to focus on the mental side of retirement as well, and to contemplate the advanced mental planning of knowing what they will be doing with the time after the honeymoon phase is over. Planning ahead will help retirees to find meaning and fulfilment beyond retirement (Butters, 2002: vi).

Nuss and Schroeder (2002:83, 84) also maintain that retirement is not just a change from active employment to retirement, but a transition; and that transition is the internal psychological process people go through to come to terms with the new situation. They further argue that transitions are the anticipated and non-anticipated events that alter adult lives. Calo (2005:301) asserts that the notion of a holistic view on retirement by arguing that the decision to retire is complex and cannot be easily separated into individual and organisational causes. Rosenkoetter and Garris (2001:706) raise their concern that pre-retirement planning that includes the psycho-social component and counseling to teach people how to cope with problems, remains seriously lacking.

Calo (2005:305) highlights the outcomes on a study conducted by Morse and Weiss (1995) on the meaning of work amongst a large sample of employed men. In the study it transpired that “even if there were no economic necessity for them to work, most men would work anyway”. The study concluded that working is more than a means of economic support; work serves non-economic functions as well.
2.3 NATIONAL AND INTERNATIONAL TRENDS IN RETIREMENT

Stefancic (2003:7) mentions that retirement trends are the results of underlying pressures. Pressures from employees, from employers and from government all create different retirement trends. She further argues that, because not all of the pressures are equal or moving in the same direction, the influences they exert over employees' lives and businesses can be positive or negative.

Papers have been delivered by academics and researches have been done of which results show the general trend globally is that there are challenges with regards to retirement preparation. Audenberg Brokers [sa] states that most people find themselves reaching retirement without having done any preparation or planning. Most, if not all people strive to have financial independence at retirement. The document also revealed that research has shown that only three out of every ten South Africans can retire financially independent at the age of 55 or 65 years. The rest will rely on government pension, and will be dependent on other members of their families to support them in old age and the majority will work till death even if they are old or ill.

The Old Mutual Retirement Monitor (2011) survey reveals South African’s lack of awareness around personal savings; as well as the lack of contribution to retirement schemes. The document further states that the implications of the lack of awareness concerning personal savings represents one of the key reasons why the majority of working South Africans do not have enough money for retirement. This lack results in the majority anticipating having to work for financial survival after formal retirement. There is a crisis in South Africa with regard to retirement planning, with most retirees being dependent on government, the community and/or family and friends for financial support to a greater or lesser extent.
According to Helman (2005:2) in many traditional, non-literate and small-scale societies, knowledge, skills, wisdom and a mastery of the local technology all tend to accumulate in the later years of life. The elders are especially respected as the repositories of inherited wisdom and experience passed down orally from one generation to the next. For that reason, the death of a prominent elder in a society may well be equivalent to a library or a university burning down in our own. It is also common practice and a general expectation in the African culture, that children will take care of their aged parents. Not only do children have financial obligations to themselves, they also have to take care of their aged parents’ financial, emotional, physical and psychological well-being. The expectation of parents to be looked after when they are old contributes to poor retirement planning by parents amongst African cultures.

In modern society, however, the situation is rather different, and the elderly tend to have a much lower status. In an inversion of the traditional pattern, it is now the young who often have greater skills and knowledge in certain areas of life than their parents or grandparents. They are more able to absorb and understand the latest technological innovations, and at a much quicker rate, and they also have access to far more outside sources of knowledge than their forebears, via education, books, the media and the internet. The reduced status of the elderly is also due to the contemporary emphasis on youth, beauty, autonomy and self-control, and the ability to be productive, or reproductive.

According to Planting (2011:1), only 53% of employed South Africans contribute to pensions or provident funds to save for their retirement. A culture of saving and preparation for retirement in South Africa is poor. The remaining 47% are the individuals who will depend on the government old age pension to sustain them and the state health care facilities for their health.

The speech of the South African Minister of Finance, Mr. Pravin Jamnadas Gordhan delivered at SA Saving Institute’s 10th Anniversary on the 14th July 2011, urges
South Africans to save, stating that South Africa’s low savings rate is holding the country back compared to its peers. He compared South Africa’s gross saving rate which was at 16% of gross domestic product in 2009, to China’s at 52%, India’s at 37% and Russia’s at 22%. Gordhan’s emphasis was on urging South Africa to increase its savings rate if it were to become “China of Africa”. He said South Africa has become a consumer society; a society that wants to acquire things at any cost and which was taking on increasing debts.

A Consumer Debt Report published in 2011, reported that over 8.9 million people are trapped in a debt nightmare, with a bad credit record and accounts in areas mounting. Roger Brown, the chief executive of Credit Matters, said “We are in the midst of a debt tsunami. The sirens have rung, the wave has come and now it is simply sink or swim.” The report further revealed that South Africans pay 75% of their salaries to debts. The report painted a daunting picture and Brown cautioned: “Life has become a lot less affordable. It is becoming extremely difficult for many South Africans to get themselves out of debt.”

South Africa is not alone with regards to the challenges for retirement preparation. According to Wise (2012:1), the population of the United States is growing older and living longer. Yet older people have been leaving the labour force at younger and younger ages. Moreover, most Americans have saved very little. The demographic trends and changes in individual circumstances will contribute to some of the most important economic transition and policy challenges in the coming decades. Perlman (1998:54) states that whilst the media, employers and financial service providers have been successful in encouraging Americans to take more responsibility for saving for retirement, the overwhelming emphasis on accumulation has left the public with the false impression that they can handle anything that happens to them in retirement if only they reach their savings target. Blakeley and Ribeiro (2008:751) conducted a pre-retirement planning study among nurses in Canada, where the major findings suggested that the majority of nurses, both the staff and managers, pay insufficient attention to planning adequately for retirement. Retirement is thus a
period of uncertainty, because people cannot know how long they will live and what their health will be like.

Many of the baby boomer generation in their 50s and 60s, are healthy, not wanting to spend 30 years in retirement. Many of them are in second or third marriages and have large extended families with many dependents to take care of, encouraging them to continue working as long as possible. A lack of sufficient retirement funding is also pressurising ageing boomers to work longer in order to save up sufficient money for what could be a 30 year retirement span (Smith, 2012:5). Perlman (1998:54) states that the challenges facing today’s workers in achieving financial security in retirement age are well documented. The aging tidal wave of baby boomers will put tremendous strain on the retirement system. It is projected that by the year 2030, the proportion of the population older than 65 will increase by 50% (from 13% to 20%) and the population older than 85 will double.

Jaworski (2005:22) highlights the issue of the shrinkage of the developed world’s workforce as becoming a frightening concept and one that is quickly becoming a reality. As millions of aging baby boomers approach retirement, and birth rates are declining in other parts of the developed world, the implications for work organisation in countries around the world are grim. As a result of the demographic changes, global competition for skilled workers is increasing. Many countries are beginning to recognise the changing value of their aging workers. In the United Kingdom, the British government is looking at abolishing mandatory retirement, while in Asia the government of Singapore is considering extending the retirement age. Some Japanese employers are offering short-term contracts to former employees. Clearly, the perception of older workers is changing, and is changing fast in developed countries. Keeping older workers is viewed as beneficial to the productivity of the business, employee retention and corporate citizenship. Many older workers want an opportunity to continue in their current careers or commit to another one. The study that was done by the American Association of Retired Persons revealed that the majority of workers between the ages of 50 and 70 said they intend to work during their “retirement” years or never retire at all. Highly educated workers, the study
found, are far more likely to want to remain in or return to the workplace than employees with less schooling.

2.4 TYPES OF RETIREMENT

There are broadly two types of retirement, namely early retirement and mandatory retirement.

2.4.1 Early retirement

In early retirement, an employee chooses to retire before the stipulated retirement age of 65 as regulated by the Public Service Act 103 of 1994, Section 16. Because of the nature of their retirement, voluntary retirees are more likely to be better satisfied with retirement than forced retirees (Potocnik & Tordera, 2010:251).

The speech delivered by Sing Lin at the University of Texas during the US National Engineering Week on the 23rd February 2002, indicated that people should plan their career paths and financial matters so as to retire in comfortable circumstances at the age of 55 or earlier to enjoy a long, happy and leisure retirement into the golden age of the 80s and beyond. He further warned, stating that by working very hard in the “pressure cooker” beyond the age of 55, one is giving up 20 years of one’s lifespan on average.

Potocnik and Tordera (2010:251) highlight the following factors for employees to choose to take early retirement.

- Health – when someone’s health is compromised, and that person does not qualify for ill – health retirement, he/she can voluntarily take early retirement.
- Finance – employees who are good planners, have policies matured, good savings and others may have businesses running smoothly, may choose to retire to go and enjoy the benefits of their hard work. When they feel that the
money saved will be able to sustain the lifestyle and the standard they want, they can decide to retire early.

- Social – some retirees choose to retire early when one spouse retires at the mandatory age. Others take early retirement to take care of sick partners or aged parents. Venturing into new territories, starting new careers or starting a business could be reasons for some.

- Organisational factors – when there are changes in an organisation, some people may feel uncomfortable about the changes and decide to leave.

### 2.4.2 Mandatory retirement

Mandatory retirement is a personnel policy adopted by organisations to remove older workers from the workforce. It requires that upon reaching a specific age, individuals are compelled to retire even if they wish to remain on the job. “Retirement age” is a forced retirement (Barker & Clark, 1980:20) which Lurborsky and LeBlanc (2003:254) refer to as the final stage in an employee’s career.

According to Retirement Psychology [sa] involuntary retirees appear to have more difficulty adjusting to retirement than voluntary retirees. There are various factors that can lead to a forced retirement and these are set out below.

- Sometimes workers are laid off due to financial difficulties experienced by companies, when the companies are downsizing. Mandatory retirement can lead to a range of emotional maladjustments. Feelings of being let down, anger and sometimes depression could manifest in some individuals. For laid off workers, there is neither anticipation, nor mental preparation. The sudden shock of compulsory retirement and the resulting loss of work can cause great financial and emotional hardships.

- Employees’ health may force them to retire. For example, some employees become incapacitated and cannot perform the functions which they were employed to do, due to ill-health.

- Some employees enjoy their work and would like to keep working but have reached “retirement age”. Statutory retirement is the stipulated age of
retirement. In South Africa, Section 16 of the Public Service Act 103 of 1994 stipulates the statutory retirement age, stating that an officer shall have the right to retire from the public service, and shall be so retired, on the date when he/she attains the age of 65 years.

2.5 PHASES OF RETIREMENT

Retirement is a process with phases that are a continuum between a person’s pre-retirement and post-retirement phase. The phases are not a linear sequence through which everyone must go. People move through the phases at different times and in a different order and some do not even enter the phases at all (Atchely, 1987:120; Butters, 2007:7; Reitzes & Mutran, 2004:65). Butters (2002: vii) mentions the six phases of retirement listed below.

- **Pre-retirement phase**
  In the pre-retirement phase the employee is not retired. The person sometimes is not even considering retiring anytime soon. The phase is divided into the near and the remote phases (Retirement, 2007). The remote phase may start many years earlier with financial planning, the purchase of a retirement savings plan, and property for retirement and identification of hobbies. The near phase includes signing of documents, determining pension payments and training others to do the job of the retiree. During the near phase there is a planned disengagement from the workplace. The phase is characterised by more euphoria than discomfort as one is planning for long awaited leisure years.

- **Honeymoon phase**
  The honeymoon phase is the time when actual retirement starts and is accompanied by excitement and relief – the time in which most retirees are able to do things they have not have time for while they are still working. Atchley (1997:154) stipulates that during the honeymoon phase the individual lives out the pre-retirement fantasy and that the more unrealistic the fantasy may be, the more likely a feeling of emptiness and disenchantment may be experienced by the retiree. Butters (2002:vii) agrees
with Atchley by referring to the honeymoon phase as a euphoric time, in which retirees can enjoy travelling, long vacations and leisure activities if planned appropriately.

• **Disenchantment phase**
During the disenchantment phase retirees may find that the retirement lifestyle does not include everything they hoped for. Some might find that they are bored without a job. It is also during the disenchantment phase that some retirees may start looking for an alternative job.

• **Re–orientation phase**
Retirees orientate themselves again regarding the activities that one can adapt to as part of daily functioning. Reitzes and Mutran (2004:65) view re-orientation as referring to the development of a realistic view of the social and economic opportunities and constraints of retirement. For retirees who experience disenchantment it is necessary to address the issues and, with the help of family and friends, make positive adjustments in retirement.

• **Routine/Stability phase**
Butters (2002:7) asserts that during the routine phase retirees start to enjoy their retirement. They begin to settle in the new lifestyle and develop a routine on how to engage in the different activities. The author further states that the phase consists of self-sufficient adults going their own way, managing their own affairs. They design and follow their schedule in organising their day to day activities, managing their time, doing some voluntary work or part-time job as well as their social engagements and taking part in hobbies and family responsibilities. The retiree who will enjoy the routine phase is the one who masters her/his role as a retiree and does not look back with regrets.
• **Termination phase**

The termination phase is characterised by the loss of ability of the retirees to function properly due to illness or disability and the retiree will need care and support from family as well as the community through community structures like homes and frail care centres.

### 2.6 THE IMPACT OF RETIREMENT

Various authors have different views on the phenomenon of retirement. For millions of workers retirement is seen as the long awaited freedom from the responsibilities and pressures of employment. Retirement could be meaningful and rewarding to some retirees. For some people, it may mean a great loss, for others, a huge satisfaction (Lardani & Correa, 2005:24; Rosenkoetter & Garris, 2001:704).

Reitzes and Mutran (2004:68) claim that situational factors have an impact on adjustment to retirement, stating that the circumstances that surround retirement may influence the receptiveness of workers to retirement. Retirees, who describe their retirements as “voluntary” and the result of the “pull” or attractions of retirement, are expected to be more open to the new experiences and opportunities of retirement, than workers who are “pushed” into retirement for more negative reasons such as poor health, job difficulties or family problems.

At the age of 55 adults are beginning to retire, take up new interests, feel in good health and have the energy for major undertakings (Mc Goldrick & Carter, 2005:44). It is also the stage that could either reflect satisfaction with the triumphs and disappointments of life, or a sense of lack of fulfilment and the fear of death (Mcllveen & Gross, 2002:125). Retirement may cause varying mental and emotional reactions at different times to different individuals. A survey of 700 retired people, revealed that men and women adjust differently to retirement, and that was thought to be associated with men having most of their identity tied to their working environment and women’s instinctive role as nurturers (Butters, 2002:vi,ix).
A person who retires from work experiences a huge change in his/her life. Leaving one’s job inevitably implies the modification of patterns of the behaviour that often have been followed for many years; awaking at certain times, leaving home for work and travelling to work, performing certain activities at work, interacting with co-workers and managers, and returning home. All of the actions usually become habits after being performed for a long time and the sudden interruption is not easy to accommodate (Lardani & Correa, 2005:24).

Planning for retirement is the second strongest predictor of retirement satisfaction. Pre-retirement planning that includes issues of health, finance, the psycho-social component, and counseling to teach people how to cope with problems, is important. Issues such as developing a leisure repertoire and leisure competence have been found to be important in adjustment. Participation in a pre-retirement programme can assist in assessing attitudes towards retirement as well as preparation. The programmes assist in transition and are most useful when they are introduced in time (Rosenkoetter & Garris, 2001:705,706). According to Lardani and Correa (2005:24) and Reitzes and Mutran (2004:65), there are various factors that influence retirement adjustment and these factors are discussed below.

2.6.1 Psychological implications

In Retirement Psychology [sa] retirement is viewed as an irrevocable disconnection with so much that has contributed meaning in people’s lives. The value of the social fabric of the workplace, with its mixture of pleasant and unpleasant social interactions is sometimes only realised in retrospect. The view is that people ignore the fact that the duties and responsibilities, from which they were relieved, have provided self esteem and feelings of competence and satisfaction. Within the community of work, people find meaning and security that relieves them of the anxiety they might feel if they were living without a community of shared interest.
Rosenkoetter and Garris (2001:705-706) state that retirement involves a search for a new personal identity, a new meaning, and value for one’s own personal life. The loss of a membership in a workplace community removes the security and the meaning the worker formerly enjoyed. Such a loss can leave workers more exposed to feelings of anxiety and meaninglessness.

Each person who retires will be affected differently, depending upon his/her situation. Lardani and Correa (2005:24) highlight the following common aspects.

- The person is departing from a life stage to which the person probably will not return and there is a sense of loss.
- Modifying one’s habits usually exacts a high psychological cost.
- Retirement also marks the beginning of “old age”, a life stage that is under-valued by society which may result in anguish, sadness, rage, resentment and other negative emotions.
- To be an actively working person is usually regarded as a virtue; to stop being such a person may arouse negative emotions.

The transition from an economically productive role to one which is unproductive can also be a source of stress. All of the factors mean that psychological adjustment to retirement is necessary, and employees who are able to develop a lifestyle that retains continuity with the past, and meets their long-term needs, adjust well (Mcllveen & Gross, 2002:146).

### 2.6.2 Social implications

Retirement affects all spheres of a person’s life and, as such, many adjustments must be effected. Adults occupy multiple roles, while retirement may reflect an initial loss of the worker role; retirees are still involved with family, friendship, religious and voluntary association roles which can provide stability and support as individuals work out the opportunities and constraints of retirement (Reitzes & Mutran, 2004:65).
If other support structures are utilised to the fullest, the social impact can be minimised. Retirement from work causes a separation from friends and weakens the relationships in professional spheres. Some retirees relocate and because of distance lose contact with ex‐colleagues, church members, social and professional networks. Visiting also can be costly; when aging has taken its toll travelling becomes impossible. In that way, ties are cut, and forming new friends in a new environment poses a challenge to some individuals. The loss can result in loneliness until the person manages to organise a new peer group (Lardani & Correa, 2005:24).

There are various reasons for relocation; people might choose to move to a smaller home, where the garden is smaller, to a place where security is more effective better or to another province where the weather is better or closer to where the majority of family is. Whatever move is made, there will be a great need for adjustment.

### 2.6.3 Financial implications

According to Atchley (1987:122), employees are expected to lose up to 50% of their income after retirement. The sudden drop of an income in the household can be a crisis for families and therefore lead to disenchantment as stated in Butters (2000:vii). It is thus clear that without proper financial planning, retirees will struggle to survive on a salary below their usual income, taking into consideration that some may still have debts to take care of during the retirement. Burzawa (1998:23) is of the opinion that some of the financial problems experienced by the retirees are as a result of an under-estimation of the cost of lifestyle they lead during and after employment. Minton (2012:3) supports the above view by stating that when jobs are changing, many people have a tendency to cash out their pension funds to plough into their current lifestyle or to settle debts.

Finances play a major role in determining the standard of living in retirement. The importance of quality of life, children’s education, mortgage bonds, leisure activities and one’s general health need money. The majority of companies have retirement benefits, but employees are encouraged to take retirement annuities and save for the uncertain future (Reitzes & Mutran, 2004:67). Richardson and Kilty (in Reitzes & Mutran, 2004:67) say there has been a consistent finding that health and income are
associated with retirement morale, satisfaction and well-being (Reitzes & Mutran, 2004:67). Retirement often significantly reduces a person’s income due to a lack of planning, which affects the retiree’s quality of life and that of the family. The reduction in the quality of life negatively affects the retiree and family (Lardani & Correa, 2005:25).

Dorfman, Hardy and Quadagno (1995) and Mutran (1997), as cited in Reitzes and Mutran (2004:67), assert that pre-retirement income, pension coverage and occupational prestige may provide the financial resources to increase the social and leisure opportunities available in retirement and protect the person from some of the financial uncertainties associated with retirement. O’Rand, Henretta and Krecker (in Reitzes & Mutran, 2004:67) are of the view that dependent children and larger households generally reflect ongoing financial obligations that may limit retirement opportunities.

Secombe and Lee (1986), as cited in Reitzes and Mutran (2004:68), found that education exerted a positive effect on self-esteem for older men and women. Education might provide individuals with the social skills and self-direction to appreciate the opportunities in retirement for intrinsically satisfying and meaningful activities.

2.6.4 Health implications

Dorfman, Hardy and Quadagno (1995) and Mutran (1997), as cited in Reitzes and Mutran (2004:67), assert that good health in pre-retirement enables individuals to participate more fully in the roles and activities that bridge the transition to retirement, while poor health with its pain, confinement, and high costs may hamper adjustment to retirement. Mein, Martikainen, Hemingway, Stansfeld and Marmot (2003:48) state that, according to the Whitehall 11 study, retirement is not associated with a decline in health. The degenerative nature of the aging process is a natural process. The aches and pains of the muscular-skeletal system, chronic constipation due to lack of physical activity, insomnia, loss of sight and hearing, the development
of senility, dementia and Alzheimer’s disease are amongst the common health problems experienced by old people.

Goldberg and Beitz (2006:42) state that, despite the negative physical changes associate with health problems and the altered appearance of aging, most elders are well adjusted to their age patterns of life. As people age, they go through natural physiological processes. However, certain factors such as inactivity, poor diet, stress and environmental conditions can speed up the processes (Goldberg & Beitz, 2006:50). It is imperative that individuals go for regular medical/physical check-ups by a qualified physician, so that specific areas of risk can be assessed and dealt with. One also needs to build one’s resilience and find healthy ways to cope with challenges.

Mein et al., (2003:48) also acknowledge the fact that not all employees experience the same challenge; others might go through their 70s and beyond and still be healthy. Good health in pre-retirement however, enables individuals to participate fully in roles and activities that bridge the transition to retirement. Poor health, with its limitations and restrictions may hamper the adjustment to retirement (Reitzes & Mutran, 2004:68). Health care advances and the decreasing longevity and rising number and proportion of elderly people around the world (Walsh, 2005:307) require timeous, well calculated preparation for retirement. Lardani and Correa (2005:25) consider the retirement preparation stage as a developmental crisis for both the retiree and the family, especially if proper retirement planning has not been done. The better prepared retirees and their families are for retirement, the better the adjustment to new life.

2.6.5 Accommodation

Accommodation is one of the essential aspects on preparation for retirement. Employees should plan well in advance for accommodation as it can play a crucial role in their well-being on retirement (Blakeley & Ribeiro, 2008:746). It is true that it is difficult to purchase a suitable property for a reasonable amount. The authors also
maintain that employees should make an informed decision well in advance as to whether they will stay in their own property or whether they will need a small property in a retirement village. They also state that employees need to explore the type of accommodation that will suit their needs, taking into consideration the affordability, accessibility for the aged, safety and security, size, climate, the support system in the area, as well as proximity to facilities such as shops, the chemist, hospitals, the library and sport facilities.

There are various options of accommodation that are available in the market for retirees for example, own or rented house, own or rented flat, own or rented duplex, retirement village or an old age home. The retiree needs to explore the advantages and disadvantages of buying or renting each of the aforementioned types of accommodation. Minton (2012:4) indicates buying a home in the retirement village may be a disadvantage to others because a person may only be a legal owner of the property while still alive, which lapses when he/she dies. In other words, it is like paying rent in advance, and the person will still pay for levies and the provision of facilities. The house/unit never really becomes his/her property.

2.6.6 Leisure activities

Many people who are close to retirement are anxious about how they are going to keep themselves busy when they retire. They fear that they may get bored, lonely and frustrated when they have too much time on their hands (Rosenkoetter & Garris, 2001:719). It is also true that everyone has different ways of experiencing meaning and joy in life, and that other activities one enjoys may change overtime. The authors also indicate that retirement is a time for new recreational pursuits and travel and an opportunity to develop new mental and physical routines. They further argue that it is important to find ways to reach out and connect to others. Loneliness and isolation are major threats to aging well. Having people one can turn to for company and support is a safeguard against depression, disability, hardships and loss (Goldberg & Beitz, 2006:47).
2.6.7 Self-esteem

The maintenance of self-esteem is an enormous task for retired employees and is one of the critical aspects in preparing employees for retirement. According to Hooyman and Kiyak (1996:2008), self-esteem is based on an emotional assessment of the self, whereas self-concept is the cognitive definition of one’s identity. Therefore, self-esteem for the retired can be enhanced by maintaining and improving aspects such as financial, psychological as well as physiological stability, including but not limited to continued sustainability of social networks with former colleagues, friends and family members. In situations when all or any of above aspects is affected, the retired person is unable to maintain self-esteem optimally and therefore, it may trigger fear and frustration and thereby cause undesirable illnesses such as depression and anxiety disorders.

2.7 SUMMARY

Many people are not prepared for the changes involved in retirement. Retirement planning typically focuses on financial matters and use of time, despite the fact that a wide variety of other factors are altered when employment ceases. Each of the factors can influence the success and satisfaction experienced during retirement. The critically important issue of the chapter is the importance of retirement planning. If planning is done in an encompassing way to include not only the financial aspects but also the social, physical and psychological preparation of retirees, most retirees can live far more fulfilling lives. The next chapter will deal with the research methodology used in the study.
CHAPTER THREE

RESEARCH METHODOLOGY, EMPIRICAL FINDINGS, DATA ANALYSIS AND INTERPRETATION

3.1 INTRODUCTION

In Chapter Three a detailed account of the method that was used to carry out the research study will be provided. Specifically, attention will be paid to the approach, the design, sampling method and the actual sample used how information was collected from the research respondents and finally how the analysis took place and the writing of the final report.

3.2 RESEARCH APPROACH

A quantitative approach was utilised as the researcher was interested in objective and analytical information to draw conclusions from a large sample of 100 respondents (Kumar, 2011:20; Fouché & Delport, 2011b:63). Through a quantitative approach the researcher was able to determine the opinions of employees of the EMM on their preparedness for retirement (Creswell, 2009:12). The research was descriptive in nature as the researcher wanted to describe the challenges faced by EMM employees who are about to retire (Kumar, 2011:10).

3.3 TYPE OF RESEARCH

Applied research was utilised in order to assist the researcher to identify the challenges experienced by employees of the EMM regarding preparation for retirement (Fouché & De Vos, 2011:94). Using applied research also made it possible to generate recommendations for the compilation of a retirement preparation programme (Babbie, 2005:25) as the EMM needs to address the challenges faced by employees who are about to retire.
3.4 RESEARCH DESIGN

Survey research was undertaken in a quantitative manner in order to provide a numeric description of the opinions of employees of the EMM, by using questionnaires for data collection (Creswell, 2009:12). A one-time overall “picture” of retirement preparedness was needed and therefore a cross-sectional survey design was implemented (Kumar, 2011:107). The cross-sectional survey design was most appropriate for the study as it involves one contact with the population and is comparatively cheap to undertake and easy to analyse (Kumar, 2001:107).

3.5 RESEARCH METHODS

The study population, sample and sampling method, forms of data collection, analysis and pilot study will be discussed as set out below (Creswell, 2009:15).

3.5.1 Study population and sampling

The targeted population was all the employees of the EMM in the age groups of between 50 and 65 years. As a complete coverage of the total population is seldom possible and all the members of the population of interest cannot possibly be reached (Strydom, 2011b:224), a sample was selected from the population of 4,453 employees dispersed in the nine towns which form the EMM. For financial effectiveness, and taking into account time management and human resources, a sample of 100 employees was selected (Berg, 2007:40; Kumar, 2005:164; Strydom, 2011b:223).

A list of personnel was obtained from the Human Resources Department of the EMM employees within the group of 50 to 65 years of age, irrespective of their positions, race, gender and years of experience in the EMM. Upon completion of the sampling process, the Human Resources Department was requested to confirm the
educational background, the job levels, and intranet accessibility of all sampled employees. The information supplied by Human Resources was treated with the utmost confidentiality. Probability sampling with a systematic sampling method was used to obtain a representative sample of the larger population. In systematic sampling a portion of the population was selected from a random table according to an interval of every 44th case (Strydom, 2011b:230).

### 3.5.2 Data collection

A questionnaire was used to collect data. Some questionnaires were hand-delivered to sampled respondents to fill in themselves and these were collected upon completion. Others were completed with the assistance of Wellness Champions (Delport & Roestenburg, 2011:188).

Employees of the EMM are widely distributed because of the geographic layout of the region. The researcher worked together with Wellness Champions who are the ambassadors of various departments on wellness issues. There was direct contact with respondents, and challenges of understanding and or misunderstanding of the questionnaire were clarified by the Wellness Champions or the researcher (Delport & Roestenburg, 2011:188). The advantage of the hand-delivered questionnaire was that the response rate was raised as it was easy to distribute and collect completed questionnaires.

The competence and influence of the Wellness Champions was generally less significant as the recording of answers was quite straightforward (Bless, Higson-Smith & Kagee, 2007:119). With the support provided to those, respondents who could not read or write, the questions and answers were made clearer so that misinterpretations or misunderstanding of words or questions were avoided (Bless, Higson-Smith & Kagee, 2007:120; Delport & Roestenburg, 2011:186).

The questionnaires were accompanied by a covering letter, introducing and explaining the questionnaire to the respondents (Delport & Roestenburg, 2011:195).
The questionnaire consisted of open- and closed-ended questions. The researcher consulted with the Department of Research and Development of the EMM to assist in the construction of the questionnaire, and their advice on analysis of results was invaluable to the study.

### 3.5.3 Data analysis

During data analysis the researcher summarised the collected data and used frequency tables and graphs to order, structure and give meaning to the raw data (Creswell, 2009:152; Fouché & Bartley, 2011:248-249). Analysis of results was done using the Statistical Package of Social Sciences (SPSS). The interpretation of results guided the researcher in drawing conclusions from the results concerning the challenges employees are faced with in preparation for retirement (Creswell, 2009:152).

The researcher tried to uphold face validity by making sure there was a logical link between the questions in the questionnaire and the objectives of the study (truthfulness), in other words, to measure what it was suppose to measure (Neuman, 2003:183). To enhance content validity, the researcher ensured the questions covered the full range of the issue being studied, namely, challenges experienced by employees of the EMM regarding preparation for retirement (Kumar, 2011:180). It was difficult to ensure reliability as the questionnaire was not repeatedly tested in the study (Kumar, 2011:182; Neuman, 2003:179). The researcher however tried to improve face and content validity by pilot testing the questionnaire (Neuman, 2003:181).

### 3.5.4 Pilot study

The pilot study helped to identify any difficulty with the completion of the questionnaire (Bless, Higson-Smith & Kagee, and 2007:60). Pilot testing was undertaken using two employees from the age group 50 to 65 years. One literate and one illiterate employee were selected randomly (Strydom, 2011c:237). The two employees who participated in the pilot study did not take part in the main study.
These two employees were asked to give feedback on the clarity of the questions in the questionnaire. Feedback from the two employees indicated that the questionnaire was simple, clear and understandable, hence there were no changes made before the main study (Neuman, 2003:257). The fact that no changes were necessary gave the researcher confidence that the questionnaire would achieve the objectives of the study.

3.6 RESEARCH FINDINGS

3.6.1 Demographic information

The demographic analysis of the sample based on race, gender, age, marital status, level of education, nature of work, years of experience in the EMM and the remaining years before retirement, yielded the results recorded below.

3.6.1.1 Race

Figure 1: Race

The sample distribution presented a diverse workforce of EMM employees with the Africans being in the majority at 69%; Whites 24%, Coloureds 6% and Indians at 1% as illustrated in Figure 1.
3.6.1.2 Gender

Figure 2: Gender

Figure 2 reveals that 62% of the sample was males and 38% were females which could be attributed to the history of local government favouring males to females in recruitment and appointment. Most jobs at municipalities are labour intensive, for example the digging of graves, building of roads, digging of water pipes and the removal of solid waste. However, the favouring of males is slowly changing due to the introduction of the Employment Equity Act, 55 of 1998, issued in terms of Section 25(1).
3.6.1.3 Age

Figure 3: Age

Figure 3 shows that the larger portions of the sample of respondents were represented in the age category of 55-59 years at 44%, followed by 34% in the age group of 50-54 years and 22% of respondents from the age group of 60 to 65 years.
3.6.1.4 Marital Status

Figure 4: Marital status

The results in Figure 4 show that the majority of respondents (67%) were married, followed by 12% divorced, 10% single, 9% widow/ers and the remaining 2% were living together.
3.6.1.5 Level of education

Figure 5: Level of education

Figure 5 indicates that the minority (8%) of the respondents have no school education. It was possible for the majority of the respondents to understand and complete the questionnaire as 25% had a primary school qualification and 28% secondary schooling. The figure also shows that 26% of the respondents had a diploma and other higher education qualifications and 13% have a bachelor’s or post graduate qualification.
3.6.1.6 Nature of work

Figure 6: Nature of work

Figure 6 shows that 32% of the respondents were professionals, 26% skilled employees, 21% semi-skilled, 17% unskilled and 4% represented senior management. There was no participant from top management.
3.6.1.7 Work experience

Figure 7: Work experience

Figure 7 indicates that the majority of the respondents (55%) had 20 - 39 years of work experience with EMM and 44% had 0 – 19 years of experience and 1% worked for 40 – 49 years. It is to be noted that the nine different municipalities of the East Rand were amalgamated in 2000 forming the now EMM. So, the EMM is about 13 years old. The observation from the study is that most employees came from the old local authorities; hence they have served the EMM for longer than it has existed.
3.6.1.8 Employees versus years left before mandatory retirement

Figure 8: Number of employees versus years left before mandatory retirement

Figure 8 indicates that 3% of the respondents did not answer the question. Twenty eight percent of the respondents had five or less years to mandatory retirement with 45% of the respondents with six to ten years and 24% with 11 to 15 years before mandatory retirement. The findings of Figure 8 correlate with Figure 3 which shows that 44% of the sample was in the age category of 55-59 years, followed by 34% in the age group of 50-54 years and 22% of respondents from the age group of 60 to 65 years.
3.6.2 Preparedness for retirement

Focus was on the planning for retirement, with specific emphasis on accommodation, services in the community, health care, activities and finances.

3.6.2.1 Worrying about retirement

Figure 9: Worrying about retirement

The results in Figure 9 display that thinking about retirement does not worry the majority (63%) of the respondents. The results further indicate from the open-question, that out of the 63% of respondents who are not worried about retirement, 45% indicated that they were looking forward to retirement whilst 8% were not worried because they thought their retirement time was still far off. Furthermore, 5% were not worried because their health is deteriorating any way whilst 2% were not worried because their retirement plans were in place. The finding of 45% of respondents who were looking forward to retirement may be the result of planning ahead which would help retirees to find meaning and fulfilment beyond retirement as stated by Butters (2002:vi).
Seeking to find out what worried 37% of the respondents as mentioned in Figure 9 above, the following reasons were indicated in the open question. Respondents were concerned about where to settle when they retire, being dependent on others when they became frail, being unemployed and not having a stable salary, not sure about their retirement decisions, whether the money would be enough to sustain them and unsettled debts, what they would do with their time when not working, concern about boredom and loneliness, health that would deteriorate as they age, and their dependents who were still at school.

The above reasons concerning worry about retirement indicates that respondents experience strong mental and emotional reactions to the prospect and the experience of retirement. The reasons are in line with Nusbaum (2003:429) who argues that the retirement process is not primarily an economic aspect but also a social, psychological and medical experience. O’Rand et al., (in Reitzes & Mutran, 2004:67) take it further saying dependent children and larger households generally reflect ongoing financial obligations that may limit retirement opportunities. The findings also correlate with the views of Rosenkoetter and Garris (2001:719) that many people who are close to retirement are anxious about how they are going to keep themselves busy when they retire. They fear that they might become bored, lonely and frustrated when they have too much time on their hands.
3.6.2.2 Readiness for retirement

Figure 10: Readiness for retirement

In Figure 10, 57% of respondents have indicated that they are ready for retirement; while 43% indicated that they are not ready. Various reasons pertaining to the readiness to retire by 57% are listed as follows. Retirement is seen as a time to rest by 26% of the respondents, while 9% respectively stated that retirement is a time to do other activities, and want to retire due to deteriorating health. Five percent of the respondents felt they are financially ready to retire while 8% had no particular reason except that they are just ready. The findings are in line with the view of Kendall (1996:35) who indicates that retirement represents the end of one’s working life and the beginning of new adventures and finally having more time to pursue favourite leisure activities. Ross and Drentea (1998:318) also stipulate that retirement is a period of enjoyment of newfound freedom and a time to do things previously not possible.

Forty three percent of the respondents are not ready to retire and amongst the reasons forwarded are the following. Financial concern is the main reason for 23% of
the respondents, 6% of the respondents do not have their planning in place, as a result they are unsure about how to schedule their retirement time, 5% think retirement time is still far, 4% believe that they are young at heart; and 5% do not have any particular reasons for not being ready. It is therefore clear that without proper financial planning, retirees will struggle to survive on a salary below their usual income, taking into consideration that some may still have debts to take care of during the retirement.

3.6.2.3 Readiness for retirement versus nature of work

After assessing the readiness of the respondents with regards to retirement, the researcher attempted to confirm the correlation between the nature of work and readiness, which revealed interesting findings as per the diagram below.

Figure 11: Readiness for retirement versus nature of work

Figure 11 shows that professionals were more ready for retirement (32%) followed by unskilled and semi-skilled respondents (23%), skilled workers at 19%; and senior managers (4%) were the least ready for retirement. It is observed that there was a 16% difference in readiness and unreadiness amongst skilled workers; more skilled workers were not ready for retirement and 14% amongst the unskilled workers; more
unskilled workers were ready for retirement while in other groups the difference was not significantly high.

3.6.2.4 Correlation between retirement readiness and gender

The correlation between retirement readiness and gender revealed that of the 57% respondents who indicated that they were ready, 38% were males and 19% were females. The finding concurs with the study done on retirement preparation in Canada by nurses where several reasons have been suggested to explain why women are less prepared for retirement. The reasons include taking career breaks for child-bearing, child-rearing or family reasons, delaying starting a career, part-time or contract work without pension plans and believing that retirement planning is a role for men and or being financially illiterate (Blakeley & Ribeiro, 2008:745). Butters (2002:vi, ix) also indicate through a survey of 700 retired people that men and women adjust differently to retirement, and that was thought to be associated with men having most of their identity tied to their working environment and women's instinctive role as nurturers.

Table 1: Correlation between retirement readiness and marital status

<table>
<thead>
<tr>
<th>Readiness versus marital status</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Widowed</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>Divorced</td>
<td>42%</td>
<td>58%</td>
</tr>
<tr>
<td>Single</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>Living together</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 1 reflects that by far the majority of the respondents were single (whether single by choice or widowhood), and these were more ready to retire than married respondents. Employees living together were the least ready to retire. The results
indicate that a single person may be more able to adjust mentally to significant changes in life. This correlates with the statement of Schlossberg (2005:25) that it is essential for couples to understand that retirement is a critical stage where they need to adapt and adjust with maturity, respect and toleration for each other irrespective of the changes in their midst.

3.6.2.5 Sharing of feelings about retirement

As illustrated in Figure 12, most respondents (58%) shared their feelings about retirement with their partners, 49% shared with their children, while 37% shared their feelings with colleagues. The research notes that 8% of the respondents were not sharing their retirement feelings with anyone. When the researcher correlates married respondents (67%) with sharing retirement feelings, it is observed that 80% are sharing with their partners while 20% do not. With single respondents, 49% are sharing with their children while 51% do not share. 58% of divorced respondents share their feelings with their children and 42% are not sharing their feelings with their children. Fifty five percent of widowed respondents share their feelings with colleagues whilst the remainder does not share their feelings.
Research indicates that it is critically important for individuals to share their feelings with spouses, relatives and friends, or read articles and books and sometimes consult with professionals during retirement preparation (Kendall, 1996:35).

3.6.2.6 Preference for care

Table 2: Preference for care

<table>
<thead>
<tr>
<th>Preference for care</th>
<th>African</th>
<th>Coloureds</th>
<th>Indians</th>
<th>Whites</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td>69</td>
<td>6</td>
<td>1</td>
<td>24</td>
<td>100</td>
</tr>
<tr>
<td>Children</td>
<td>39</td>
<td>6</td>
<td>1</td>
<td>10</td>
<td>56</td>
</tr>
<tr>
<td>Retirement Home Nurse</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Private nurse</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Relatives</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Friends</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 2 indicates that the majority of respondents (56%) prefer to be looked after by their partners. From the different population groups the results can be further divided into 57% of African respondents, 42% of White respondents and 100% of Coloured and Indian respondents respectively. The findings are in line with those of Potocnik and Tordera (2010:251) who indicate that some employees choose to take early retirement to take care of sick partners. Some respondents indicated more than one option in the questionnaire.

Being cared for by children was most preferred by 67% of Coloured respondents, 52% of African respondents, 25% of White respondents, while the Indian respondent did not prefer to be looked after by children.
To be cared for by a Retirement Home Nurse was preferred by 33% of the Coloured and White respondents respectively, while only 4% of the African respondents were in favour of a Retirement Home Nurse. Seventeen percent of the White respondents preferred a private nurse while African, Coloured and Indian respondents least preferred a private nurse. An important observation is that 8% of African respondents and 4% of White respondents preferred to be looked after by relatives. For Coloured and Indian respondents it was not an option. Interestingly, for all population groups, none preferred to be taken care of by friends.

3.6.2.7 Place of retirement

Table 3: Place of retirement

<table>
<thead>
<tr>
<th>Population groups</th>
<th>African</th>
<th>Coloureds</th>
<th>Indians</th>
<th>Whites</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own home</td>
<td>69</td>
<td>6</td>
<td>1</td>
<td>24</td>
<td>100</td>
</tr>
<tr>
<td>Place of birth</td>
<td>53</td>
<td>5</td>
<td>1</td>
<td>14</td>
<td>73</td>
</tr>
<tr>
<td>At the coast</td>
<td>13</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>Retirement village</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Children</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Relatives</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Smaller house</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>5</td>
<td>9</td>
</tr>
</tbody>
</table>

Table 3 indicates that 73% of the sample across all population groups would like to retire in their own homes. The only Indian in the study would prefer to retire in her/his own home; followed by 83% of Coloured respondents, 77% of African respondents and 58% of the White respondents. Overall, 14% of all population groups sampled would like to retire at their place of birth. Only 19% of the African respondents and 4% of the White respondents prefer to retire at their place of birth, while Coloured and Indian respondents did not choose their place of birth as their retirement option. To retire at the coast was an option for only 10% of the respondents consisting of the Indian respondent, followed by 33% of the White respondents and 17% of the Coloured respondents. African respondents did not prefer this option.
Only 6% of respondents preferred a retirement village as their final place of settlement. Of the 6%, 17% comprised White and Coloured respondents followed by 1% African respondents. Six per cent of respondents preferred to stay with their children after retirement. Of the 6%, 7% were African respondents and 4% White respondents; while Indian and Coloured respondents did not prefer to stay with their children after retirement. It is interesting to note that, while 67% of Coloureds, 52% of African and 25% White preferred to be cared for by their children, only 7% of Africans and 4% Whites preferred to stay with their children after retirement. Indians preferred not be cared for or to stay with their children after retirement, while Coloureds preferred to be cared for by their children but not to stay with them after retirement.

Overall, only 1% of the respondents preferred to stay with relatives, of whom 4% of the White respondents preferred to stay with relatives after retirement. All other population groups did not want to stay with relatives after retirement. Nine per cent of the respondents indicated that they would like to down scale their current residence, these being 21% of the White respondents, 17% of the Coloured respondents, 4% of the African respondents and none of the Indian respondent.

Respondents were also asked to supply reasons for their choice of place of retirement. Amongst the reasons cited were that they felt safe and were used to the current environment; this is where they got their emotional support; that is where they saw business opportunities. Life is cheaper; their house is paid up; they belong to this place; they don’t want to depend on others; and others want a different environment away from where they worked.

The researcher wanted to know if the respondent/s planned to retire in the same community or relocate to another community after retirement. Seventy eight per cent said they want to retire in the same community and 22% wanted to relocate to another community.
The researcher wanted to know from those who want to retire in the same community and those who want to retire in a different community whether they are familiar with the health facilities.

Research has shown that employees should plan well in advance for accommodation or their final place of residence as it can play a crucial role in their well-being during retirement (Blakeley & Ribeiro, 2008:746).

3.6.2.8 Familiarity with health facilities

**Figure 13: Familiarity with health facilities**

Of the people who would choose to stay in the same community, respondents chose more than one option. Sixty six per cent were familiar with clinics, 58% with hospitals, 31% were familiar with social workers, 17% were familiar with social clubs, 12% were familiar with hospices, and only 2% were familiar with retirement villages.
This may mean that people are aware that their health will deteriorate progressively needing health interventions from primary to tertiary level and if all fails, they become aware of the existence of hospices and social workers as other forms of life support. Interestingly, people are still keen to see their social life being active; hence they do not see themselves in retirement villages as yet.

Of those people who would choose to retire in a different community, there was generally low familiarity with health facilities in those communities. Sixteen per cent were aware of hospitals, 11% were aware of clinics, 6% aware of social workers, 3% were aware of hospices and retirement villages and only 2% were aware of social clubs. This may also mean that these people have not yet made proper research into and planning for health facilities in their envisaged retirement settlement places.

The researcher wanted to know if the respondents had formed relations with people that they had worked with over the years. Eighty seven per cent of the respondents had formed relations with people they had worked with over the years; and 13% did not. Research has shown that the self-esteem for the retired can be enhanced by means of “...continued sustainability of social networks with former colleagues, friends, and family members. When these social networks are affected the person is unable to maintain self-esteem; and this may trigger fear and frustration which may influence undesirable illnesses such as depression and anxiety disorders” (Hooyman & Kiyak, 1996:2008).

Respondents were required to indicate agreement or disagreement with whether they will miss socialising with their colleagues or not.
3.6.2.9 Miss socializing with colleagues

Figure 14: Miss socialising with colleagues

Thirty one per cent indicated that they strongly agree that they would miss their colleagues; 46% agree that they would miss their colleagues; 8% either did not know or disagreed that they would miss their colleagues; and 7% said they would never miss their colleagues.

The fact that 77% of employees said they would miss socializing with colleagues means that the work from which they were relieved, has provided them with self esteem and feelings of competence and satisfaction. Within the community of work, people find meaning and security that relieves them of the anxiety they might feel if they were living without a community of shared interest (Retirement Psychology [sa]).

Work provides people with a sense of identity, meaning, and value for one’s own personal life. The loss of a membership in a workplace community removes the security and the meaning the worker formerly enjoyed. Such a loss can leave workers more exposed to feelings of anxiety and meaninglessness (Rosenkoetter & Garris, 2001:705-706).
Research has also shown that retirement from work causes a separation from friends and weakens the relationships in professional spheres. Some retirees relocate and lose contact with ex-colleagues, church members, social and professional networks. Such a loss can result in loneliness until the person manages to organise a new peer group. Costs and age can be prohibitive for retirees to visit ex-colleagues and friends. Simply, it means ties are cut and it may be difficult for some individuals to form new relationships in a new environment (Lardani & Correa, 2005:24).

### 3.6.2.10 Post - retirement activities

**Table 4: Post - retirement activities**

<table>
<thead>
<tr>
<th>Activities</th>
<th>Overall</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>52</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>Start business</td>
<td>29</td>
<td>22</td>
<td>7</td>
</tr>
<tr>
<td>Join pensioners’ club</td>
<td>24</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>Relax and enjoy my time</td>
<td>41</td>
<td>25</td>
<td>16</td>
</tr>
<tr>
<td>Sit and watch TV</td>
<td>5</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Voluntary work/part-time job</td>
<td>39</td>
<td>22</td>
<td>17</td>
</tr>
<tr>
<td>Visit family and friends</td>
<td>41</td>
<td>23</td>
<td>18</td>
</tr>
<tr>
<td>Don’t know yet</td>
<td>4</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Other things</td>
<td>8</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 4 shows that the majority of respondents (52%) would prefer to travel, consisting of 56% female and 44% male respondents. 41% would prefer to relax and enjoy their retirement time, with 61% being male and 39% female. Forty one per cent would prefer to visit family and friends, with 56% being male and 44% female. Thirty nine would prefer to do voluntary work and/or part-time jobs, with 56% being male and 44% females. Twenty nine per cent would want to start their own business, with male respondents at 76% and female respondents at 24%. Twenty four per cent
would want to join a pensioners’ club, with 54% male respondents and 46% female respondents. Four per cent did not know what do to with their time after retirement.

The most preferred post-retirement activities in order of importance included travelling, visiting friends and relatives, relaxing and enjoying time, and doing voluntary or part-time jobs. The finding reiterates the views of Rosenkoetter and Garris (2001:719) that retirement is a time for new recreational pursuits and travel and an opportunity to develop new mental and physical routines.

On the question of what they would consider to be major social challenges when they retire, most respondents said adjusting to a new environment would be a challenge; they would miss their children, colleagues and friends, and they were also concerned about their health status, finances, boredom and loneliness. The findings are in agreement with Lardani and Correa (2005:24) who state that retiring from work may cause separation from friends and can also weaken the relationship in the professional sphere. The loss may result in loneliness and anguish until the person manages to organise a new peer group.

Respondents also included money and health as factors that would pose a social challenge. Health and income are associated with retirement morale, satisfaction and well-being. Good health in pre-retirement enables individuals to participate fully in those roles and activities that bridge the transition to retirement. Poor health, with its limitations may restrict retirees when it comes to engaging and participating in social activities. Income and pension coverage on the other hand provides the financial resources which increase the social and leisure opportunities (Reitzes & Mutran, 2004:67).
2.6.2.11 Correlation between social challenges, gender and nature of work

Correlating social challenges with gender revealed that 13% respondents viewed missing their colleague and friends as a possible social challenge. Of these 9% were males and 4% females. Seven per cent of respondents were concerned about their health getting in the way of their social activities; of which 5% were females and 2% males. Six per cent respondents were concerned about letting go of work related activities of whom 3% were males and 3% were females; 6% of respondents were concerned about how to spend money of whom 5% were males with 1% female; 6% of respondents were not foreseeing any challenge with retirement of whom 5% were males and 1% female; 5% of respondents would find it difficult to interact with new people, of whom 3% were males and 2% females and 5% of respondents were concerned about time management, with 3% females and 2% males. Thirty one per cent did not respond to this question while other responses were not statistically significant to report.

The above findings are in line with the views of Hooyman and Kiyak (1996:2008) indicating that self-esteem for the retired can be enhanced by means of maintaining and improving aspects such as financial, psychological as well as physiological stability, including but not limited to, continued sustainability of social networks with former colleagues, friends and family members. Lardani and Correa (2005:24) further indicate that forming new friendships in a new environment poses a challenge to some individuals.

Correlating social challenges and nature of work revealed a similar pattern to correlating social challenges and gender. Thirteen per cent of workers were concerned about missing colleague and friends, 7% being skilled workers, 3% semi-skilled, 2% professionals and 1% unskilled. Seven per cent of respondents were worried about their health getting in the way of their normal activities of which 4% were unskilled, 2% skilled and 1% professional. Six per cent of respondents were concerned about letting go of work related activities of which 2% were senior managers, 2% skilled workers, 1% semi-skilled and 1% unskilled. 6% of respondents
did not foresee any challenges in retirement of which 3% were skilled, 2% professionals and 1% semi-skilled. Another 6% were concerned about how to spend their money of which 2% were professionals, 2% semi-skilled, with skilled and unskilled sharing 1%. Five per cent of respondents were concerned about not interacting with new people of whom 3% were semi-skilled, 2% were professionals. Thirty one per cent of participants did not respond to the question while some responses were statistically insignificant.

The findings are in line with the view of Kendall (1996:36) who states that in current societies the benefits of being employed include personal identity, status and respect, financial rewards, social networks and support stimulation and the full utilisation of abilities. The perspective is supported by Sharpley (in Butters, 2002:ix) who state that men and women adjust differently to retirement and men’s reluctance to let go of work-related activities may be associated with men having most of their identity tied to their working environment.

Most respondents indicated that their plan to overcome their social challenges would include various strategies such as; engagement in social activities, exercise, regular visits to health clinics, travel and doing voluntary work and part-time jobs. The responses are similar to what the respondents highlighted as their post-retirement activities in Table 4 above.
3.6.2.12 Financial readiness

Figure 15: Savings

Figure 15 indicates that 75% of respondents are saving money for retirement, 23% are not saving while 2% did not respond to the question. According to Planting (2011:1), only 53% of employed South Africans contribute to a pension or provident fund to save for their retirement. In the EMM, the provident and pension fund contribution is compulsory; hence the percentage of contributors or savings is high.
3.6.2.13 Additional savings

Figure 16: Other savings

Figure 16 indicates that 62% of respondents had other savings while 38% had none. The finding that 38% of surveyed employees did not have other savings concurs with what is happening in other countries. Wise (2012:1) states that most Americans have saved very little for retirement, yet the population is growing older and living longer. The Old Mutual Retirement Monitor (2011:1) survey which revealed that South Africans are not informed on issues of personal retirement savings; and contributions to retirement schemes represent one of the key reasons why the majority of working South Africans are not saving enough for retirement, hence the majority of South Africans anticipate having to work for financial survival after formal retirement.
3.6.2.14 Borrowing of money against pension or provident fund

Figure 17: Borrowing money from pension or provident fund

Figure 17 shows that 63% of respondents had borrowed money from their pension funds, with 63% being male respondents and 37% female respondents. In the EMM, some of the pension and provident funds allow employees to borrow money after one year of employment. Some pension funds allow employees to borrow money once, and only when the amount is fully paid can an employee borrow again. Provident funds allow employees to borrow three times and more. In all funds, payments are spread over the years left before mandatory retirement. When employees retire the balance is taken from the lump sum payable to the employee. Although pension and provident funds have a policy that governs the practice, none exist at the EMM. Burzawa (1998:23) is of the opinion that some of the financial problems experienced by the retirees are as a result of an under-estimation of the cost of the lifestyle they lead during and after employment. Minton (2012:3) supports the above view by stating that when jobs are changing, many people have a tendency to cash out their pension funds to plough into their current lifestyle or to settle debts.
3.6.2.15 Borrowing of money versus nature of work

Figure 18: Borrowing of money versus nature of work

Figure 18 indicates that most borrowers were skilled respondents at 17% followed by semi-skilled and professionals respondents at 16% respectively, with 14% unskilled respondents. Senior managers seem not to be involved in borrowing money from their pension or provident funds. From the results one can assume that senior employees are not experiencing financial strain the same way as employees in the lower categories. The borrowing behaviour by other categories of employees could reflect lack of foresight and knowledge about the importance of saving in preparation for retirement. The findings stress the point of Reitzes and Mutran (2004:67) that, although the majority of companies have retirement benefits, employees are encouraged to take retirement annuities and save for the uncertain future.
3.6.2.16 Borrowing behaviour versus marital status

Figure 19: Borrowing versus marital status

Figure 19 shows that married respondents were the highest borrowers at 42%, followed by widowed respondents at 8%, divorced at 6% and single respondents at 6%; while only 1% of the living together respondents borrowed money from their pension funds. 37% of the respondents did not respond to the question.

Research has indicated that when jobs are changing, many people have a tendency to cash out their pension funds to plough into their lifestyle or to settle debts (Minton, 2012:3).
3.6.2.17 Money owed to pension fund

Figure 20: Money owed/paid to pension fund and provident fund

Figure 20 indicates that 79% still owe money to their pension fund, whereas 21% have settled their debts in full. The 79% should be a concern to the EMM with employees in the age bracket still owing money against their pension funds. Finances will surely be a major factor that will lead to unpreparedness for retirement at the mandatory retirement age. The findings make it difficult for responses to be in line with the view of Dorfman et al., (in Reitzes & Mutran, 2004:67) who say that pre-retirement income, pension coverage and occupational prestige may provide the financial resources to increase the social and leisure opportunities available in retirement and protect the person from some of the financial uncertainties associated with retirement.
3.6.2.18 Plan to settle debts

Respondents were asked to indicate whether they plan to settle their debts before retirement.

Figure 21: Plan to settle debts

Eighty six per cent of respondents said they planned to settle their debts before retirement; 5% said they did not plan to settle their debts before retirement; and 9% said debt settlement was not applicable to them. The reasons cited for wanting to settle debts before retirement included the following:

Twenty four percent said they had few manageable debts that they wanted to settle prior to retirement because they did not want to use their pension money to settle debts. Sixteen per cent want to live a debt free life; 11% want to enjoy their money; 7% said they would not have a stable salary when retired; 7% said they currently did not have debts; and 29% did not respond to the question. Five per cent of respondents said their debts would be settled by their pension lump sum.

Ideally, when one retires, one should be debt free. However, this ideal is not always achievable as reported by the Consumer Debt Report of 2011, which stated that over 8.9 million people are trapped in debt, with a bad credit record, and accounts in areas
mounting. With South Africans paying 75% of their salaries to debts, Brown cautioned that “…It is becoming extremely difficult for many South Africans to get themselves out of debt”.

Butters (2000:vii) says without proper financial planning, retirees will struggle to survive on a salary below their usual income, taking into consideration that some may still have debts to take care of during retirement.

Research has also shown that under estimating the current cost of lifestyle may lead to financial difficulties during retirement (Burzawa, 1998:23).
3.6.2.19  Money for sustainability

Figure 22:  Enough money for sustainability

Figure 22 shows that 48% of respondents will not have enough money to live comfortably for the next 20 years after retirement, while 45% will have enough money to live comfortably for the next 20 years after retirement. Seven percent of respondents did not answer the question. The responses to the question pose challenges as the majority would find it difficult to project into the future how inflation will match their pensions. The uncertainty reflected by 48% of the respondents concurs with the view of Perlman (1998:54) that retirement is a period of uncertainty, because people cannot know how long they will live and what their health will be like.
3.6.2.20 Membership of a medical aid

Figure 23: Membership of a medical aid

Although medical aid coverage is not compulsory at the EMM, it emerged from the research that 64% of respondents have medical aid cover.

Research by Dennis (2007:60) has shown that although proper financial planning for retirement is one of the essential elements for retirement, there are other aspects that are extremely crucial in the retirement transition, namely psycho-social and health-related issues, and the sooner employers and employees understand that, the better the planning for everyone.
3.6.2.21 Post-retirement medical cover

Figure 24: Post-retirement medical cover

Figure 24 indicates that 51% of respondents think they will be covered by the medical aid after retirement, 9% of the respondents indicated that they will not be covered and 40% do not know whether they are covered or not. It is a matter for concern that 40% of the respondents do not know whether or not they are covered by the medical aid after retirement. Certainly, it is a constraint that will affect their pre-retirement planning. It also reflects a lack of information and/or knowledge regarding the medical scheme. The situation of the medical cover post retirement at the EMM is that both the employer and employee must continue contributing to the scheme; and if the employee contribution ceases for whatever reasons (death, bankruptcy), the medical cover is presumed expired.

Although employees might be covered by medical aide schemes, research has also showed that in addition to retirement benefits, employees must be encouraged to take retirement annuities and save for the uncertain future (Reitzes & Mutran, 2004:67).
3.6.2.22 Continued medical contributions by employer

Figure 25: Continued medical contributions by employer

Figure 25 indicates that 47% of respondents know that the employer will continue paying their medical aid after retirement while 53% do not know if the employer will continue contributing to their medical aid after retirement. This observation reflects what currently situation at the EMM amongst potential retirees.

Continued medical contributions by the employer might assist the retiree to deal with outstanding financial obligations such as children’s education, mortgage bonds, leisure activities and one’s general health. Research has shown that the quality of life is important even after retirement (Reitzes & Mutran, 2004:67).
3.6.2.23 Health plan post-retirement

Figure 26: Health plan post-retirement

Figure 26 shows that of the respondents with medical cover, 54% will do exercises, 53% will engage in healthy eating habits, 35% will take their medication as required and 33% will visit their doctor on a regular basis. Of the respondents with no medical cover, 22% will engage in healthy eating habits, 18% will do exercises, 17% will take medication when required and 15% will visit doctors regularly.

Most respondents indicated that they would like to take care of their post retirement health by exercising, eating healthily, taking medication and regular visits to their doctors. Respondents with no medical aid were, however, less keen to be involved in exercising. The findings are a true reflection of the view of Richardson and Kilty (in Reitzes & Mutran, 2004:67) that health and income are associated with retirement morale, retirement satisfaction and well-being. Dorfman, Hardy and Quadagno (1995) and Mutran (1997) (in Reitzes and Mutran, 2004:67) say good health in pre-
retirement enables individuals to participate more fully in the roles and activities that bridge the transition to retirement, while poor health with its pain, confinement, and high costs may hamper adjustment to retirement.

When respondents were asked whether they had planned for the implications of possible disability, 50% agreed that they had planned for the implications of possible disability that comes with aging, while 13% disagreed. Although 7% did not answer the question, 30% did not know that aging would come with possible disability and did not have plans. The findings are in line with the statement of Mein et al., (2003:48) that retirement is not associated with a decline in health although the degenerative nature of the aging process is a natural process.

3.6.2.24 Knowledge of EMM retirement programmes

Figure 27: Knowledge of EMM retirement programmes

Figure 27 shows that 88% of respondents do not know of any retirement programme offered by the EMM; while 12% said they know. It is a challenge that so many of the respondents do not know about retirement programmes offered by the employer. The challenge is not unique to the EMM as the study conducted in Canada on
nurses showed that there is a general lack of awareness and education amongst nurses about the financial, psychosocial and physical elements associated with pre-retirement planning (Blakeley & Ribeiro, 2008:746).

The open question on the reason for the lack of knowledge about any retirement programmes offered by the EMM was answered as follows. Forty four percent of the respondents indicate that they are not informed of any retirement programmes by EMM, 17% specify that retirement programmes do not exist, 13% indicate they are not aware of any retirement programme, 10% have not made an effort to find out about the programmes and 16% did not respond to the question.

Respondents indicated in point 3.6.2 that they do not worry about retirement but are ready for it. Respondents further indicated that they save in addition to their pension fund. The researcher however is concerned about the fact that money borrowed against the pension fund is still owed by some of the respondents. It makes thus sense that the respondents indicated that they will not have enough money to live comfortably for another 20 years after retirement.

The above-mentioned responses reiterate the importance of participation in a pre-retirement programme highlighted by Rosenkoetter and Garris (2001:705,706) that can assist in assessing attitudes towards retirement as well as preparation. The programmes assist in this transition and are most useful when they are introduced in time.
3.6.3 Employee expectations from the EMM

3.6.3.1 Proposed retirement programmes

Figure 28: Proposed retirement programmes

Figure 28 indicates that 96% of respondents would like the EMM to offer retirement programmes in future while 3% of the respondents did not want retirement programmes and 1% did not respond to the question. By the introduction of retirement programmes, both employer and employees may benefit and the employer may use the majority who are keen to have this programmes as ambassadors of the organisation. The EMM as an employer may use a retirement programme to promote a corporate identity or influence employee behaviour (Faggella, McClain & Tejera, 2003:49).
3.6.3.2 **Frequency of the retirement programme**

**Figure 29:** Frequency of the retirement programmes

![Frequency of Sessions](image)

Figure 29 shows that 16% of respondents indicated that they need one retirement session per annum, 40% of the respondents indicated two sessions per annum and 41% of the respondents indicated three sessions or more per annum. Three percent did not respond to this question.

Research has shown that it is important for employees to understand the criticality of participating in different roles typical of middle age (Ambosino, Hefferman, Shuttleworth & Ambosino, 2005:358). Hence, the employer should take advantage of the keenness or interest shown by the majority of respondents to have more sessions on retirement planning.
3.6.3.3 Participation in retirement programmes

Figure 30: Participation in retirement programmes

Figure 30 indicates that 91% of the respondents are willing to participate in the workshops, seminars and conferences dealing with retirement issues and 8% are not willing to participate, while 1% did not respond. An important correlation between gender and willingness to participate overwhelmingly showed that both male (89%) and female respondents (95%) want to participate in workshops, seminars and conferences to deal with retirement issues.

In this research, the majority of respondents showed interest and willingness to participate in retirement preparation programmes. This is collaborated by Rosenkoetter and Garris (2001:706) who note that participation in pre-retirement planning should also include the psycho-social components and counseling to teach people how to cope with problems.
The researcher also formulated an open question for comments/suggestions. The suggestions and inputs were varied. Common themes of interest to respondents included the following.

- The EMM must offer financial empowerment workshops and seminars.
- There should be retirement preparatory programmes that detail content for workshops and seminars, and
- Information awareness sessions must be conducted and written in their languages of preference.

Respondents indicated in point 3.6.3 that they are positive about the presentation of retirement programmes and would like to participate in the workshops, seminars or conferences three times a year.

3.7 SUMMARY

Chapter Three gave a detailed account of the research methodology implemented; data collected, analysed and interpreted. The demographic analysis of the sample based on race, gender, age, marital status, level of education, nature of work, years of experience in the EMM and the remaining years before retirement, were discussed. Preparedness for retirement focused on the concerns and challenges associated with retirement, whereas employee expectations from the EMM highlighted their lack of knowledge concerning the existence of a retirement programme and their willingness to participate in such a programme should it be developed.

The next and final chapter will reflect on conclusions drawn based on the main findings of the study. The chapter will be concluded with recommendations for the EMM.
CHAPTER FOUR

CONCLUSIONS AND RECOMMENDATIONS

4.1 INTRODUCTION

The goal of the study was to explore the challenges experienced by employees of the EMM regarding preparation for retirement. An empirical study of a quantitative nature was undertaken and the rationale was to engage employees in the age group of 50 to 65 years in sharing their challenges concerning retirement. The relevant literature was reviewed in Chapter Two and discussed in depth. A questionnaire was used to obtain data from the targeted employees. The data were analysed utilising the Statistical Package of Social Sciences (SPSS) program.

Chapter Four will serve as the final evaluation of the research process. In order to enable the researcher to provide an effective research report, certain conclusions and recommendations will be made.

4.2 CONCLUSIONS

The following conclusions are made from the findings of the empirical study.

Employees in the targeted age group of 50 to 65 years lack pre-retirement financial information on which to base their retirement planning. Most employees are ignorant concerning the importance of financial planning which may compromise their post-retirement life.

Employees are borrowing money from their pension or provident funds, and the practice is reducing their disposable income when they retire. Some potential retirees are still indebted to their pension and or provident funds. Employees who still
owed the pension or provident funds will be faced with financial shortfall that may impact negatively on their retirement opportunities.

The key challenges faced by employees of EMM in the surveyed age group are financial (inadequate savings, not having enough money for sustainability, poor financial planning, debts as a result of borrowing money from their pension funds, and lack of information about the medical aid scheme), psychosocial (un-readiness for retirement, anxieties, and fear of retirement, uncertainty about where to settle post-retirement, boredom and loneliness) and physical (state of health as their health may deteriorate as they age, physical pains and the resulting confinement).

While most employees will be covered by their medical aid when they retire, some were not sure if the employer will continue paying their medical schemes after retirement. It seems that there is a lack of knowledge regarding the medical scheme and the contribution from the EMM.

Employees are faced with psychosocial challenges that may affect their adjustment to retirement. While some employees may be keen and looking forward to retirement, some are not. Employees who are looking forward and are ready may adjust better to retirement than employees who are not ready.

Employees prefer to share their feelings about retirement with the people closest to them, which is either their partner, children or to a certain extent colleagues. All employees prefer to be cared for by their partners and children when they are old and frail. The majority of employees prefer to retire in their own homes, at their place of birth and or near the coast as final location during retirement.

Employees have various strategies to take care of their physical health needs that will benefit them and assist in post-retirement adjustment. Most employees indicated that they would like to take care of their post-retirement health by exercising, eating healthily, taking medication and regular visits to their doctors. Employees with no
medical aid were, however, less keen to be involved in exercising than employees with medical aid cover.

The most preferred post-retirement activities for employees in order of importance included travelling, visiting friends and relatives, relaxing and enjoying time, and doing voluntary or part-time jobs.

Retirement preparatory programmes are critically important in an organisation in empowering employees with information to enable them to take informed decisions about their retirement plans. Although most employees are not aware of retirement programmes offered by the EMM, they expressed a strong need to have retirement preparatory programmes established at the EMM. They are eager to participate in the workshops, seminars or conferences on retirement three times a year, offered by the EMM.

4.3 RECOMMENDATIONS

The following recommendations are made.

- Employees who still owe the pension or provident funds need to be educated on how to manage their debt before they retire.
- The practice by pension funds of lending money to employees must be strictly managed, regulated and controlled so that it does not disadvantage employees when they retire.
- Employees need more pre-retirement financial information so that they can know how to invest, budget and spend their hard earned savings when they retire.
- Employees need to be prepared for the psycho-social impact of retirement by focusing on interpersonal skills, pre-retirement counseling; and retirement preparation and opportunities.
• Physical awareness may encompass aspects such as possible disabilities that come with aging, health education, healthy life styles and meaningful work substitute activities.

• A retirement preparatory programme needs to be developed and preferably presented in the languages that employees understand.

• The programme should be conducted three times per year as employees are willing to participate in the workshops and seminars.

4.4 SUMMARY

The study was exploratory in nature and a cross-sectional survey design was undertaken in order to provide a numeric description of the challenges experienced by employees of EMM regarding preparation for retirement. A questionnaire was used as data collection method. The following objectives outlined in Chapter One were achieved.

• The first objective was to conduct an in-depth literature review on the importance of retirement planning. The literature analysed in Chapter Two shared in-depth knowledge on the importance of planning for retirement by focusing on the global trends in retirement preparation, the different types of retirement, the impact of retirement on various aspects of an individual’s life, and the phases of retirement.

• The second objective was to explore the knowledge of employees concerning the challenges experienced in preparation for retirement. Questionnaires were used to gather firsthand information from employees regarding the challenges experienced regarding preparation for retirement. The research study was ethically guided to ensure that it was conducted in a just manner and the dignity of respondents was promoted at all times (see Chapter Three). Data collected from respondents was analysed and relevant literature was integrated with the findings for further understanding and confirmation (see Chapter Three).

• The third objective was to explore the need for a preparatory programme for retirement amongst the employees of the EMM. The objective was addressed
in Chapter Four when challenges experienced by employees of the EMM regarding preparation for retirement served as a relevant point of reference should management decide to endorse a decision to develop a retirement preparatory programme.

- The last objective was to formulate recommendations to the management of the EMM regarding a programme aimed at preparing for retirement. The researcher was able to make the necessary recommendations in Chapter Four.

It can therefore be concluded that the goal and objectives described in Chapter One have been successfully achieved through the investigation.
REFERENCES


ADDENDUM A: Permission from employer

To: Ms Thandi Kumalo  
Executive Director Human Resources

From: Nonkululeko Tyilana  
Employee Assistance Practitioner

22 May 2012

SUBJECT: REQUEST FOR APPROVAL TO CONDUCT RESEARCH IN EMM FOR A MASTERS DISSERTATION

I am currently studying for a Masters degree in Social Sciences: Employee Assistance Programmes, with the University of Pretoria (UP). I have completed course work in 2011. I am currently busy with research, under the supervision of Dr Florinda Taute from UP. The topic of my research is "Challenges Experienced by Employees of the Ekurhuleni Metropolitan Municipality regarding preparation for Retirement".

The target group for the study is employees between the age of 50 and 65 years. During the research process, I would request full access to employees relevant to the sample of my study for the purpose of administering the questionnaire. All ethical considerations will be observed as required by the University. The results of the study will be used to formulate guidelines for development of a retirement preparatory programme which will benefit both the employer and the employees.

In light of the motivation provided above, it is recommended that EMM management approves the proposed study on employees of EMM.

NONKULULEKO TYILANA  
EAP PRACTITIONER

Supported/ Not Supported
Comments:

Ms Tylana has been awarded a bursary by EMM to study for the programme due to its relevance to her work. The proposed study is supported and will enhance the Wellness Programmes and services rendered to employees of EMM.

MMAPULA MNISI
DIRECTOR: EMPLOYEE WELL-BEING

Approved/ Not-Approved

THANDI KUMALO
EXECUTIVE DIRECTOR: HRM&D
ADDENDUM B: Informed Consent

27/08/2012

Our Ref. 24338029
Tel: (012) 420 4847
E-mail: florinda.taute@up.ac.za

Researcher: Nonkululeko Tyilana
Tel: (011) 989 5644
E-mail: Nonkululeko.Tyilana@ekurhuleni.gov.za

Dear Participant,

CONSENT FORM

Title of the study: Challenges experienced by employees of Ekurhuleni Metropolitan Municipality regarding preparation for retirement.

Purpose of the Study: The purpose of the study is to explore the challenges experienced by employees of Ekurhuleni Metropolitan Municipality regarding preparation for retirement.

Procedure: A questionnaire will be used to collect information from employees. Questionnaires will be sent electronically to the employees that have access to intranet, and hand-delivered to those who do not have access. Wellness Champions will be used to assist illiterate employees in the completion of questionnaires.

Risks and Discomforts: No risks are anticipated in the study. The questionnaire is easy to understand and will take about 30 minutes to complete.

Benefits: The results of the study will benefit both the employer and employees. It is hoped that employers will be able to establish on-going retirement awareness workshops for employees. Retirement workshops will in turn empower employees to develop a vision of life after work, prepare for that vision and live it with success and confidence. Participating in a pre-retirement programme can assist in assessing attitudes towards retirement as well as the extent of retirement readiness and preparation.

Participants’ Rights: Participants will be given the freedom to choose whether or not to participate in the study as participation is voluntary and no one will be forced to participate. Respondents will be free to withdraw from the study at any time without negative consequences.

Confidentiality: The researcher will keep information confidential by not reporting private data that may identify the respondent. No names will be used when filling in the questionnaire. Raw data will be stored at the University of Pretoria for fifteen years. The data will be destroyed should the subject withdraw from the study. Only the researcher and the University of Pretoria will have access to the data. Ekurhuleni Metropolitan Municipality as the sponsor will only be given the results. Anonymity will be assured by briefing all Wellness Champions not to divulge the identity of respondents to any other person other than the researcher.

Right of access to the researcher: If respondents want to get clarity on any issue pertaining to the questionnaire or the administration thereof, the researcher’s contact details will be made available and wellness champions will direct queries of respondents to the researcher.

Researcher’s signature: ____________________________  Respondent’s signature: ____________________________

Date: 27/08/2012  Date: ____________________________

Place: University of Pretoria  Place: ____________________________
ADDENDUM C: Cover page and Questionnaire

TO ALL RESPONDENTS

Dear Sir/Madam,

I am registered for the Masters degree in Social Sciences (Employee Assistance Programmes) with the University of Pretoria. The title of my study is "The challenges experienced by employees of Ekurhuleni Metropolitan Municipality regarding preparation for retirement." The goal of the research is to explore the challenges experienced by employees of Ekurhuleni Metropolitan Municipality regarding preparation for retirement.

I need 45 minutes of your time to complete the attached questionnaire. Through this questionnaire, I will gather information regarding the challenges you experienced at EMM regarding your preparation for retirement. Your response to this questionnaire is very important and will serve to highlight the challenges you are experiencing as an employee of EMM when approaching or attaining retirement age. On completion of the research, the findings can be used to improve employees’ preparation for retirement.

It is important that you answer all the questions as honestly as possible. Although you might be concerned that you could be identified from your answers to certain questions, your answers to this questionnaire will be treated as private and confidential and will not be used to identify you in any way.

Thank you for being willing to participate in this study.

Nonkululeko Tiyilana
Researcher

© University of Pretoria
QUESTIONNAIRE

CHALLENGES EXPERIENCED BY EMPLOYEES OF EKURHULENI METROPOLITAN MUNICIPALITY REGARDING PREPARATION FOR RETIREMENT

SECTION 1

Demographic information

Please choose one of the following by making a cross in the relevant block.

1. What is your race?

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<th>Race</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>African</td>
<td>1</td>
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<tr>
<td>Asian</td>
<td>2</td>
</tr>
<tr>
<td>Coloured</td>
<td>3</td>
</tr>
<tr>
<td>Indian</td>
<td>4</td>
</tr>
<tr>
<td>White</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
</tr>
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</table>

Other (specify) ........................................................................................................

2. What is your gender?

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<th>Gender</th>
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</thead>
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<td>Male</td>
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</tr>
<tr>
<td>Female</td>
<td>2</td>
</tr>
</tbody>
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3. What is your age in completed years?

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<tr>
<td>55 - 59</td>
<td>2</td>
</tr>
<tr>
<td>60 - 65</td>
<td>3</td>
</tr>
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4. What is your marital status?

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<th>Count</th>
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</thead>
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</tr>
<tr>
<td>Widower</td>
<td>2</td>
</tr>
<tr>
<td>Divorced</td>
<td>3</td>
</tr>
<tr>
<td>Single</td>
<td>4</td>
</tr>
<tr>
<td>Living together</td>
<td>5</td>
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5. What is your level of education?

<table>
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<th>Count</th>
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<tr>
<td>Primary School</td>
<td>2</td>
</tr>
<tr>
<td>Secondary School</td>
<td>3</td>
</tr>
<tr>
<td>Matric/Grade 12</td>
<td>4</td>
</tr>
<tr>
<td>Diploma and other qualifications</td>
<td>5</td>
</tr>
<tr>
<td>Bachelor Degree</td>
<td>6</td>
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<tr>
<td>Postgraduate Degree</td>
<td>7</td>
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6. What is the nature of your work?

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<th>Count</th>
</tr>
</thead>
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<td>Unskilled</td>
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</tr>
<tr>
<td>Semi-skilled</td>
<td>2</td>
</tr>
<tr>
<td>Skilled</td>
<td>3</td>
</tr>
<tr>
<td>Professional</td>
<td>4</td>
</tr>
<tr>
<td>Senior management</td>
<td>5</td>
</tr>
<tr>
<td>Top management</td>
<td>6</td>
</tr>
</tbody>
</table>
7. How long have you been working for Ekurhuleni Metropolitan Municipality?

<table>
<thead>
<tr>
<th>Years</th>
<th>Count</th>
</tr>
</thead>
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</tr>
<tr>
<td>20 – 29 years</td>
<td>2</td>
</tr>
<tr>
<td>30 – 39 years</td>
<td>3</td>
</tr>
<tr>
<td>40 – 49 years</td>
<td>4</td>
</tr>
<tr>
<td>50 and above</td>
<td>5</td>
</tr>
</tbody>
</table>

8. How many years do you have left before mandatory/forced retirement?

SECTION 2
Preparedness for retirement

*Please make a cross in the block that is applicable to you*

9. Do you sometimes think about retirement?  
   - Yes  
   - No

10. Does thinking about retirement worry you?  
    - Yes  
    - No

11. If your answer is No to question 10 above, why does thinking about retirement not worry you?

12. What worries you most about retirement?
13. Are you ready for retirement?  

[ ] Yes  
[ ] No

14. Whether Yes or No, please state reason for your answer:


15. How can you describe your feelings about retirement?

[ ] Feeling good  
[ ] Feeling bad  
[ ] I have good and bad feeling  
[ ] Not sure how I feel

16. I have shared my feelings about my retirement with the following people

<table>
<thead>
<tr>
<th>My partner</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children</td>
<td>2</td>
</tr>
<tr>
<td>Employer</td>
<td>3</td>
</tr>
<tr>
<td>Colleagues</td>
<td>4</td>
</tr>
<tr>
<td>Friends</td>
<td>5</td>
</tr>
<tr>
<td>People from church</td>
<td>6</td>
</tr>
<tr>
<td>Other retired people</td>
<td>7</td>
</tr>
</tbody>
</table>

Other: ____________________________
17. Who would you like to take care of you when you are frail and dependent on others?

<table>
<thead>
<tr>
<th>Option</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>My partner</td>
<td>1</td>
</tr>
<tr>
<td>My children</td>
<td>2</td>
</tr>
<tr>
<td>Retirement home nurses</td>
<td>3</td>
</tr>
<tr>
<td>Private nurse</td>
<td>4</td>
</tr>
<tr>
<td>Relatives</td>
<td>5</td>
</tr>
<tr>
<td>Friends</td>
<td>6</td>
</tr>
</tbody>
</table>

18. Do you know of any retirement programme(s) offered by Ekurhuleni Metropolitan Municipality?

- Yes
- No

19. If No, please state reason why you don’t know of any retirement programme(s):

20. When I retire, I would like to live:

<table>
<thead>
<tr>
<th>Option</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>In my own home</td>
<td>1</td>
</tr>
<tr>
<td>Back home in my place of birth</td>
<td>2</td>
</tr>
<tr>
<td>At the coast</td>
<td>3</td>
</tr>
<tr>
<td>In a retirement village</td>
<td>4</td>
</tr>
<tr>
<td>With my children</td>
<td>5</td>
</tr>
<tr>
<td>With relatives other than my children</td>
<td>6</td>
</tr>
<tr>
<td>With my friends</td>
<td>7</td>
</tr>
<tr>
<td>In a smaller house (down size the current dwelling)</td>
<td>8</td>
</tr>
</tbody>
</table>
21. Please briefly supply the main reason for your answer in question 20.

22. Do you plan to live in the same community or move to another one when retiring?

   Same community
   Another community

23. Is it in the same community, are you familiar with the following services in your area?

   Please select one or more that is applicable to you

   Clinic
   Hospital
   Hospice
   Social workers
   Retirement villages
   Social Clubs

24. If you are planning to move to another community, are you familiar with the following services in that area?

   Clinic
   Hospital
   Hospice
   Social workers
   Retirement villages
   Social Clubs

25. How have you planned to take care of your health after retirement?

   Make a CROSS or more CROSSES next to the NUMBER/S of your CHOICE

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Healthy eating habits</td>
<td>Regular Exercise</td>
<td>Taking Medication (if having chronic medical condition)</td>
<td>Regular visits to doctors clinics, hospitals</td>
</tr>
</tbody>
</table>

26. I have planned for the implications of possible disability that come with aging

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>Agree</td>
<td>Don't know</td>
<td>Disagree</td>
</tr>
</tbody>
</table>
27. When I retire, I would like to:

| Make a CROSS or more CROSSES next to the NUMBER/S of your CHOICE |
|---------------------------------------------------|---|
| Travel                                            | 1 |
| Start my own business                            | 2 |
| Join an older persons' club in my community      | 3 |
| Relax and enjoy my time at home                  | 4 |
| Just sit around watching TV                       | 6 |
| Do voluntary work or get a part – time job       | 7 |
| Visit family, friends and attending community cultural and public events | 8 |
| Don’t know yet                                    | 9 |
| Other specify                                     | 10 |

28. Have you formed relationships/friendship with the people you worked with over the years?

- [ ] Yes
- [ ] No

29. When I retire I will miss socializing with my colleagues

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>Agree</td>
<td>Don’t know</td>
<td>Disagree</td>
<td>Strongly disagree</td>
</tr>
</tbody>
</table>

30. What would you consider to be your major social challenge when you retire?

31. How do you plan to overcome the challenge mentioned in question 30?

32. Are you saving for retirement?

- [ ] Yes
- [ ] No
33. In addition to my pension fund, I have other savings in preparation for my retirement
   Yes  No

34. Have you ever borrowed money against your pension fund?
   Yes  No

35. If yes, do you still owe some of that amount?
   Yes  No

36. Do you plan to settle all your debts before retirement?
   Yes  No

   Explain your answer in question 36:

37. When you retire, will you have enough money to live comfortably for another 20 years or more?
   Yes  No

38. Do you have a medical aid?
   Yes  No

39. When I retire, I know that my medical aid will still cover me
   Yes  No  I do not know

40. Do you know if the employer will continue paying for your medical aid after your retirement?
   Yes  No

SECTION 3

Employee Expectations from EMM

Please mark with a CROSS in the relevant block

41. Would you like Ekurhuleni Metropolitan Municipality to offer retirement awareness programmes?
   Yes  No
42. How often should EMM offer a retirement awareness programme in a year?

One session  Two sessions  Three sessions or more

43. Would you be willing to participate in workshops/seminars/conferences that deal with retirement issues?

Yes  No

44. Any other comments/ suggestions

Thank you for participating in the study.

NONKULULEKO TYILANA (MRS)

RESEARCHER
To whom it may concern

This letter serves to confirm that in April 2013 I did the proofreading and the language editing for the dissertations of

NONKULULEKO TYLANA

Entitled CHALLENGES EXPERIENCED BY EMPLOYEES OF THE EKURHULENI METROPOLITAN MUNICIPALITY REGARDING PREPARATION FOR RETIREMENT

This document is being submitted in partial fulfilment of the requirements for the degree

MASTER OF SOCIAL SCIENCE (EAP)

In the Faculty of Humanities in the Department of Social Work and Criminology

At the UNIVERSITY OF PRETORIA

I have proofread and edited the whole work except for the list of references and the appendices. This editing principally involves proofreading, language, style and grammar editing; and also checking the text for clarity of meaning, sequence of thought and expression and tenses. I have also noted any inconsistencies in thought, style or logic, and any ambiguities or repetitions of words and phrases, and have corrected those errors which creep into all writing. I have written the corrections on the hard copy and have returned the document to the author, who is responsible for inserting these. Please note that this confirmation refers only to editing of work done up to the date of this letter and does not include any changes which the author or the supervisor may make later.

April 2013

Bernice McNeil

Proprietor: Bernice McNeil BA Hons, NSTD
http://www.angelfire.com/journal/edit/abouttba.html