

Retirement





Retirement

Retirement from work is one of the major life course transitions in late adult life. Associated with this transition, the question of how well individuals adjust to retirement has been a focus of interest to researchers as well as to the popular media (Wang & Shultz, 2010).



Although retirement has received extensive study, the impact of retirement on the individual and the factors important for a successful adjustment in retirement still remain less clear than other aspects of retirement phenomena (e.g., retirement decision making and retirement planning; Wang, 2007).

Retirement

Voluntary
vs.
Involuntary

Until the 1960s, studies on retirement adjustment typically challenge to personal well-being (van Solinge & Henkens, 2008).

Although researchers still view retirement as a challenging, life-changing event, more recently studies revealed that retirement may also have beneficial effects (e.g., Mein, Martikainen, Hemingway, Stansfeld, & Marmot, 2003; Wang, 2007).

The major theories that have been applied to the study of retirement adjustment include role theory, continuity theory, stage theory, the life course perspective, and the resource perspective.

Retirement: *Role Theory*

Emphasizes the importance of the role exit and the role transition in retirement adjustment.

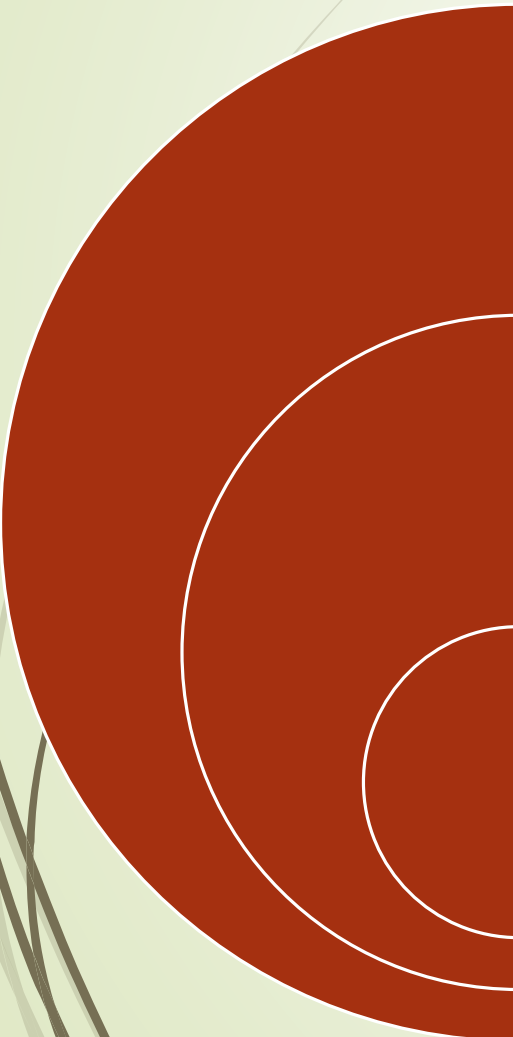
To the extent that one is highly invested in a particular role (e.g., the work role), feelings of self-worth tend to be associated with the ability to carry out that role in an effective manner (Ashforth, 2001).

Therefore, being retired can be characterized as a role transition (Riley & Riley, 1994), which includes the processes of losing or weakening work roles and strengthening the family member role and the community member role.

Role loss resulting from retirement transition can cause people to feel anxious or depressed, which may lead to low levels of well-being in retirement (Riley & Riley, 1994).



Retirement: *Role Theory*

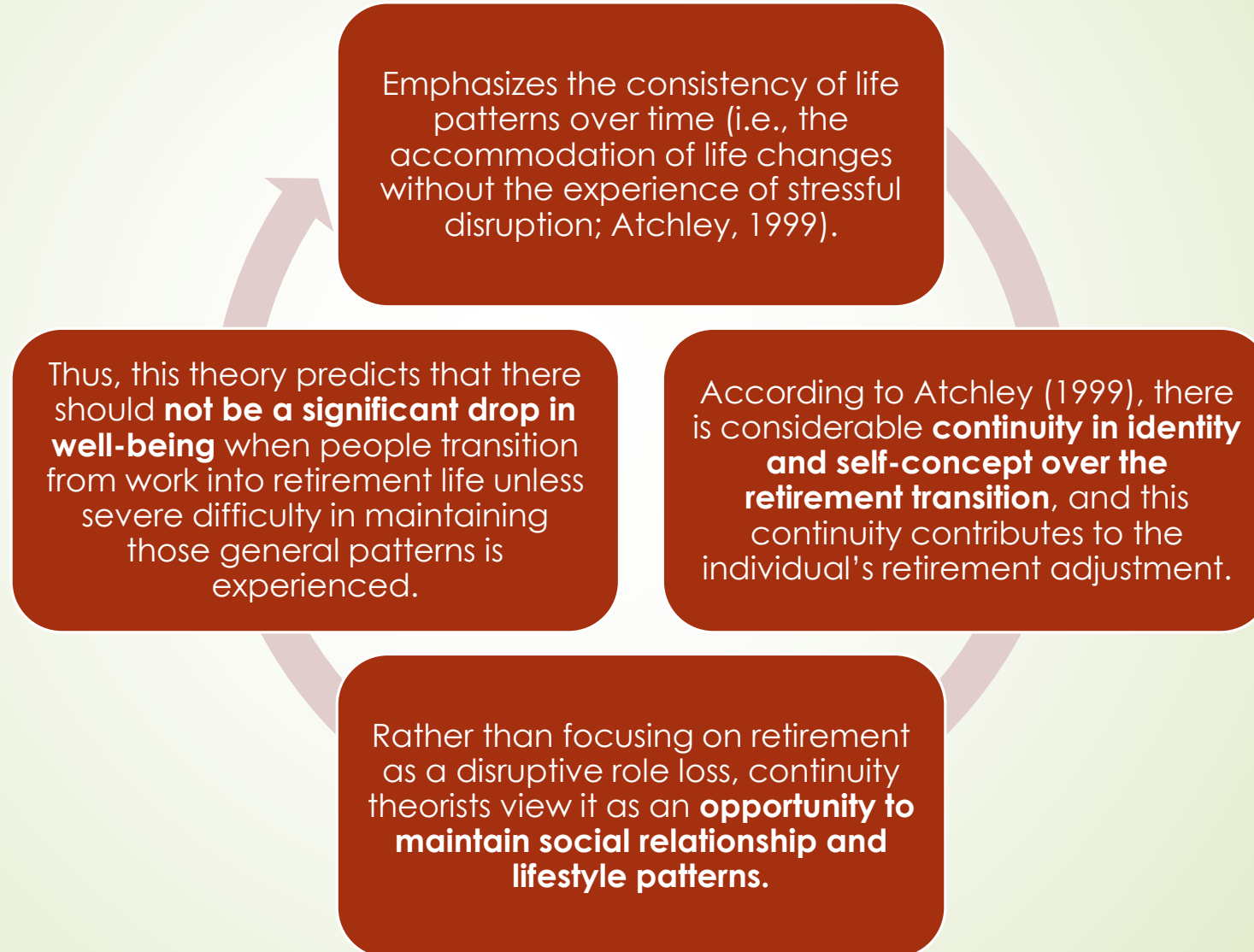


Consequently, one's life after retirement might be viewed as less satisfying than one's life during the years when one was employed.

On the other hand, retirees with other role involvements or those who retire from unpleasant jobs may be less troubled by, and even pleased with, the loss of those work roles. For example, for **individuals who find their jobs stressful or burdensome, retiring could be a relief from ongoing strains and conflicts.**

Also, for individuals who would like to engage more fully in the roles of family member and community member, retirement is an opportunity for them to **free up time to enjoy the rewards** and responsibilities tied to those roles.

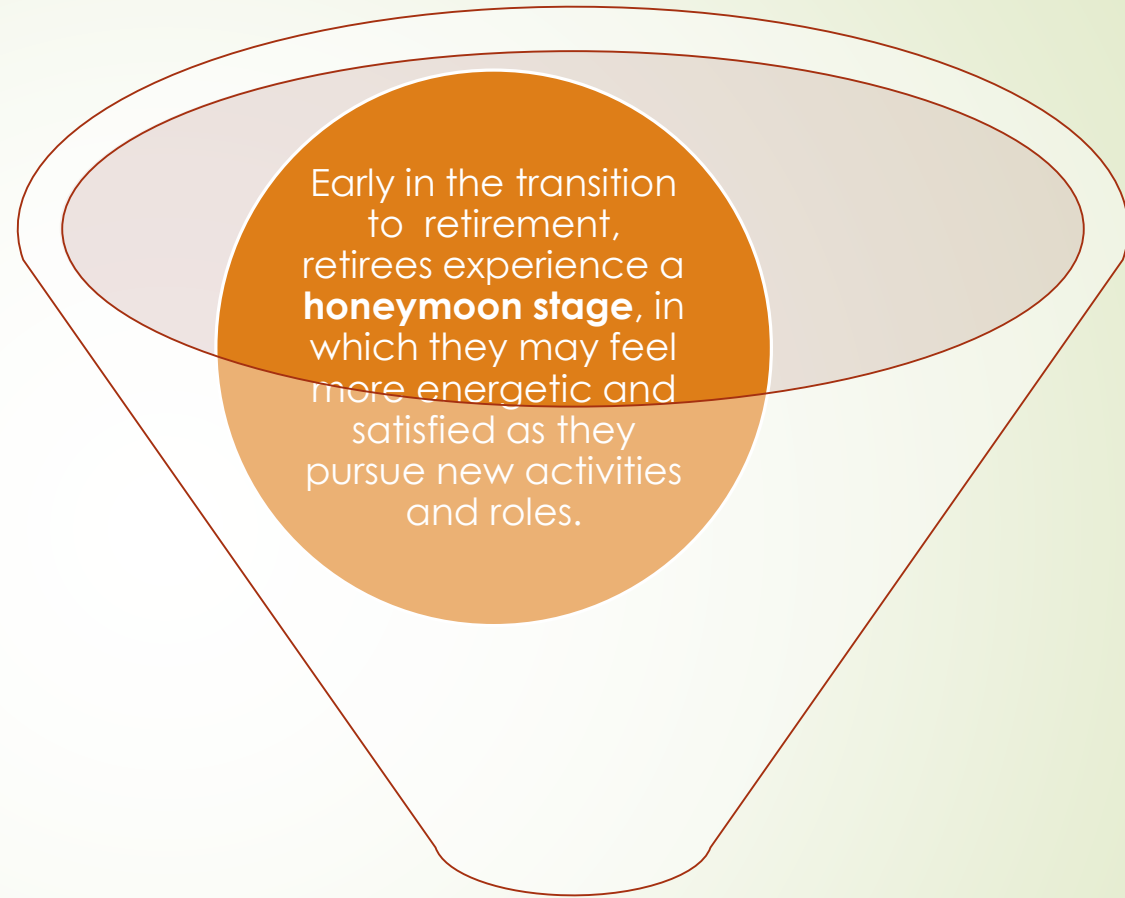
Retirement: Continuity Theory



Retirement: Stage Theory

For many the workforce exit process often happens gradually and people may have multiple job exits and entries using various forms of bridge employment before they fully retire (Wang, Adams, Beehr, & Shultz, 2009).

Retirement adjustment constitutes a **long-term process** during which **variation in retirees' well-being** may be observed.



Later on, retirees may experience a **disenchantment stage**, in which they realize that they have fewer resources and/or had unrealistic expectations about retirement

Retirement: Stage Theory

As time passes, retirees = **reorientation stage** - they re-evaluate their life status, accept limitations, and focus on further adjustment to retirement.

Eventually - enter the **stability stage**, settling into a predictable daily life pattern until death or disability terminates their retirement.

Strength of this theory (i.e., making specific predictions regarding the **dynamic nature of retirement** adjustment) may also be its weakness because of **the stringent pattern** it predicts.

Further, the specific time course for each stage is also unclear.

The Life Course Perspective

The life course principle implies that **individuals have plans**, make choices, and undertake actions within the opportunities and constraints of their social worlds, which are shaped by personal history and social circumstances (Settersten, 2003).



It emphasizes that **life transitions are contextually embedded**, which implies that the experiences of retirement adjustment are contingent on the specific circumstances under which the adjustment occurs.

perceived control over the departure from the workforce is crucial to retirement adjustment (Henkens, van Solinge, & Gallo, 2008).

The Life Course Perspective

These
circumstances
may also
include
individual
attributes

- demographic characteristics
- finance and health status
- transition related abilities and skills (Kim & Moen, 2002)
- individual history factors (how people dealt with previous transitions, their work and leisure habits)
- their previous workforce participation patterns (Orel, Ford, & Brock, 2004)
- current and past job-related experience (former job attitudes, former job)

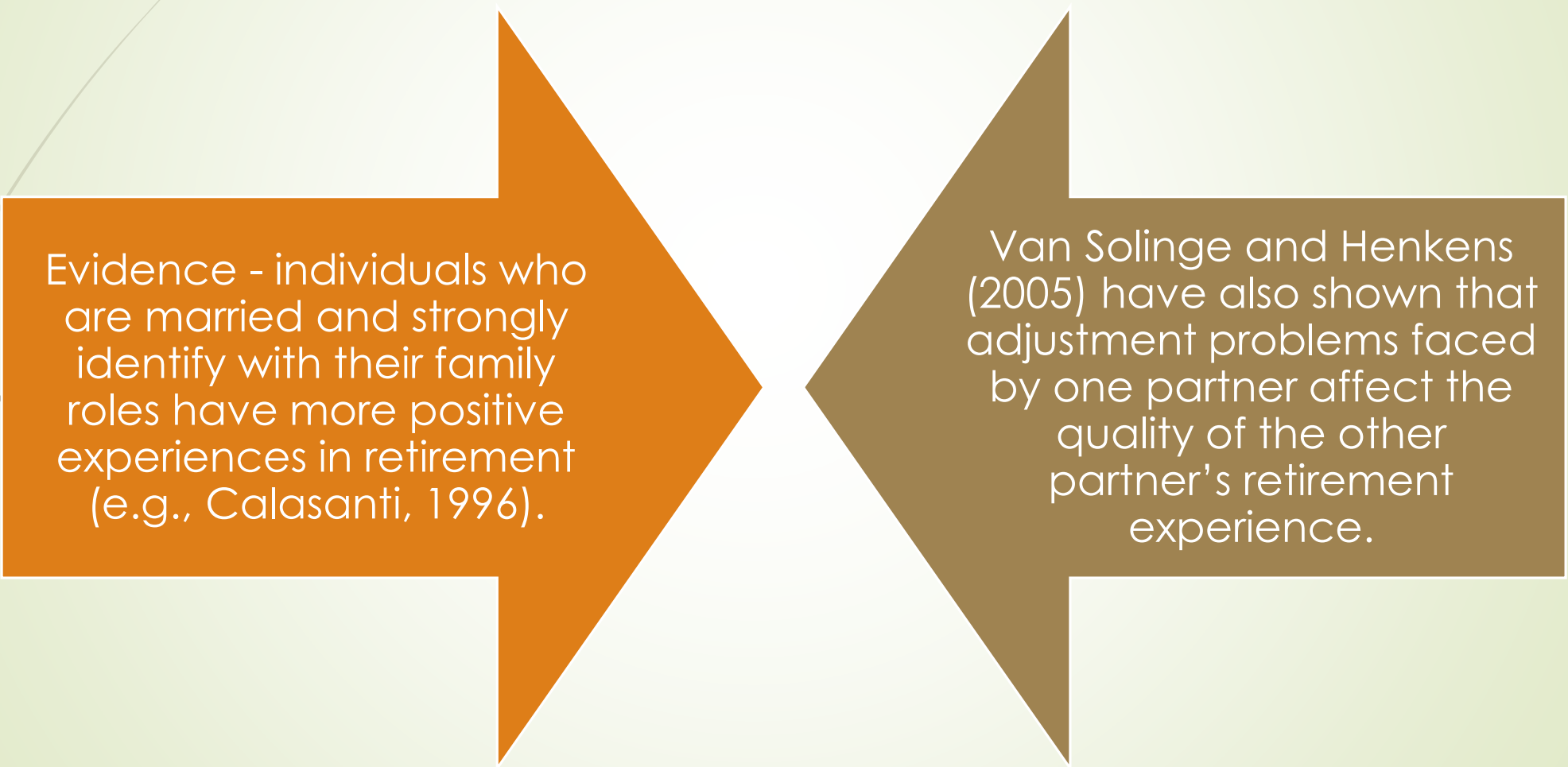
The Life Course Perspective

The general premise is that if an individual has cultivated a flexible style in dealing with previous life transitions, is less socially integrated with their work, and has the attributes that help smooth and accomplish the transition, he or she will be more likely to prepare well for the adjustment and to achieve better outcomes of the adjustment (Wang & Shultz, 2010).



The experiences in one life sphere (e.g., work life) influence and are influenced by experiences in other life spheres (e.g., marital life). According to this concept of *interdependent life spheres*, **non-work life spheres are important for retirement adjustment because they provide retirees with alternative salient identities after retirement** and offer opportunities for retirees to engage in meaningful and desirable activities after retirement.

The Life Course Perspective



Evidence - individuals who are married and strongly identify with their family roles have more positive experiences in retirement (e.g., Calasanti, 1996).

Van Solinge and Henkens (2005) have also shown that adjustment problems faced by one partner affect the quality of the other partner's retirement experience.

The Resource Perspective

- ▶ Although the life course perspective provides a general framework for analyzing retirement adjustment and points to the utility of studying a broad range of variables, it offers few concrete hypotheses about how these variables impact retirement adjustment (Wang, 2007).
- ▶ Consequently, researchers often rely on a **resource perspective** to predict how variables may be associated with retirement adjustment.
- ▶ According to Hobfoll (2002), resources can be broadly defined as the total capability an individual has to fulfil his or her centrally valued needs.

The Resource Perspective

Wang (2007) suggested that this total capability may include...

- Physical resources (e.g., muscle strength; McArdle, Vasilaki, & Jackson, 2002)
- Cognitive resources (e.g., processing speed and working memory; Park, 2000)
- Motivational resources (e.g., self-efficacy; Bandura, 1997)
- Financial resources (e.g., salary and pension; Hobfoll, 2002)
- Social resources (e.g., social network and social support; Kim & Feldman, 2000)
- Emotional resources (e.g., mood and affectivity; Wang, Liao, Zhan, & Shi).

The Resource Perspective

So... the ease of adjustment is the direct result of the individual's access to resources.

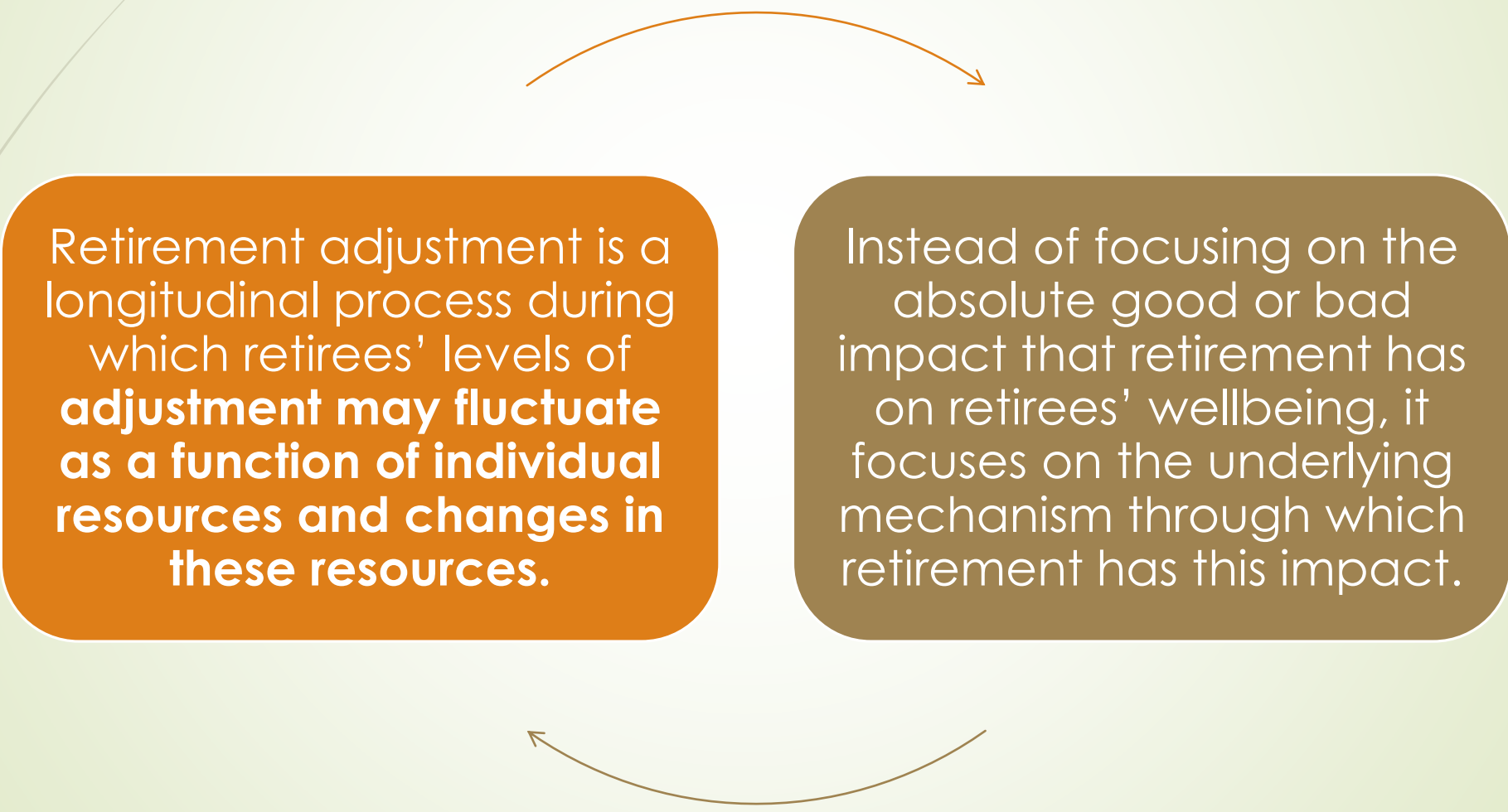
Specifically, when people have more resources to fulfil the needs they value in retirement, they will experience less difficulty in adjusting to retirement.

On the other hand, decreases in retirees' resources will have adverse effects on their retirement adjustment.



Thus, to understand retirement adjustment, researchers should focus on **examining variables that have a direct impact on retirees'** different types of resources.

Retirement Adjustment as a Resource-Based Dynamic Process



Retirement adjustment is a longitudinal process during which retirees' levels of **adjustment may fluctuate as a function of individual resources and changes in these resources.**

Instead of focusing on the absolute good or bad impact that retirement has on retirees' wellbeing, it focuses on the underlying mechanism through which retirement has this impact.

Retirement Adjustment as a Resource-Based Dynamic Process



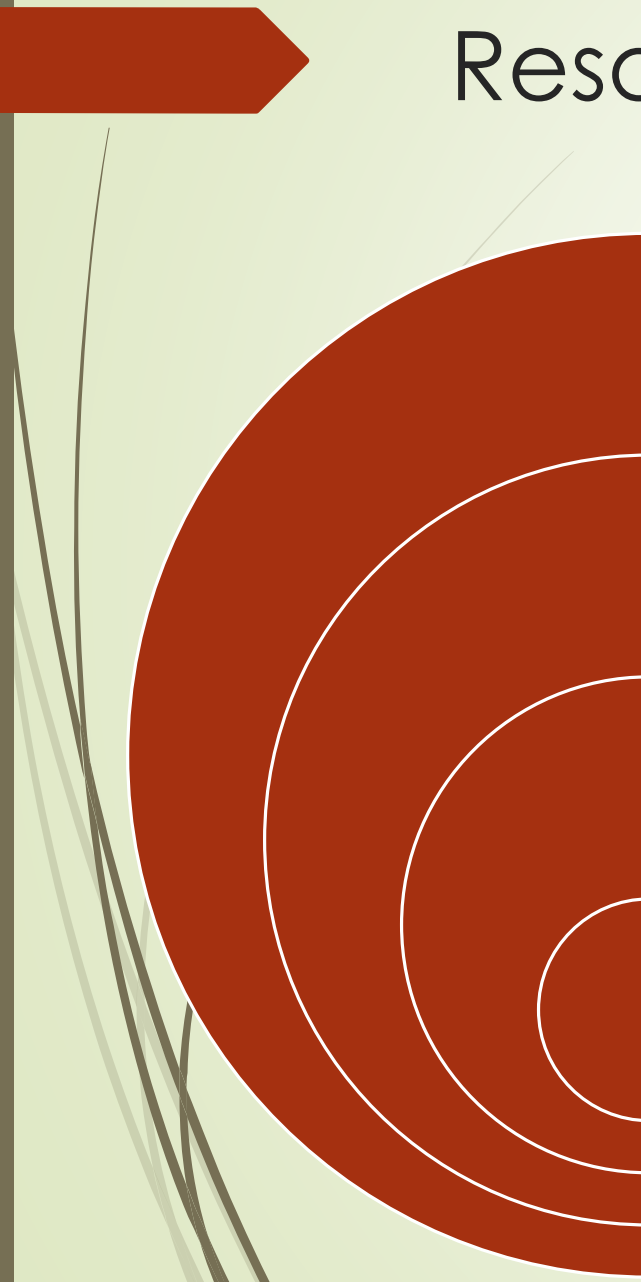
If over time a retiree's total resource does not change significantly (e.g., because the retiree successfully maintains prior lifestyles and activities), they may not experience a significant change in adjustment level.

If over time resource significantly decreases (losing a major income source), they may experience a negative change in adjustment level. Further, if over time an individual's retirement enables one to invest significantly more resources (through gaining cognitive resources that were previously occupied by a stressful job) in fulfilling centrally valued needs, they may experience a positive change in adjustment level.



Thus, unlike role theory, continuity theory, and stage theory this theoretical framework has the flexibility to accommodate a variety of longitudinal patterns for retirement adjustment.

Retirement Adjustment as a Resource-Based Dynamic Process



This framework **relaxes the sequential** assumption regarding the development stages in retirement adjustment.

Therefore, recognizing the **dynamic nature of retirement adjustment** - retirees' well-being could fluctuate up and down at any given time point, following the variation in their total resources.

Specifically, this framework offers a large variety of antecedents that could influence various retirees' resources in the adjustment process, including variables from the macro level, the organizational level, the job level, the household level, and the individual level.

This approach emphasizes that adaptation to a transition depends on the ratio of resources to deficits in terms of the transition itself, the pre-post environment, and the individual's sense of competency, well-being, and health (Schlossberg, 1981).

Empirical studies

(a) What is the general impact of retirement on the individual? and (b) What are the factors that influence retirement adjustment quality?

The Impact of Retirement

Happiness (Beck, 1982),

Emotional well-being (Richardson & Kilty, 1991)

Retirement satisfaction (Gall et al., 1997; Quick & Moen, 1998)

Life satisfaction (Calasanti, 1996)

Mental health and depression (Midanik, Soghikian, Ransom, & Tekawa, 1995).

Empirical studies

Retirees, in comparison with workers, tend to report greater depression and loneliness, lower life satisfaction and happiness, a less positive view about retirement, and lower activity levels (Kim & Moen, 2002; Richardson & Kilty, 1991).

Other research has found that most individuals tend to look forward to retirement (e.g., Dorfman, 1992) as well as to report being satisfied with retirement (e.g., Calasanti, 1996).

Others - retirement has been shown to be a benign event with no apparent impact on an individual's wellbeing (e.g., Gall et al., 1997).

Minimal differences in measures of mental health, coping, and health behaviours were reported between workers and retirees within a similar age range (Wu, Tang, & Yan, 2005).

Wang (2007)

Using longitudinal data from two nationally representative samples obtained by the U.S. Health and Retirement Study

- over an eight-year period in the retirement adjustment process, about 70% of retirees experienced minimum psychological well-being changes;
- about 25% of retirees experienced negative changes in psychological well-being during the initial transition stage but then showed improvements afterward;
- about 5% of retirees experienced positive changes in psychological well-being.

These findings suggest that retirees do not follow a uniform pattern of retirement adjustment.

Pinquart and Schindler (2007).

- They used a nationally representative sample of German retirees from the German Socioeconomic Panel Study and found that during retirement transition and adjustment, about 75% of German retirees experienced trivial changes in life satisfaction;
 - about 9% of German retirees experienced a significant decrease in their life satisfaction during the initial transition stage but continued on a stable or increasing life satisfaction trajectory thereafter;
 - and about 15% of German retirees experienced significant increases in their life satisfaction.

The impact of retirement on health, longevity and mortality

Westerlund et al. (2009) - 4,000 members of a French occupational cohort seven years before and after retirement and found that retirement was associated with a decrease in suboptimum health.

Mein et al. (2003) - British civil servants by found that retirement had no effect on physical health but was associated with an improvement in mental health.

Dave, Rashad, and Spasojevic (2008) - data from seven longitudinal waves of the Health and Retirement Study, found that complete retirement was associated with increases in illness conditions and difficulties in mobility and daily activities as well as with a decline in mental health over an average postretirement period of six years.

Critical examination of these studies

None of these studies explicitly examined the extent to which retirees were psychologically comfortable with their retirement life – so do retirees who had higher levels of adjustment to retirement enjoyed better health in their postretirement lives?

- ▶ For example, individuals who smoothly complete the process of social and psychological detachment from work may feel healthier. This may be reinforced whenever their postretirement lifestyle includes opportunities for positive health behaviour, such as exercise-related leisure activities.
- ▶ Adjustment quality may also indirectly affect health. Retirees' lack of adjustment to their retirement life often manifests as a risk factor for them to engage in maladaptive coping behaviours (lower levels of adjustment to retirement were associated with increased alcohol use (Perreira & Sloan, 2001) and increased smoking (Henkens et al., 2008)).

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