

# Retirement Preparedness of Pre-Retiring Employees in one State College: Towards Fulfilled Retirement Life

Asia Pacific Journal of  
Multidisciplinary Research  
Vol. 7 No.4, 71-78  
November 2019 Part III  
P-ISSN 2350-7756  
E-ISSN 2350-8442  
www.apjmr.com  
CHED Recognized Journal  
ASEAN Citation Index

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Date Received: July 9, 2019; Date Revised: November 15, 2019

**Abstract** – *The study seeks to establish the level of retirement preparedness of pre-retiring employees in one State College in Sagay City, Negros Occidental, Philippines. Results of the study will empower pre-retirees and recommend the most compatible action plan the College may implement to ensure enjoyable and happy life after retirement. Descriptive method utilizing validated survey questionnaire was used to determine the level of retirement preparedness of 45 pre-retiring employees aging 45 and above based on social, medical, spiritual and financial dimensions in relation to the personal profile of the respondents such as age, sex, civil status, annual income and number of years in service. Results showed that respondents are generally prepared for retirement. Moreover, it revealed that there is no significant difference on the level of retirement preparedness on the medical and spiritual dimensions, while a significant difference on the level of social and financial dimensions grouped as to civil status was implied. Results viewed a context that educational leadership should capture and implement appropriate pre-retirement programs in diverse dimensions and formats to attract pre-retiring employees towards fulfilled retirement life. Likewise, results post a challenge to public education institutions to trail the effect of pre-retirement program towards performance at work, hence, pre-retirement initiatives and activities should form part of the organizational workspace.*

**Keywords** – *retirement preparedness, pre-retirement, social preparedness, medical preparedness, spiritual preparedness, financial preparedness*

## INTRODUCTION

Retirement program in every organization plays an important role in planning employee's future benefits and compensation. If planned and implemented well this helps sustain their social, physical, spiritual and financial needs. In the Philippines, Executive Order Number 292 [1] on Career and Personnel Development mandates the Civil Service Commission the conduct of pre-retirement program in each agency as one of the continuing programs to address the growth and development of personnel.

Essentially, in a state college school management should consider to implement a retirement program that will ensure retirement-ready employees. Retirement preparedness in effect expects that a happy and ready retiree will more likely to mentor their successors even after they leave the workplace, otherwise if employees feel unappreciated or disrespected they tend to cut ties automatically.

Generally, middle income Filipinos are not holistically prepared for retirement specifically in the area of financial well-being and contingency planning Mandigma, (2016) [2]. However, a fulfilled retirement

life is not limited to financial readiness; a fulfilled retiree should also exhibit contentment of social, medical, and spiritual aspects. Hence, a new mind set and positive attitude towards this stage is required to embrace a life-changing retirement life. Mind conditioning is an important factor to keep one going, since negativity or positivity may affect the future of a retiree. Individuals need to prepare themselves in many aspects including but not limited to social, medical, spiritual and financial to lessen the fears and worries of the future because of the cessation of active working life.

Garcia, 2012 [3] cited that an older person's decision is dependent on the financial capacity, social support and the possibility of having something to do after retirement. Manoli & Weber, (2016) [4] also showed that consideration for an early retirement is influenced by lack of information on financial incentives, thus taking these factors into consideration before reaching the retirement age will help a person plan in advance the things to do to make the retirement decision easier.

Social component for retirement has long been considered as the connection and engagement of retiree towards workplace, families, friends and peers. Risk associated to retirement is reduced depending on the

availability of family help where spouse as the first line of help, children as the second, parents as the third followed by other family members and friends. Similarly, medical or health behaviour includes all of the things that we do to positively influence our physical, mental, emotional and psychological self. As retirement approaches, health behaviour seems especially relevant because this transition has implications in people's general activity. Empirical evidence with general population show the positive effects of planning the health behaviour of people near retirement. Likewise, spirituality emphasizes purpose and meaning in life while incorporating the concepts of meaningfulness and connectedness. Spirituality (workplace) is relevant to retirement planning because work outcomes are also important predictors of retirement intentions. It follows, therefore, that spirituality may have an important role to play in how people react to retirement decisions. Finally, financial planning for retirement consist of the series of activities involved in the accumulation of wealth to cover needs in the post-retirement stage of life. Financial self-efficacy is critical in financial retirement planning as a retiree puts and develop an image of an ideal self-desired in the future as the center of financial retirement planning.

In this study, the researchers focused on assessing the level of retirement preparedness of pre-retiring employees of one state college, which serves as basis for the formulation and implementation of a Retirement Education Action Plan. This study will pave way for series of activities that will raise awareness and understanding about what is needed to be ready for retirement. Similarly, this will help the employees prepare for a brighter retirement thus living by design, not by default. Consequently, the study will shed light of undertaking pre-retirement initiatives and activities of valuing people as an element of organizational success and that these initiatives shall form part of the organizational workspace towards a fulfilled retirement life.

#### **OBJECTIVES OF THE STUDY**

This study seeks to establish the level of self-assessed retirement preparedness of the pre-retiring employees of one State College as basis for the formulation and implementation of a Retirement Education Action Plan, an action plan that will empower would be retirees. Likewise, this study also aims to test the existence of significant difference on the level of retirement preparedness when profiled.

#### **Hypothesis**

There is no significant difference on the level of retirement preparedness based on the participant's profile of age, sex, civil status, annual income and number of years in service.

#### **METHODS**

##### **Research Design**

Descriptive research was utilized since the study involves gathering of information about the pre-retirement readiness of pre-retiring employees of one state college. Hence, the method is appropriate.

##### **Participants of the Study**

The researchers focus the study on formulating retirement education action plan for the pre-retiring employees of one State College, in Sagay City, Negros Occidental, Philippines serving more than 4,000 students from neighboring cities and municipalities with regular and part-time employees from both faculty and staff services. The researchers used total enumeration of 45 pre-retiring employees aging 45 and above out of 121 regular employees. The selected population of 45 pre-retiring employees was drawn using the single criterion that those aging from 45 and above are inclined to have mindset of preparing for retirement. Hurst [5] said that in retirement age is irrelevant. Thus, retirement does not necessarily mean to wait for the age of 60 or 65, and that as early as possible with the help of a retirement program we can give employees the desired information, education and advice relating to financial, medical aspects of retirement. Stillman and Clark [6], middle age is the prime working age, thus middle-aged employees should have standard retirement plans. Hence, it is just practical to consider the age of 45 years and above as the desirable years to think and consider retirement preparation.

##### **Instrument**

The researchers used survey questionnaire derived from the related literature collected where validators' suggestions are integrated. The survey questionnaire was divided into four parts that corresponds to the objectives of the study. The first part contains the employee's profile that includes; the age, sex, civil status, annual income and number of years in service. The level of social, medical, spiritual and financial preparedness are included in the second part, the retirement seminar, lecture topic preferences on the third part, and the recommended action plan needed and preferred most on the fourth part. The questionnaire was patterned from the

study of Mandigma [2]. and was modified to align the criteria to the objectives of the study.

To ensure valid results, the survey questionnaire was validated by a pool of experts using the Goods and Scates validation criteria. The evaluators used content validity to ensure that the content represents all facets of the study. After validation the instrument scored an average of 4.0 interpreted as good, hence the instrument is valid. Likewise, the validated instrument was tested for reliability to 30 employees within the same age range and employment status at the Local City Government of Sagay and the data gathered was subjected to Cronbach Alpha testing. Results of internal consistency estimates yielded a very highly reliable coefficient of 0.907.

### Data Gathering Procedure

The researchers have undertaken steps in conducting the data gathering. The researchers asked the college Vice President for Admin and Finance to allow the researchers to conduct the survey in the college, upon approval the researchers asked from the human resource officer the list of pre-retiring employees based on the establish single criterion. The researchers personally asked the consent of the participants to take part on the survey thus upon the consent the survey was conducted immediately and personally collected by the researchers immediately after the participants answered the questionnaire.

### Statistical Treatment

The researchers used frequency and percentage distribution to determine the profile of the participants in terms of age, sex, civil status, annual income and number of years in service. Mean was used to determine the level of retirement preparedness of pre-retiring employees. Further, T-test of independent mean was used to determine the significant difference on the level of retirement preparedness in terms of sex, while ANOVA was used when grouped as to age, civil status, annual income and number of years in service.

### RESULTS AND DISCUSSION

The profile of participants is important to the study because these may affect their perceptions that serve as basis for the formulation of appropriate retirement design. The results as illustrated on Table 1 showed that most of the participants are from the age group of 45 to 50 years old and 67% are female; while majority of the

respondents are married it can be noted that there is no separated participants from the group. In terms of annual salary, most participants earn within the bracket of 144,000 to 498,000 pesos where 22 of them have already served the state college for more than 20 years.

Table 1. Profile of the Participants

Variables	Grouping	Frequency	Percentage
Age	45-50	23	51
	51-55	8	18
	56-60	11	24
	61-65	3	7
Sex	Male	15	33
	Female	30	67
Civil Status	Married	32	71
	Separated	0	0
	Single	12	27
	Widow	1	2
Annual Income (in Thousand)	144-498	30	67
	499-852	7	15
	853-1206	5	11
	1207+	3	7
Years in Service	Below 10	11	24
	11-20	12	27
	21-30	12	27
	31-40	10	22

Happiness after retirement should be well planned and should not be left to chances. One must have a vision on how social life should be foreseen; planning for it is a very important aspect to a happy and well-embraced retirement. Table 2 shows the level of retirement preparedness of employees in the social dimension.

Results showed that generally, the participants are socially prepared. Social connection within and outside the community assures the participants that they have established good relationship with others and that it will support their need for friendship after they retire from work. However, there is scarcity on their attendance to retirement preparation seminars that will hopefully strengthen their community involvement, travels and interpersonal endeavors as well as prepare the pre-retiree for a meaningful retirement. Hence, a streamlined approach retirement programs and initiatives that supports social connections and continuous involvement of pre-retiring employees as it moves from roles to roles is captured by the retirement plan.

Table 2. Level of Social Preparedness

Dimensions	Mean	Std. Deviation	Verbal Interpretation
1. Established good relationship with co-workers, family and friends that will keep in touch with even after retirement.	4.3556	.77329	Highly prepared
2. Believe that friends outside work can support needs for friendship.	4.2222	.76541	Highly prepared
3. Constantly keep in touch with family and friends that I will connect with after retirement.	4.3333	.79772	Highly prepared
4. Have planned to join activities that would offer opportunities for new friendships.	4.2222	.82266	Highly prepared
5. Have planned to develop other interests on areas of new learning.	4.1556	.90342	Prepared
6. Have plan to have hobbies after retirement	4.1556	.97597	Prepared
7. Have attended retirement preparation programs or seminars on social planning like community involvement, travel and interpersonal endeavors.	2.9111	1.27604	Moderately Prepared
<b>Mean</b>	<b>4.0508</b>	<b>.65121</b>	<b>Prepared</b>

Table 3. Level of Medical Preparedness

Dimensions	Mean	SD	VI
Have taken care of my health.	4.0889	.92496	Prepared
Have indulged myself on health activities that fit my age.	3.6222	1.02888	Prepared
Have regular medical check-ups.	3.2000	1.21730	Moderately Prepared
Have maintained a healthy weight.	3.3778	1.07215	Prepared
Have eaten a healthy diet.	3.7111	.99138	Prepared
Have a health insurance.	3.6000	3.57644	Prepared
Can pay for my medical expenses in retirement through retirement savings.	3.2222	1.10554	Moderately Prepared
<b>Mean</b>	<b>3.5460</b>	<b>.92697</b>	<b>Prepared</b>

Table 3 shows the level of medical preparedness of pre-retiring employees. In terms of medical preparedness, the participants are also prepared. However, while they think that they are medically prepared moderate preparation is evident on attendance to medical check-up, maintaining a healthy weight and provision for medical expenses upon retirement indicative that participants must do something to achieve what is in the mind. Thus, health and wellness initiatives play a significant role in this aspect as it implicates pre-retiring employees' mindset that provisions for medical expenses during retirement life is not necessary if and only if healthy life style through educative and dynamic health and wellness program and activities are taken care of.

On the other hand, older adults who constructively

reviewed and reappraised losses, challenges and difficulties physical limitations, and emotional changes in the lens of spirituality enhanced meaning and purpose in late life Stinson [7]. Table 4 shows the level of retirement preparedness of pre-retiring employees in spiritual dimension.

Table 4. Level of Spiritual Preparedness

Dimensions	Mean	SD	VI
Have planned to be an active member of the church.	4.1111	1.02740	Prepared
Am regularly visiting the church for involvement.	4.0222	.91674	Prepared
Believe that I have a strong sense of personal purpose and meaning in life.	4.3333	.90453	Highly Prepared
Have long appreciated life, accepted and ready for retirement both physically and spiritually.	4.4444	.75545	Highly Prepared
Believe that God's spirit lives in me.	4.7556	.57031	Highly Prepared
<b>Mean</b>	<b>4.3333</b>	<b>.71351</b>	<b>Highly Prepared</b>

Results showed that the participants are highly prepared spiritually. They believe that they have a strong sense of personal purpose and meaning in life, long appreciated life, accepted their spiritual readiness and believe that God's spirit lives within them. Stinson (2013) [7] study recognizes that with aging spirituality becomes intrinsic and less extrinsically motivated.

However, the plan of being an active member of the church and church visitation for involvement only revealed a prepared result. The enthusiasm to participate in the church community still needs to be campaigned as this could also be linked to the social activities of a

retiree, which will help them make good use of their time. Indeed the link between spirituality and social life to spirituality and a satisfying retirement is realistic as it shows connection that comes from the belief that as employees retires they have been dis-engaged from the 40 hours a week plus travel time busy schedule, so they divert their attention into connecting with nature, the world and the individual sense. Finally, table 5 shows the level of financial preparedness of pre-retiring employees of the state college. Financial seminars have greater and positive impact among the least wealthy and those who do not give importance to financial wealth (Lusardi, 2007) [8]. Even a simple economic understanding and other financial literacy program will play a vital role in the retirement future of an individual. Hence, the most important factor or retirement dimension to prepare before retiring is the financial aspect that covers financial accumulation, retirement income management and other expenses to consider. It is of great importance because the social and medical condition of a retiree is greatly affected by financial capacity.

Table 5. Level of Financial Preparedness

Dimensions	Mean	SD	VI
Have prepared an estimated budget of my retirement expenses.	3.4667	1.27208	Prepared
Have considered how the changes in the economy will affect my retirement budget.	3.7111	1.05792	Prepared
Have saved enough based on my personal computation.	3.2444	1.17077	Moderately Prepared
Know how much money I must save each month in order to retire at a comfortable level	3.4222	1.25207	Prepared
If my savings is not enough, have plan to increase my savings to the level of my desired computation.	3.4667	1.19848	Prepared
Have investments for retirement like time deposits, bonds, stocks life insurances etc.	2.9778	1.19637	Moderately Prepared
Mean	3.7556	1.24600	Prepared
When Taken Altogether	3.4349	1.04044	Prepared

The table showed that in terms of financial aspect the participants are generally prepared while moderately prepared on savings and investments upon retirement

and on issue whether they have enough savings based on their personal computation for which they are not sure if it could compensate for what they actually will be needing. Participants are prepared on topics considered that changes in the economic situations will affect the amount of savings or estimates they have planned and what they can leave to their family and or charitable institutions. Sound financial planning is essential for individuals to enjoy the quality of life they desire. Hence, retirement preparation is a lifelong process, which requires disciplined financial behavior [9].

Planning plays a vital role in a fulfilled and successful retirement life. While we are not sure what the future lies after a productive work or career life the least we can do is to prepare for it. Indeed, the ultimate goal of a retiree is to live a successful and contented life, to be happy, healthy, spiritually and financially secure thus, education of the most basic concepts along these dimensions will help make a wise retirement decision. Financial preparation alone will not resolve sufficient preparation. Good health beside financial security is also important during retirement years. Social aspects like social network, travelling hobbies, sports and games are also associated with retirement. Spiritual matter is important to help employees see its connection with their search for purpose and meaning in life especially towards retirement years. A spiritually prepared retiree also helps prepare to look forward to a happy life ending.

Table 6 Differences on the Level of Retirement Preparedness on Social Aspect

Variables	Sum of Squares	df	Mean Squares	f	p
	1.234	3	.411	.968	.417
Age	17.426	41	.425		
Sex	1.310	3	1.310	3.246	.079
	17.350	41	.403		
Civil Status	2.998	3	1.499	4.021*	.025
	15.661	41	.373		
Annual Income	2.503	3	.834	2.117	.113
	16.156	41	.394		
Number of Years in Service	.476	3	.159	.357	.784
	18.184	41	.444		

\*Significant at p-value < 0.05

The study revealed that the participant's topics preference for retirement education are; in social dimension the top choice is the Volunteer Service

Opportunities, for medical the interests is on Medical Conditions Related to Aging, for spiritual they preferred both Spiritual Assessment and Spirituality with Older Adults and for financial dimension participants preferred topics is on Investment. These choices form part of the priority list of topics of the retirement action plan. Further, profile differences on the level of preparedness is measured to identify retirement initiatives and activities appropriate to the participants. Table 6 shows the differences on the level of social preparedness of pre-retiring employees as to profile.

Results showed that the level of social preparedness of participants are not significantly different when grouped as to age, sex, annual income and number of years in service. However, a significant difference exist when grouped as to civil status where married employees are more socially prepared than single and widow. Study of Garcia (2012) [3] re-iterated that married couple look forward to retirement together as a chance to renew their relationship without the pressure of going to work every day and to interact with family and friends together. Indeed, the married participants' perspective reflect that retirement life can be viewed as the lasting time to spend with love ones and the time to enjoy and relax with friends. While retirement life is enjoyed however, retirees should exhibit a good health condition. Table 7 shows the differences on the level of medical preparedness of participants as to profile.

Table 7. Differences on the Level of Retirement Preparedness on Medical Aspect

Variables	Sum of Squares	df	Mean Squares	F	p
	1.421	3	.474	.534	.662
Age	36.386	41	.887		
Sex	1.111	3	1.111	1.302	.260
	36.697	41	.853		
Civil Status	1.427	2	.714	.824	
	36.380	42	.866		
Annual Income	4.772	3	1.591	1.974	.133
	33.036	41	.806		
Number of Years in Service	1.429	3	.476	.537	.660
	36.379	41	.887		

\*Significant at  $p$ -value < 0.05

Results showed that there is no significant difference on the level of medical preparedness, hence, it can be inferred that pre-retiring employees have the same degree of medical preparedness based on the selected

grouping variables. Participants' perspective is evident that health is regarded as utmost by pre-retiring employees regardless of age, sex, civil status, annual income and number of years in service. On the other hand, table 8 below shows the differences on the level of spiritual preparedness of participants as to profile.

Table 8. Differences on the Level of Retirement Preparedness on Spiritual Aspect

Variables	Sum of Squares	df	Mean Squares	f	p
	1.216	3	.405	.784	.509
Age	21.184	41	.517		
Sex	1.444	3	1.444	2.963	.092
	20.956	41	.487		
Civil Status	2.871	2	1.436	3.088	.056
	19.529	42	.465		
Annual Income	2.470	3	.823	1.694	.183
	19.930	41	.486		
Number of Years in Service	1.462	3	.487	.954	.423
	20.938	41	.511		

\*Significant at  $p$ -value < 0.05

Results likewise showed that the pre-retiring employees have no significant differences in their degree of retirement preparedness in the spiritual aspect when they are grouped according to the aforementioned profile variables. Accordingly, it radiates a context that more than any retirement dimensions' spirituality is the key towards successful and enjoyable retirement life. Finally, table 9 shows the differences on the level of financial preparedness of participants as to profile.

Table 9. Differences on the Level of Retirement Preparedness on Financial Aspect

Variables	Sum of Squares	df	Mean Squares	f	p
	1.922	3	.641	.575	.635
Age	45.709	41	1.115		
Sex	.006	3	.006	.005	.943
	47.625	41	1.108		
Civil Status	7.905	2	3.953	4.179*	.022
	39.725	42	.946		
Annual Income	4.327	3	1.442	1.365	.267
	43.304	41	1.056		
Number of Years in Service	4.874	3	1.625	1.558	.214
	42.757	41	1.043		

\*Significant at  $p$ -value < 0.05

Table 9 showed that financially there is no significant difference on the level of retirement preparedness of pre-retiring employees when grouped as to age, sex, annual income and number of years in service while varying degrees of preparedness is shown when they are grouped according to civil status. Hence, a significant difference exist on the level of preparedness where married employees are more prepared than single and widow. The result is similar to the study of Muratore and Earl (2014) [10] that being married or in a relationship and satisfied has more positive outcomes in retirement outlook.

### CONCLUSION AND RECOMMENDATION

Considering that retirement is seen as a dynamic development in every one's career the social connections and continued involvement in meaningful activities has an important effect on the retiree, thus the medical, spiritual and more so the financial aspects must be considered towards a fulfilled retirement year.

Based on the results and discussions presented the retirement preparedness of the participants when taken altogether is generally prepared. However, a significant result of high preparedness is observed on the spiritual aspect, which can be attributed to the strong religious culture of Filipinos. Henceforth, religious roles is maintained across the life span providing older people the continuity of their lives, thus religious organizations are important which provide community tie assisting them through their retirement years.

Moreover, it was observed that the on social and financial preparedness, married participants are more prepared than single and widow. Hence, a more focus retirement initiatives, activities and strategies must be identified, defined and undertaken to help other groups of pre-retirees cope with appropriate level of preparedness while continuously improving or enhancing initiatives and activities that married participants are enjoying and love doing.

The researchers recommended a retirement action plan for the pre-retiring employees of the state college giving equal importance to the four aspects interconnecting and affecting each other. The Human Resource Administrator of the State College may endorse the implementation of the action plan to implicate an outcome of a satisfied and fulfilled retirement years. The State College needs to encourage involvement and participation of the pre-retiring employees as well as allocate budgetary support for its successful execution.

While result inferred retirement prepared employees, there are uncontrollable challenges that would intervene the subjective expectations of the pre-retiring employees that should be considered. Therefore, it is recommended that future researchers need to fill gaps needed for future studies including but not limited to social groups of pre-retirees within and outside the academe in measuring social preparedness, religion in measuring spiritual preparedness, medical symptoms for measuring medical preparedness, and savings rate in measuring financial preparedness. The state college may consider inclusion of the retirement action plan and/or retirement initiatives and programs in the PAPs of the employee associations or in the faculty and staff development program under the office of the Personnel and Development Committee and that policies and guidelines shall govern such. Organizational diagnosis, which includes readiness, attitudes and understanding retirement life and related studies, may be conducted to support the design of a comprehensive retirement action plan for the state college.

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