International Journal of Engineering & Technology, 7 (4.28) (2018) 129-132

International Journal of Engineering & Technology

Website: www.sciencepubco.com/index.php/IJET

Research paper



Resources Influence Retirement and Life Satisfaction

Pang, Mary *[1,2], Lai, Ming Ming[1], Chong, Lee Lee[1]

[1]Multimedia University, Malaysia
[2]Nilai University
**Corresponding author E-mail:marypang@nilai.edu.my*

Abstract

Retirement is a one's of life essential transition. To maintain a positive well-being have become major concerns for individuals, organizations, and governments. Retirement has the potential to be a challenging transition in late adulthood, often causing instability in financial, emotional, health and social resources. This paper is motivated to examine the relationships between resources, life satisfaction and retirement satisfaction of retirees in Malaysia. We used purposive sampling method and personally administered 55 retirees. The correlation and regression results indicated that financial, physical health and emotional resources had positive relationships with life satisfaction. Likewise, cognitive and motivation resources have positive relationships with retirement satisfaction.

Keywords: *Retirement satisfaction; life satisfaction; resources.*

1. Introduction

Longer life expectancy and increasing proportion of older persons have contributed to the growing interest among researchers and policy makers to study how these individuals can maintain positive subjective well-being in the face of changes and losses during their later life. According to the United Nation, the population of 60 years and above accounted for 15.8% of the total population in 2015 and is expected to increase to approximately 40% by 2050 (United Nations, 2015). In Malaysia, the statutory retirement age is 60 (KWSP, 2016). Older adults can spend approximately 20 or more years in retirement. Aging is also a significant obstacle to gain satisfaction in life in the elderly because they are affected by many problems including poor health, poverty, disability, loneliness and anxiety that can affect the feeling of life satisfaction. Retirees are worried about the future and feel that their independence is being threatened when they lack of appropriate resources in old age. On the other hand, being old with biological, chronological and changes of social aspects is an unavoidable. The aging process influences the structure of age-related capacities which effect their satisfaction in life (McMullin, 2000). Hence, it would be interesting to find out the resources that influence retirement and life satisfaction of retirees in Malaysia.

2. Literature Review

2.1 Life satisfaction

Life satisfaction and retirement satisfaction are considered cognitive processes arising from an individual's assessment of people's life (Pavot and Diener, 1993). Moy (2016) revealed that retirement has a positive impact on overall life satisfaction a few years after retirement. In other words, higher level of retirement satisfaction promotes higher level of life satisfaction.

2.2 Emotional resources

Past studies reveal that emotional, health and financial resources affect life satisfaction. Emotional resources comprise of two important elements, namely positive emotion and emotional intelligence. Emotional intelligent is "a set of skills hypothesized to contribute to the accurate appraisal and expression of emotion in oneself and in others and the use of feelings to motivate, plan and achieve in one's life" (Salovey & Mayer, 1990, p.185). Past researches commented that elderly with emotional intelligence better understand and control their own emotions; as a result it has led to a greater feeling of better emotional and higher subjective well-being (Samil and Rizvi, 2013). Both studies point out that higher emotional intelligence promotes better emotion, health, and satisfaction in life. This is because the elderly focus their attention on the emotionally meaningful aspect of life by developing socially meaningful relationships to be socially interconnected.

2.3. Health resources

Gerstorf et al. (2010) claim that as age increases, life satisfaction declines steeper because health condition is also decreasing. As unhealthy retirees reduce their activities and decrease social contact and increased isolation and thus may also be a cause of their low life satisfaction. The study has 3,427 participants and is based on a 24 year longitudinal data obtained from the German Socio-Economic Panel Study (SOEP). Similarly, Gwozdz and Sousa-Poza (2009) claimed that life satisfaction decline rapidly due to health problems. It was found that the relationship between age and life satisfaction is U shape. When retiree getting older life satisfaction decline rapidly primarily due to low level of health.

Copyright © 2018 Authors. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

The study was based on 13 waves of the German Socio- Economic Panel (GSEP) and the Survey of Health, Aging and Retirement in Europe. However, Moy (2016) have a different argument. Their findings reveal that retirement improve health and life satisfaction for retirees. This is because retirees are relieved from their stressful jobs and having more leisure time for interest and hobbies. Thus, it reduces mental stress and physical stress which promotes better emotion and health.

2.4. Financial resources

According to Caraher (2000) study, most of the developing countries lack of comprehensive social security system, this including Malaysia. Jariah, Tengku Aizan and Ibrahim (2012) examined financial practices and problems of the elderly in Malaysia. The questionnaire was collected in 2004 from 2,327 elderly aged between ages 55 and 75 years old. The findings reveal that about one third of elderly experience financial problems. The elderly have to rely on children's money to support them. The proportion that receiving pension and other source of income is much lower. Financial resources received is not compatible with increasing level cost of living which bring detriment quality life and life satisfaction in old age.

Substantial past researches have shown that financial resources have a strong positive relationship with life satisfaction (Campbell, Converse and Rodgers, 1976). Diener, Tay and Oishi (2013) examine whether there was an association between changes in income and changes in subjective well-being. A total of 806,526 people aged 15 and from 135 nations was analyzed by using telephone survey. The results indicate that an increase in household income is associated with an increase in life evaluations (i.e., life satisfaction), positive feelings and reduce negative feelings. Life evaluation (i.e., life satisfaction) is not only associated with income, but also with changes in income. The findings show that when a person's material quality of life accompanies with rising income, people would become more optimistic about their futures; hence, better life satisfaction. However, Hong and Han (2013) have a different argument; The study is based on a face-to-face interview using a structured survey questionnaire given to a sample of 1,086 older adults aged 55 and above. They reveal that income has a positive impact on life satisfaction but is not mainly due to changes of income. The results show that financial assets with high level of liquidity might be more likely to be associated with high life satisfaction than illiquid assets such as a house. This is because liquid asset can be used for immediate expenditures compared to illiquid assets.

2.5. Retirement satisfaction

Retirement satisfaction is defined as the evaluation of life in retirement with the emphasis on economic resources, interpersonal relationship, current enjoyment, leisure, physical activity, current satisfaction, and retirement adjustment (Floyd et al., 1992, p.617). Past studies indicate that retirement resources have an impact on retirement satisfaction. Leung and Earl (2012) investigated the relationships between retirement resources inventory and retirement well-being among 267 Australian retirees aged 50 years or above. The cross-lagged panel analysis show that the retirement resources such as motivational resources, cognitive resources significant to retirement satisfaction.

2.6. Cognitive resources

Cognition can be defined as "the mental process of knowing, including aspects such as awareness, perception, reasoning and judgement" (Gilmour, 2011, p.1). Different cognitive functions play a role in decision making, it influences an individual's ability to process information to make the right choices. Hence, abilities of cognitive function can impact an individual's emotions, health and retirement satisfaction.

Past researches have shown that retirement may have negative impact on a person's cognitive function. Rohwedder and Willis (2010) examined whether retirement led to cognitive decline by using cross-nationally comparable surveys of older persons in the England, United States, and 11 European countries in 2004. The results show that retirees reported a 37% reduction in cognitive function on word recall. This result is further supported by Celidoni, Bianco and Weber (2013) who claimed that retirement is associated with a 20% reduction in verbal memory and occurs shortly after retirement.

Functionality of cognitive has impact to satisfaction of retirement. Shoemaker (2005) examined acquisition of computer skills by inexperienced people over the age of 55. The study was based on non participation observation of class sessions, short questionnaires and interview after class. The finding revealed that cognitive deficits were involved in old age. The finding shows that a slowed learning response time by old age learners. It affecting elderlys'emotion. The author argued that social network play an important role to influence old learners' ability to acquire new skills. Old learners feel more comfortable in learning new skills when social network support for computer use outside the classroom.

2.7. Motivation resources

Motivation plays an important role in old age due to the drastic changes of cognitive, health, physical, social role and living environment. Hence, understanding the role of motivation in these changes is necessary. It leads to a better understanding for a more complete picture of the psychological processes involved in aging.

Stephan, Fouquereau, and Fernandez (2008) examined the impact of motivation on life satisfaction that influences retirement satisfaction. The study consists of 150 retiree living in France with ages ranged from 53 to 74 years. The results show that motivational in late life could positively influence satisfaction with life in retirement among active retirees. The results point out that individual with higher levels of intrinsic motivation (autonomous) such as knowledge, stimulation and accomplishment improve higher retirement satisfaction.

Furthermore, Forstmeier and Maercker (2008) argued that motivation from occupation manage to enhance better retirement in life. The results reveal that motivation from their occupation acts as a shielding factor against cognitive weakening and emotional difficulties in old age.

3. Data and Method

A total of 60 samples were collected from retirees, through approved formal senior activity centres of Department of Social Welfare of Malaysia in Perak and Negeri Sembilan from August until September 2016. After filtering, only 55 complete questionnaires were usable.

The questionnaire consisted of demographical sections and resources sections. The resources sections consisted of five resources, namely physical health, emotional, financial resources, motivational, cognitive resources and the questions were adapted from Leung and Earl (2012). Life satisfaction and retirement satisfaction questions were adopted from Diener et al. (1985) and Floyd et al., (1992) respectively. The overall Cronbach's alpha coefficient is greater than 0.80. The questionnaire survey was

measured based on 5 points Likert scales; 1 (strongly disagree or very poor) to 5 (strongly agree or very good).

4. Results and Discussions

The majority of the respondents indicated that health resources, financial resources, emotional resources are beneficial to their retirement ($\bar{x}$ = 3.65; 3.14; 3.65). However, the results on financial resources from questions 'I can afford to buy what I want to' and 'I can afford to do things I would enjoy' show moderate satisfaction among the respondents. In addition, the majority of the respondents agreed and were satisfied based on their cognitive and motivational resources ($\bar{x}$ = 3.67; 4.11). However, the results for 'ability to acquire new knowledge or skills' is unsatisfactory. It shows that retirees face some difficulties in acquiring new knowledge or learning new skills after retirement. Some of the respondents expressed that it would be good when senior citizen activity centers have more activities to improve their computer knowledge or skills. Besides, they expressed that social network support encouraged them to acquire new knowledge or skills. This result is consistent with Shoemaker (2005). Overall, the majority of the retirees are satisfied with both retirement satisfaction and life satisfaction ($\bar{x}$ = 3.55, 3.84).

4.1. Life satisfaction and Resources analysis

About 69.6 per cent of the respondents are Chinese, 10.7 per cent Malay and 17.9 per cent Indian. In terms of education level, only 4 per cent did not have any formal education. About 70 per cent of the respondents live with their spouse and children while 30 per cent live alone. More than 80 per cent of the respondent's spouses had a permanent job with gross income.

Table 1: Correlations between life satisfaction, financial resources, physical health, and emotional resources

	Life satisfaction	Financial resources	Physical health resources	Emotional resources
Life satisfaction	1			
Financial resources	0.533*	1		
Physical health resources	0.461*	0.296	1	
Emotional resources	0.633*	0.452	0.384	1

* denotes $p < 0.05$

Table 1 reports the results of Pearson correlation coefficient between life satisfaction and financial, physical health and emotional resources. Life satisfaction is strongly correlated with emotional and financial resources. Life satisfaction and physical health revealed moderate correlation coefficient of 0.461.

Positive relationship between physical health and financial resources was found. When both resources increase, it increases higher life satisfaction. The results are consistent with past studies where financial resources reflect purchasing power to meet one's expectations, desires and standard comparison that are important for life satisfaction (Campbell, Converse and Rodgers, 1976). Conversely, inadequate financial resources will reduce life satisfaction in retirement (Hershey, 2010). Lower level of financial resources not only will increase negative feeling of worries of retirees, it also results in lower living standards in later life. This will impact the condition of their health, quality of life and affect life satisfaction.

Table 2: Results of stepwise regression between life satisfaction and resources

	Coefficient	P value	R^2
Life satisfaction	0.936		0.719
Financial resources	0.165	0.015	
Physical health resources	0.204	0.048	
Emotional resources	0.371	0.000	

Table 2 reports the stepwise regression results between retirement resources and life satisfaction. Financial resources, physical health resources and emotional resources indicated positive statistically significant with life satisfaction. The R^2 (Coefficient of determinant) of 0.719 indicates that independent variables (financial resources, physical health resources and emotional resources) explain 71.9% of the variability of life satisfaction. Hence, the model can be written as below.

Life satisfaction = 0.936 + 0.165 (Financial resources) + 0.204 (Physical health resources) + 0.371(Emotional resources).

The result also shows that emotional resources have a positive relationship with life satisfaction (see Table 2). An increase in emotional resources has led to a higher life satisfaction. The results is consistent with Samil and Rizvi (2013) and Salovey and Mayer (1990). Both studies show that older adult have strong emotion regulation across their life span, emotional resources lead better health and life satisfaction.

Table 3: Correlations between retirement satisfaction, cognitive resources and motivation resources

		Retirement satisfaction	Cognitive resources	Motivation resources
Pearson Correlation	Retirement satisfaction	1		
	Cognitive resources	0.467*	1	
	Motivation resources	-0.204	-0.467	1

* denotes $p < 0.05$

Table 3 shows the correlation coefficient between retirement satisfaction, cognitive resources, motivational resources and retirement satisfaction. Retirement satisfaction strongly correlates with cognitive resources (0.467) while has weak correlation with motivational resources.

4.2. Retirement satisfaction and resources analysis

Table 4: Results of regression between retirement satisfaction and resources

	Coefficient	P value	R^2
Retirement satisfaction	0.9360		0.4
Cognitive resources	0.3790	0.000	
Motivational resources	-0.1040	0.002	

The stepwise regression results in Table 4 report that both cognitive and motivational resources are significantly related to retirement satisfaction. The coefficient of determinant of 0.4 indicates that cognitive resources and motivational resources explain 40% of the retirement satisfaction. The multiple regression results show that cognitive and motivational resources are significant predictors in explaining retirement satisfaction. This result shows that cognitive functionality promotes emotion and physical health which can lead to better retirement satisfaction. The result is consistent with Rohwedder and Willis (2010).

On the other hand, the findings show that increase motivation leads to a decrease in retirement satisfaction when retirement does not turn out as expected (Butrica and Schaner, 2005). One of the possible reasons expressed by retirees is dissatisfaction of the home elderly environment which in turn affect the emotional and health. Subsequently, demotivated retirees (Vallerand and

O'Connor, 1989).The findings reveal that this dissatisfaction reduces the autonomy desired and limits the social activity of the elderly. It reduces the quality life of retirees in retirement and life satisfaction. During the survey, the respondents expressed that they are worried due to the uncertainty of the transition period of retirement life. The majority of them believed that work after retirement, either part time or full time will not only occupy their free time but also improve financial security and expand their social network in their later life.

5. Conclusion

The overall results indicate that retirees need adequate financial resources, good physical health and positive emotion to enhance life satisfaction. Cognitive and motivation resources promote retirement satisfaction in later life. The higher the retirement satisfaction, the better life satisfaction. Some retirees are worried about having sufficient income to get by in their retirement. The findings of the study provide a potential retirement resources enhancing better life of retirees in old age. Future research should examine the impact of increase of cost of living on retirees' life satisfaction as well as re-employment opportunity and upskillings.

Acknowledgments

This work was supported by the Ministry of Higher Education, Malaysia under Fundamental Research Grant Scheme [FRGS/1/2016/SS01/MMU/01/1]. The authors are grateful for the financial support received from the ministry. The received funding did not lead to any conflicts of interest regarding the publication of this manuscript. The authors declare that there is no conflict of interests regarding the publication of this article. We affirm the protection of the rights and dignity of all subjects involved in research. The authors would like to thank all those who participated in this survey.

References

[1] Butrica BA & Schaner SG (2005), Perspectives on productive aging. The Retirement Project, 1–6.
[2] Caraher K (2000), Issues in incomes provision for the elderly in Malaysia. International Social Security Association (ISSA), 1–12.
[3] Campbell A, Converse PE & Rodgers WL (1976), The quality of American life. New York: Russell Sage Foundation.
[4] Celidoni M, Dal Bianco C & Weber G (2013), Early retirement and cognitive decline. A longitudinal analysis using SHARE data. Available online:http://webcache.googleusercontent.com/
[5] search?qcache:http://www.economia.unipd.it/sites/decon.unipd.it/files/20130174.pdf.
[6] Diener ED, Emmons RA, Larsen RJ, Griffin S, Diener E, Emmons R, Larsen R & Griffin S (1985), The satisfaction with life scale. Journal of Personality Assessment 49 (1), 71–75.
[7] Diener E, Tay L & Oishi S (2013), Rising income and the subjective well-being of nations. Journal of Personality and Social Psychology 104(2), 267–276.
[8] Floyd FJ, Haynes SN, Doll ER, Winemiller D, Lemsky C, Burgy TM, Werle M & Heilman N (1992), Psychology and Aging 7(4), 609–621.
[9] Forstmeier S & Maercker A (2008), Motivational reserve: Lifetime motivational abilities contribute to cognitive and emotional health in old age. Psychology and Aging 23(4), 886–899.
[10] Gerstorf D, Ram, N, Goebel J, Schupp J & Wagner GG (2010),NIH Public Access. Psychol Aging25(3), 661–676.
[11] Gilmour H (2011), Cognitive performance of Canadian seniors. Health Reports 22 (2), 1–16.
[12] Gwozdz W & Sousa-Poza A (2009), Ageing, Health and Life Satisfaction of the Oldest Old: An Analysis for Germany. IZA Discussion Paper No.4053, (4053).
[13] Hershey DA (2010), Aging and financing planning for retirement: Interdisciplinary influences viewed through a cross-cultural lens. European. Journal of Aging 7, 301–311.
[14] Hong SI & Han CK (2013), Asset Impacts on Life Satisfaction in an Asset-Rich Country: Focusing on Older Adults in Singapore. Social Indicators Research.
[15] Jariah M, Husna S, Tengku Aizan TAH & Ibrahim R (2012), Financial practices and problems amongst elderly in Malaysia. Pertanika Journal of Social Science and Humanities 20 (4), 1065–1084.
[16] KWSP (2016), Contribution rate. Available online: http://www.kwsp.gov.my/
[17] Leung CSY & Earl, JK (2012), Retirement resources inventory: Construction, factor structure and psychometric properties. Journal of Vocational Behavior 81(2), 171–182.
[18] McMullin JA (2000), Diversity and the state of sociological aging theory. The Gerontologist, 40(5), 517–30.
[19] Moy S (2016), Science Confirms It : Retirement is good for your health. The Fiscal Time. Available online: http://www.thefiscaltimes.com/2015/07/31/Science-Confirms-It-Retirement-Good-Your-Health.
[20] Pavot W & Diener E (1993), Review of the satisfaction with life scale. Psychological Assessment 5, 164–172.
[21] Rohwedder S & Willis RJ (2010), NIH Public Access. Journal of Economic Perspect 24 (1), 119–138.
[22] Salovey P & Mayer JD (1990), Emotional intelligence. Imagination, Cognition and Personality 9 (3), 185-211.
[23] Samil AU & Rizvi T (2013), Emotional Intelligence and Personality Traits as Life Satisfaction Among Aged Persons. Projournal Of Humanities and Social Science 1, 1–9.
[24] Shoemaker S (2005), Acquisition of computer skills by older users : A mixed methods study. Research Strategies 19, 165–180.
[25] Stephan Y, Fouquereau E & Fernandez A (2008), The Relation between Self-Determination and Retirement Satisfaction among Active Retired Individuals. The International Journal of Aging and Human Development 66(4), 329–345.
[26] Vallerand R J & O'Connor BP (1989), Motivation in the elderly: A theoretical framework and some promising findings. Canadian Psychology/Psychologie Canadienne 30, 538–550.
[27] United Nations (2015), World population prospects: The 2015 revision, key findings and advance tables. Working Paper (ESA/P/WP.241), 587–592.