Perceptions toward Retirement between Government and Non-Government Mangers

- A Comparative Study

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Abstract

Social and financial changes influence the way workers plan their retirement. Managers' leadership and experience are crucial to organizations, and employers may wish to retain or replace managers lost over the past financial crash. However, there is little understanding of whether manager decisions to retire differ between public and private sectors. Understanding this process will assist employers in determining the best policies to attract and retain managers. In this study, the researcher used a survey-based approach to determine how strongly finance, healthcare, and job security affected the perception of retirement in managers in the public and private sectors. The public and private sector managers' responses were then compared to determine if these factors differed in one industry over the other. The results of the independent-samples *t*-test for finance showed no significant difference in the results between the public (mean = 2.84, SD = 0.57) and private (mean = 2.69, SD = 0.48) sectors; where $t(174) = 1.91$, and $p = 0.06$. The results of the independent-samples *t*-test for healthcare showed no significant difference between the results for the public (mean = 2.76, SD = 0.41) and private (mean = 2.75, SD = 0.27) sectors; where $t(174) = 0.19$, $p = 0.85$. The results of the independent-samples *t*-test for job security showed no significant difference in the results between the public (mean = 2.94, SD = 0.43) and private (mean = 2.87, SD = 0.29) sectors; $t(174) = 1.29$, $p = 0.20$. The results of the study show that managers in the public and private sectors do not significantly perceive any differences in how finance, healthcare, and job security affect their decision to retire. Further research is recommended to determine whether other factors influence retirement decisions between public and private sector managers.

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Chapter 1: Introduction

Changing patterns in the way workers retire influence the hiring rates and finances of both employees and employers (Coleman, Guled, Levy, & Mitchell, 2010). Coleman, Guled, Levy, and Mitchell noted many workers delay retirement while others leave the workforce early due to job insecurity. Employees in manager positions are especially valuable to companies for their abilities to govern subordinates and leadership to an organization (Nygård, Siukola, & Virtanen, 2013).

The aging baby boomer generation is rapidly approaching retirement age. Research suggests that baby boomers may live healthy lives beyond 100 years old, so many are delaying retirement, as a result (Wheelwright, 2010). Another reason is the financial crisis of 2007-2008, which destabilized the economic environment through massive layoffs and downsizing. Job loss, in turn, negatively affected the way managers saved for retirement and viewed job security (Willett, 2012). These retirement patterns frequently occur in both the government (public) and non-government (private) industries (Coleman, Guled, Levy, & Mitchell, 2010). It is unclear if these factors have more of an influence on managers in public industries or private industries.

Financial concerns are the most significant factor for managers when planning retirement (Cocco & Lopes, 2011). Public and private pension plans and personal savings play unique and significant roles in the decision-making of workers regarding the timing of retirement (Cunningham & Poehl, 2011). Lazear (2011) discussed how managers in the private sector have higher overall wages than those in the public sector. This financial advantage may affect a manager's decision to retire. Healthcare and job security are the second and third most influential factors for managers deciding when to retire (Matthews, 2010). Matthews noted the public sector appears to have higher rated healthcare and job security benefits over the private sector.

There is a need for a comparative study to determine if salary, healthcare benefits, and job security have greater influence on retirement decisions of private industry managers or public sector managers. Understanding how these factors affect manager decisions to retire or remain in the workforce will allow for better forecasting of labor shortages or surpluses between the public industry and private industry (Matthews, 2010). Forcasting enable better organizational planning regarding manager staffing.

Background

As the working population continues to age, and baby boomers retire in record numbers, their departure is causing a significant impact in the job market. Changing economic conditions spurred by the recession is leading some employers to adopt policies such as downsizing and hiring freezes (Coleman, Guled, Levy, & Mitchell, 2010). Declining birthrates and a gap in skills and experience are also affecting the ability to replace aging workers, especially those in management. Companies are increasing the retirement age and modifying financial incentives to delay manager retirement (Dumay & Rooney, 2011). Significant shifts over the past 15 years in the United States economy have profoundly affected the labor force. The recession of 2007 - 2009 and collapse of the housing bubble have shifted the economy from high productivity to primary manufacturing and job loss. Today, the economy remains somewhat stagnate as companies have adapted to their restructured labor forces (Clark, Greer, Harris, & Morris, 2012). The U.S. Small Business Administration (2015) indicated that small businesses accounted for over 65% of all new jobs. Despite increasing hiring trends, consumer confidence continues to lag (Guo, Prasad, & Tata, 2012). Most of the new jobs created since the recession is in lower-paying professions such as the food and service industry (Gaines, Isaacson, Lopezlira, & Revia, 2012). Healthcare jobs survived the recession due to the aging population (Rosenberg, 2012). The construction industry continues to lag behind other professions as the housing market struggles to gain strength (Woods, 2012).

Although the labor market continues to struggle, employers are finding it difficult to retain leadership and management positions (Laura, Nivorozhkin, & Schneider, 2013). Companies are searching for the reasons why managers retire or remain in the workforce. Financial concerns are the most prevalent issues when managers retire (Cocco & Lopes, 2011). Financial concerns that are surrounding retirement include pension plans, savings, and healthcare costs. Changes in pension plans have dramatically affected the long-term options for retirees (Johnson, 2013). Defined benefit plans were once typical and guaranteed lifetime payments for pensioners; however, defined contributions plans are rapidly taking over the retirement savings industry (Schooley & Worden, 2013). Remaining defined benefit plans, especially those in state and local government agencies, are severely underfunded (Johnson). Concerns about future retirement income are motivating many managers to retire rather than to risk losing their benefits.

Social Security is the primary source of income for most retirees today, and the strain the baby boomer generation is placing on available Social Security funds is forcing policy changes to the system (Willett, 2012). Reductions in Social Security will only put further financial hardships on retirees. Many workers find it difficult to save during these challenging economic conditions. Many low-income families have less than $1,000 in total savings (Drucker, Fryar, Thibodeau, & Warther, 2012). Statman (2013) noted that many younger workers fail to plan for retirement. Healthcare costs place financial concerns on retirees as insurance and out-of-pocket costs continue to rise (Kim & Kim, 2010). Medicare is the most common form of retiree healthcare insurance, but Medicare only covers around 60% of healthcare costs (Baicker & Levy, 2012). Hoffman and Jackson (2013) predicted that, by 2030, many retirees dedicate up to half of their post-tax income to healthcare costs. Job security concerns also affect managers during retirement retire. Increases in responsibilities, anxiety, and stress are motivating many managers to retire (Cunningham & Poehl, 2011). Employers seeking to retain managers should consider financial, healthcare, and job security factors in order to enhance the working conditions of their employees.

The recession negatively affected both the public and private industries. During the recession, the public industry fared better, with fewer layoffs and downsizing; however, budget cutbacks are now causing hiring freezes and changes in benefits for government workers (Oluwafemi & Omolayo, 2012). Failing to forecast labor shortages correctly makes auditing difficult for both government agencies and private employers due to pension and healthcare costs. Understanding worker motivation toward retirement helps companies estimate if workers retire or remain in the workforce. Mangers retiring in large numbers affect both employer and employee finances, social concerns, and economic variables (Oluwafemi & Omolayo). This study will help forecast where financial and hiring problems will arise and thus allow for better planning to lessen any negative consequences from these retirement patterns (Coleman, Guled, Levy, & Mitchell, 2010).

Statement of the Problem

There is a gap in rational choice theory regarding the belief that the boomer generation can adequately plan for retirement (Coughlin & Dambrosio, 2009). One reason for this difference is a lack of behavioral research into what motivates managers to retire (Chatterjee, 2010). Gaining a better understanding of what motivates managers to retire will add essential information to rational choice theory (Chatterjee).

There has been little research comparing the factors that affect manager decisions toward public and private sector retirement (Coleman, Guled, Levy, & Mitchell, 2010). Typically, manager salary is higher in the private sector than the public sector, but healthcare benefits and job security are also important factors to consider (Coleman, Guled, Levy, & Mitchell). The aging population of the American workforce has a profound economic impact on labor as a significant number of workers are retiring (Cunningham & Poehl, 2011). Managers remaining employed past the normal retirement age of 65 are preventing younger workers from moving into those positions (King, 2011). If employers do not efficiently plan for actively employed manager retention or retirement, they may find themselves without adequate leadership and experience in the workplace (King). Understanding manager behavior on finance, healthcare, and job security, allows employers to minimize the impact on the workplace (Cunningham & Poehl). Forecasting manager retirement also allows employers to budget for healthcare and pension plan costs (Cunningham & Poehl).

Purpose of the Study

The purpose of this quantitative study is to examine whether there are measurable differences between public and private sector managers and the factors that influence their decisions to retire. The results of this study will help forecast retirement and retainability trends in the labor force (King, 2011). Understanding what factors influence manager decisions regarding retirement in public and private industries will help business leaders forecast labor shortages (Matthews, 2010). Uncovering shortage or retainability trends in manager positions in public or private industries will also allow for better control over the costs associated with healthcare and pension plans (Kim & Kim, 2010).

Participants used in this study will be those currently employed in manager occupations in organizations distributed around the country. The advantage of using managers is that regardless of the work environment, managers share many related duties including managing staff and developing and conducting office activities (Nygård, Siukola, & Virtanen, 2013). Nygård, Siukola, and Virtanen also noted that managers are equal to job duties and responsibilities in both white and blue-collar occupations in public or private industries.

This research will include the use of a Likert-type scale survey to evaluate factors that may influence a manager's decision to retire. Murray (2013) noted researchers commonly use Likert-type scales to measure factors among individuals or groups. The Likert-scale usually requires a response based on a 5-level scale measuring agreement or disagreement.

The data collection service SurveyMonkey will distribute the surveys to participants across the United States by way of electronic emails using their audience feature. The SurveyMonkey audience feature allows members to be selected based on occupation and industry and adheres to strict institutional review board (IRB) guidelines to ensure all data remain confidential (SurveyMonkey, 2014). Symonds (2011) discussed how remote data collection services such as SurveyMonkey are growing in popularity by researchers and students due to efficiency, low costs, and the ability to reach a broad target audience. This type of electronic survey distribution and collection method also saves a great deal of time over traditional survey approaches.

Theoretical Framework

The conclusions of this quantitative study may contribute to rational choice theory, which is part of sociological theory, and takes into account how individual choice influences behavior in the social world (Callahan, 2010). Brenner (2010) explained using social theory helps researchers formulate social action models. The purpose of social action models is to describe and explain the complexities of larger groups and systems. Brenner noted the emphasis on individuals' interests is always a starting point for any theory of social choice. There is a growing social phenomenon in the field of retirement, as more employees remain active in the workforce (Weber, 2010). Bousinakis and Halkos (2010) wrote how poor economic conditions and healthcare concerns are two of the more common reasons workers are not retiring. An increase of lifespan is also a contributing factor, as individuals are remaining active for longer in the workforce. Although the goal of social theory is to study relationships between persons and society, Weber noted that theory and practice are interactive and dynamic, and not always mutually exclusive.

Researchers use the concept of social theory in studies concerning human nature and society, and this concept relates directly to understanding what factors influence worker attitudes (Moll, 2011). Moll pointed out one common theme in social theory is the rise of modern technology, and the shifting ideology of capitalism has affected employment patterns. Another theme is paradigms in work production, which serves as a key concept for critical analysis. In the past, researchers using social theory focused on mundane human behavior in an attempt to explain individual actions and beliefs toward a broader social system (Moll). Current views on social theory have evolved to a more multicultural concept that rejects universalism and supports the struggle of disenfranchised populations. This new view of social theory is often critical and highlights the importance of context within society (Moll).

Coromina, Guillen, and Saris (2011) wrote how the concept of social theory is attractive but difficult to define and measure. Manza, Sauder, and Wright (2010) explained the concept of measuring social theory using three major perspectives in sociology. The perspectives are functionalism, conflict theory, and interactionism. The perspective of functionalism is how different relationships allow society to function. For example, government provides education to children that enable them to acquire better jobs and pay taxes, which in turn funds government. The perspective of conflict theory is how the powerful and elite exert dominance over the weak. The perspective of interactionism concerns the use of symbolism and face-to-face interaction in society, such as using the octagon shape for a stop sign. Researchers using these views assert that society is a set of interdependent parts that serve to make up society. The perspective of interaction is similar to studying the behavior of an employee toward public and private retirement plans (Manza, Sauder, & Wright).

Sun and Yuan (2010) discussed how social theory sets standards for social responsibility in business. Changes in economic conditions can influence legislatures to formulate laws and regulations about corporate social responsibility, including accounting and disclosure systems. These disclosure systems force corporations to adhere to stricter ethical behavior when making business decisions, including hiring trends. DeVos, Kalwij, and Kapteyn (2010) wrote how current policies in business aim to increase the employment of older people to counter the economic consequences of an aging population. Conclusions in the study performed by DeVos, Kalwij, and Kapteyn appeared to show an increase of retainability of managers but do not indicate if this applies to both public and private industries.

Research Questions

There are three research questions in this study. These research questions address the factors that influence active public and private sector managers and their decisions to retire. The research questions used in this study will be:

Q1. Is there a difference regarding the influence of salary and the decision to retire between currently employed public or private sector managers?

Q2. Is there a difference regarding the influence of healthcare benefits and the decision to retire between currently employed public or private sector managers?

Q3. Is there a difference regarding the influence of job security and the decision to retire between currently employed public or private sector managers?

Hypothesis

$H1_0$. There is no statistical difference between currently employed public or private sector managers and how salary influences their decision to retire.

H1. There is a statistical difference between currently employed public or private sector managers and how salary influences their decision to retire.

$H2_0$. There is no statistical difference between currently employed public or private sector managers and how healthcare benefits influence their decision to retire.

H2. There is a statistical difference between currently employed public or private sector managers and how healthcare benefits influence their decision to retire.

$H3_0$. There is no statistical difference between currently employed public or privates sector managers and how possible job security influences their decision to retire.

H3. There is a statistical difference between currently employed public or private sector managers and how possible job security influences their decision to retire.

Nature of the Study

The purpose of this quantitative study is to examine whether there are measurable differences between public and private sector managers and the factors that influence their decisions to retire. Understanding what factors affect manager decisions regarding retirement in public and private industries will help business leaders forecast labor shortages and allocate their budgets to cover pension and healthcare costs (Matthews, 2010). The researcher is using a quantitative research design that is appropriate for this study. The data are readily quantifiable and the research questions and hypotheses address relationships between factors and groups (Kim & Kim, 2010). Quantitative research is also a standard method for comparing two or more groups such as public and private industries (Cozijnsen, Deeg, & Rijs, 2012). The researcher will facilitate the collection of data from respondents geographically dispersed across the United States through a web-based survey. Survey respondents identified as managers will work in the public and private industries. The researcher will use survey questions from three pre-existing instruments, with permission, to create the web-based survey. Participants will answer the survey questions using a 5-point Likert-type scale. Quantitative research studies are efficient when working with Likert-type scale survey data (Murray, 2013) and useful when comparing factors that influence decision-making (Grace, Mitchell, & Weaven, 2010). The survey questions will cover three main topics, including finance, healthcare, and job security for measuring participant motivation toward retirement. The researcher will use interferal statistics to analyze the survey data and to determine acceptance or rejection of the null hypothesis. The researcher will utilize the *t-test* to analyze the data in this study. G*Power 3.1 software showed for a *t-test* with an error factor of .05, and a confidence level of 95% a total sample size of 176 participants is required to ensure statistical significance.

Significance of the Study

A large percentage of the American workforce is retiring at a rapid rate. Understanding what motivates employees to retire will help forecast shortages in the labor market. The aging population of the American workforce is having a profound impact on economic and social culture, as a significant number of workers appear to be remaining active in the workforce past the normal retirement age of 65. Employers struggle to fill manager and leadership positions lost during the recession (Cunningham & Poehl, 2011). Financial, healthcare, and job security concerns in both public and private industries motivate employees.

Financial concerns are the most significant in motivating workers toward or away from retirement (Cocco & Lopes, 2011). There are many factors involved with retirement finances. Social Security is the only form of monthly income most retirees have, especially now with replacing defined benefit plans with defined contribution plans

(Schooley & Worden, 2013). Personal savings outside of pension plans are down due to poor economic conditions, and many retirees are struggling to pay for the most fundamental expenses such as food and rent (Sukar & Krishnan, 2012). Understanding the impact finances have on managers when it comes to retirement will allow employers to structure their budgets better in order to meet the needs of their employees. Higher base pay for employees enables them to save more for retirement. Offering defined benefit or defined contribution plans such as 401(k) plans help motivate workers to save and invest for their futures (Bajtelsmit, Foster, & Rappaport, 2013).There are many studies conducted on retiree finances, but few measure employee motivations toward retirement. In this study, the researcher seeks to determine if base pay, pension plans, and personal savings influence managers to retire early or remain in the workforce. Further analysis comparing the results of this study between public and private workers will shed light on whether government employees or private employees are more satisfied with their financial outlook toward retirement.

Healthcare concerns are the second factor measured in this study. Healthcare costs have become such a prevalent issue for retirees that they often override other financial interests (Kim & Kim, 2010). Medicare and Medicaid are the primary insurance options used by most retirees; however, these plans only cover a percentage of healthcare finances for many. This forces retirees to pay supplemental insurance programs to help offset out-of-pocket expenses. Hoffman and Jackson (2013) discussed how healthcare costs might soon become the chief retirement cost for most seniors. Employees preparing for retirement often do not adequately plan for their healthcare needs. Education helps inform employees on the proper way to save while remaining active in the workforce, and employers are encouraged to implement formal retirement programs (Hoffman & Jackson, 2013). There is confusion if managers in public agencies or private companies view their healthcare to be better or worse. The researcher seeks to shed light on employee healthcare behavior. If employees in one industry have a measurable difference in opinion than in other industries regarding healthcare, this will enable further study regarding the reasons why. Insurance costs and choices, education, and savings are some reasons that may influence manager opinion toward healthcare.

Job security or insecurity also motivates managers toward retirement. Job security concerns involve conditions in the workplace. Layoffs and downsizing affect workers by causing stress and uncertainty toward their careers (Reinardy, 2012). Fear of losing their jobs directly affect work motivation and satisfaction leading to an overall decline in organizational efficiency. Older workers have additional stress of losing their jobs, as they have to compete with younger workers who are willing to accept less pay (Winkelmann-Gleed, 2012). Uncommitted employees provide an inferior service or search for a new job (Benkenstein, Curth, & Uhrich, 2014). Analyzing the reasons that affect managers the most regarding job security allows employers to make policy changes that create a positive change in worker attitudes. Managers who are more satisfied with work remain longer and become leaders who are more efficient (Winkelmann-Gleed).

Definition of Key Terms

Baby Boomer Generation. The baby boomer generation includes United States citizens born between 1946 and 1964 and includes almost 40% of the nation's population (Wheelwright, 2010).

Managers. Managers are senior managers, middle managers, and intermediate managers in either white or blue-collar occupations in public or private industries (Nygård, Siukola, & Virtanen, 2013).

Private Industry. Private industries are corporations and businesses exchanging goods and services to maximize profit (El-Haddadeh & Weerakkody, 2012).

Public Industry. Public industries are federal and state government agencies that provide public goods and services (El-Haddadeh & Weerakkody, 2012).

Summary

The aging baby boomer generation and the recession have changed the labor market of the Unites States (Coleman, Guled, Levy, & Mitchell, 2010). Companies and agencies in both the public and private industries have downsized their workforces, forcing a great deal of skilled labor into retirement (Coleman, Guled, Levy, & Mitchell). A lack of management positions have negatively affected the ability of firms to oversee subordinates and effectively run an organization (Nygård, Siukola, & Virtanen, 2013). The purpose of this quantitative study is to examine whether there are measurable differences between public and private sector managers and the factors that influence their decisions to retire. Understanding what factors affect manager decisions regarding retirement in public and private industries will help business leaders forecast labor shortages and allocate their budgets to cover pension and healthcare costs (Matthews, 2010).

Financial concerns are the foremost motivators for employees toward retirement. Financial concerns involve structured pension plans, including defined benefit and defined contribution plans, savings accounts, and healthcare concerns (Cocco & Lopes, 2011). Personal savings are commonly the only other source of money retirees have, but many lower income families have virtually no savings. Rising costs of healthcare are becoming more of a concern for pensioners, a concern overshadowing revenue and savings. Medicare and Medicaid only cover a portion of healthcare costs, with the remaining coming either out-of-pocket or shifted to supplemental insurance. Changing healthcare policies are making healthcare insurance more confusing, leaving many retirees unprepared to meet their healthcare needs. Job security involves downsizing, layoffs, and workplace policies. Uncertainty over the safety of their career can cause stress and anxiety for many managers. Stress and diminishing job performance plague many employees who are unhappy with their employers and may force some into early retirement. Understanding how finance, healthcare, and job security, influence managers toward retirement and if there are significant differences between public and private industries will assist in job forecasting and budget planning.

Chapter 2: Literature Review

The transformed economic landscape of the United States due to the great recession of 2007 – 2009 drastically changed the workforce by layoffs and downsizing. Coleman, Guled, Levy, and Mitchell (2010) noted how many jobs were permanently lost, with companies restructuring their workforces to survive with fewer employees. A great number of skilled workers retired and led to shortages in many career fields (Dumay & Rooney, 2011). Reductions in leadership positions such as that of managers are especially difficult to replace since experience is a critical factor for success (Dumay & Rooney). Managers in public and private sectors are in demand, and employers seek ways to retain their experienced workers rather than replace them (Nygård, Siukola, & Virtanen, 2013). In order to keep managers, employers must first understand the reasons why managers retire or leave for other opportunities.

Some managers who retained their jobs delay retirement, and employers are finding it difficult to forecast if managers remain on the payroll (Cocco & Lopes, 2011). One reason workers postpone retirement is due to an increased lifespan in the baby boomer generation (Wheelwright, 2010). Older workers find purpose in life by remaining employed while others prolong retirement for financial reasons (Wheelwright). Cocco and Lopes discussed how financial concerns are the chief factor in deciding when to retire. Whether the public or private sector is more generous in terms of salary or benefits is a matter of contention. Lazear (2011) noted how wages are sometimes higher in the private sector and allowed managers to save more towards retirement; however, many of the higher paying jobs were lost during the recession. Increasing costs of healthcare (Matthews, 2010) and reduced savings (Cunningham & Poehl, 2011) are common reasons some managers delay retirement. Fears of job security and job satisfaction influence others to leave the workforce (Willett, 2012).

The recession affected both the public and private sector, but not necessarily in the same manner (Lazear, 2011). During the recession, government employees fared better in job security, as fewer jobs disappeared from downsizing and layoffs (Cocco & Lopes, 2011). Public industry jobs lost the advantage as the recovery continued (Cocco & Lopes). Federal and state budget cuts remain in place at most public agencies, causing a slower growth of employment in the public sector while the private sector is adding jobs (Lazear). Both the public and private sector are seeking to replace skilled labor for the employees lost during the recession, and this is especially true for managers (Willett, 2012). In this study, the researcher attempts to measure the reasons managers decide to retire, and then determine if these reasons are significantly different in the public or private sectors. This study will consider three main factors that are influencing manager retirement, namely, finances, healthcare, and job security. Employers will be able to use results of this study to assist in budget planning due to healthcare and pension costs. Employers will also understand how to retain managers by knowing the factors that most influence manager decisions to retire.

The literature review includes content from peer-reviewed journals, scholarly books, and relevant websites. The literature review will consist of seven sections. The first section, job market trends, summarizes the job market over the last 15 years and how the recession of 2007 - 2009 affected the economy. The research instruments and data gathering section explains the method and tools used for this study. The sociological theory section explains how this study relates to social and rational choice theory.

Finance, healthcare, and job security sections detail the relevance of these three main factors. A discussion of the differences in the public and private sectors along with a summary will complete this literature review.

Job Market Trends

The economic environment of the United States has changed drastically in the last 15 years. The 1990s were a time of great economic productivity due to the high level of manufacturing (Clark, Greer, Harris, & Morris, 2012). Production changed as unemployment went from a low of 3.8% in April 2000 to 10% due to the recession. Jobs for Americans between the ages of 16 and older plunged from 64% in 2000 to below 59% due to the shifting economy (U. S. Census Bureau, 2014). Between the recession and losing jobs to overseas markets, the manufacturing sector sustained the largest decrease in employment, losing 5.5 million jobs or 32.9% (U. S. Census Bureau). Current levels of unemployment are decreasing, but most new jobs are in lower-paying professions such as the food and service industry (Gaines, Isaacson, Lopezlira, & Revia, 2012). Many companies cutting their workforce do not have plans to replace higher paying jobs. Firms chose to restructure instead (Gaines, Isaacson, Lopezlira, & Revia).

Small business in the U.S. has not been rebounding well since the recession as consumer confidence continues to be wary. Guo, Prasad, and Tata (2012) observed how small business is a good indicator of the strength of a recovery after a recession. The U. S. Small Business Administration (2015) defines a small business as a corporation, limited liability company, or proprietorship with 500 employees or less. Within the last 15 years, small businesses accounted for over 65% of the new jobs in the private sector (U. S. Small Business Administration). Currently, small business growth appears to be stagnating, with an overall caution towards hiring new people. Encouraging small business hiring is a crucial factor to overall economic growth (Guo, Prasad, & Tata). The construction industry is another good indicator of how well a recession is progressing or retreating. During 2000 - 2006 construction in the housing industry peaked. Between 2006 and 2007, the housing bubble burst, and 2.2 million construction jobs disappeared (Woods, 2012). New home construction hampered by foreclosures and vacant property continues to strain the construction industry, and will continue to do so until the demand for newer homes rises.

Despite the recession, the healthcare job market indicated a growth in employment opportunities as opposed to the manufacturing and finance industries (Rosenberg, 2012). One of the chief reasons healthcare jobs did not suffer as much is due to the aging workforce. Health resources are shifting towards caring for the elderly as baby boomers retire. Rosenberg indicated the significant impact the elderly will have on healthcare costs and long-term care; it will account for the largest amount of resources used in the medical community. Technology is also changing the field of healthcare, as new data information systems are easing the ability to store and share patient data. Furthermore, better diagnostic equipment is not only making the treatment of patients more efficient, but the new technology is merging many specialties into broader fields of medicine (Bowden & Smits, 2012). Technological advances do not come without dangers, as computer security concerns such as hacking are on the rise. Many older workers fear insurance companies and employers may use medical knowledge to refuse coverage or forced into early retirement (Bowden & Smits).

A lesser-known factor affecting employment numbers is properly defining the term 'full employed'. Forstater (2012) discussed how defining the term 'full employed' could have a significant economic impact by triggering inflation by inflating unemployment rates; however, defining 'full employment' can be difficult. Before the recession, the rate of 'full employment' was the difference between the percentages of eligible workers to employed workers, which would give an unemployment rate. The term 'full employment' included a 3% unemployment cushion. The buffer allows for more vacancies than the actual number of unemployed workers due to seasonal factors. After the recession, the term 'full employed' changed from measuring the number of jobs available for defining it as the rate of unemployment that was politically acceptable in relation to a certain inflation rate. Allowing political bias to influence employment numbers makes it difficult to determine if interest rates should rise or fall as well as to determine what courses of action are best for decreasing high unemployment (Seccareccia, 2013).

Chowdhury, Islam, and Lee (2013) discussed how the recession affected both the public and private sector. The public, or government sector, fared better in preventing job loss than the private sector; however, as the economy improves, government hiring is lagging behind the private sector. The slowing is primarily due to unreversed federal and state budget cuts (Elmendorf, 2012). The current situation of the U.S. job market and economy looks promising as unemployment continues to decline, but consumer confidence remains cautious (Gaines, Isaacson, Lopezlira, & Revia, 2012). Many formerly employed workers have ceased to search for jobs, and many of those currently employed are working for less pay and a higher workload (Laura, Nivorozhkin, &

Schneider, 2013). Leaving the workforce is especially true for older workers and many who can retire, taking their experience and leadership with them (Laura, Nivorozhkin, & Schneider). Quality leadership skills are becoming harder to find in the workplace, and this is affecting productivity and staff management (Warhurst, 2013). Warhurst noted that organizations are forcing increased responsibilities on available supervisors, which in turn is placing increased stress on managers and leading many to retirement. Understanding what causes managers to retire is more vital now than ever for employers to take steps to retain their available leadership.

Sociological Theory and Rational Choice Theory

Sociological theories are statements and ideas that provide an explanation of human behavior and society. Researchers are making use of sociological theory more than before to amplify the explanatory power of their empirical findings (Cockerham, 2013). Sociological theory encompasses a broad range of sub-theories to explain human behavior, including conflict theory, functionalist theory, game theory, and feminist theory. Rational choice theory is another theory under sociological theory that consists of a collection of tools for analyzing individual decision-making (Anand et al., 2012). These tools are mathematical models applied to both economics and philosophy. Rational choice is an important building block of social theory and serves as a basis for human behavior (Anand, Heilmann, Pattanaik, & Puppe).

Gilboa and Roy (2012) wrote how the idea of rational choice and rational action are individuals engaging in calculative schemes. Gilboa and Roy noted how human behavior is rarely spontaneous, but rather usually determined. The concept of rational choice is about choice based on specific reasons. Rational choice is actions individuals undertake that are optimal for achieving goals or solving problems (Coughlin & Dambrosio, 2009). In order to observe rational behavior, there must be the formulation of a problem that is quantifiable and measurable. Researchers use the rational choice model to understand the behavior patterns of managers regarding their decisions to retire from the workforce (Coughlin & Dambrosio). Analyzing the rational choice model requires a question that considers the behavior of one or more decision-making units or individuals. Once individual behavior establishes, the analysis moves to examining how different choices interact to produce outcomes. The basic idea behind rational choice theory is that people do their best under prevailing circumstances (Gilboa & Roy).

The researcher of this study seeks to contribute to the gap in rational choice theory by analyzing manager behavior towards retirement. There is a lack of information regarding manager retirement behavior (Coughlin & Dambrosio, 2009). Managers constitute the middle and higher-level leadership of a company and represent an overall understanding of the firm's human behavior (Chatterjee, 2010). Rationality commonly associates with the behavior of individuals, and the decision-making process of managers towards retirement (Brandtweiner, Litschka, & Suske, 2011). Opp (2013) wrote about moral behavior explained by rational choice theory. Attitudes, morals, and norms influence assertiveness on job security. Norms are incentives aside from costs and benefits that are relevant conditions for human behavior. Opp (2013) explained when human behavior is capable of explaining the effects of norms on behavior, rational choice theory then considers the sociological theory the norms fall under. Although there is a lack of understanding of manager behavior towards retirement, there is a greater gap in understanding any significant differences between manager behavior in the public and private sectors. Callahan (2010) noted how comparing manager behavior toward retirement in public and private industries would contribute valuable knowledge to rational choice and sociological theory.

Social theory applies to the actions of managers towards the three top sections studied in this paper. Financial motivations are the most critical since finances affect retirement decisions more than any other factor. Zhang (2013) considered behavioral models that explain interactions on early retirement and savings. Saving for retirement is a difficult task, especially during times of economic hardship and uncertainty. Saving trends have been down over the past two decades, and as many low-income families have less than $1,000 in total savings (Drucker, Fryar, Thibodeau, & Warther, 2012). Statman (2013) observed how many younger workers fail to plan for retirement. Instead, younger employees live for the moment and do not worry about financial concerns that may be decades away. Many workers live from paycheck to paycheck and concentrate solely on present day costs. It is hard to convince workers of the importance of saving for tomorrow when many struggle with paying bills today. This behavior is common and affects society as a whole as Social Security becomes the only income for many retirees. The Social Security program is trying more than ever to keep up with the baby boomers retiring and fewer active workers contributing to the Social Security program. Changes in Social Security benefits and reform will affect the behavior of retirees in the future with additional financial hardships. Statman also observed how workers with higher education have a tendency to save more for retirement. Employers that offer financial counseling for employees have higher rates of participation in pension plans as opposed to companies that do not provide any formal financial programs. The replacing of defined benefit plans with defined contribution plans removed the security of lifetime payments for retirees. Understanding the behavior of workers towards retirement is more important than ever to encourage saving and adequately preparing for retirement.

Next to financial concerns, healthcare concerns are the next major factor influencing manager decisions to retire or remain employed. Manager behavior towards healthcare includes insurance coverage and out-of-pocket expenditures. Healthcare is becoming such a major expense that it surpasses savings as the greatest concern for many retirees (Hoffman & Jackson, 2013). Hoffman and Jackson also discussed the importance of Medicare for retirees. Medicare and Medicaid subsidiary programs are the most used healthcare insurance policies by U.S. retirees. Medicare does not cover all expenses, and many retirees carry supplemental insurance policies to help offset those costs. Education should play an essential role in assisting employees to prepare for retirement, including covering what healthcare options are available and projecting out-of-pocket expenses. Owumi and Raji (2013) wrote how rational choice theory applies to healthcare because rational choice is about reason. Rational choice follows human behavior to realize the goals of individuals. Healthcare coverage and costs are a problem for retirees, and rational choice is the means for solving this problem by achieving these objectives. Rational choice theory involves individual behavior motivated by needs, wants, and goals, which fits perfectly with healthcare preferences related to individual needs. Owumi and Raji (2013) also noted that rational behavior requires the formulation of a problem that is quantifiable, measurable, and makes strategic assumptions toward healthcare decisions. Another behavior issue concerning healthcare is how older people use technology. Boron, Fausset, and Mitzner (2010) discussed how technology is a great asset to the younger generation, but for older individuals can be difficult and confusing to use. It takes time to learn new skills, and the older one becomes, the longer it takes to learn. Many healthcare-related websites can be difficult to navigate and to find the information retirees need. Small fonts can also be a challenge for failing eyesight. Companies should strive to direct developers to ensure meeting the unique needs of the elderly when creating websites.

Job security and rational choice involve employee decision-making at work. Job security not only concerns the threat of downsizing and layoffs, it concerns an individual's self-integrity, self-esteem, and self-identity. Reinardy (2012) noted how stress directly affects job performance and negatively affects an employee’s career. A reduction in work quantity and quality occurs when guilt and anger arise from job insecurity. Worker behavior becomes withdrawn and weakens the commitment bond between employer and employee. Employees choose courses of action at work that attempt to reduce stress. These choices may include reducing the commitment to individual duties and seeking employment with another employer. Rational choice also applies to the employer, who makes decisions based on the mission and needs of the company (Coughlin & Dambrosio, 2009). Companies who wish to retain employees will take steps to meet employee concerns such as increased pay and benefits. Companies who care about employee well-being should offer training on how to save and invest for retirement, as well as plan for unforeseen expenses such as healthcare. Taking steps to reduce stress is another choice employers can make to improve the well-being of employees. Rational choice occurs throughout an organization relating to finance, healthcare, and job security.

Financial Concerns

Financial concerns are the chief factor motivating workers to retire or remain in the workforce (Cocco & Lopes, 2011). Personal savings of workers have diminished over the years, and defined benefit (DB) plans that guarantee lifetime payments are rapidly disappearing. Schooley and Worden (2013) wrote how most retirees now depend on Social Security as their primary source of income. Over 59 million Americans are currently on Social Security including retired workers, survivors, and disabled individuals. Retired workers comprise over 70% of those receiving Social Security benefits. With a significant number of baby boomers retiring from the workforce, the number of retirees drawing Social Security will continue to rise and place a strain on the program (Willett, 2012). The next largest group drawing Social Security are those qualifying for survivor's benefits, including the children of deceased workers and widows (Schooley &Worden). The third largest group consists of those taking receiving disability insurance payments (Willett).

The financial strain placed on Social Security is forcing the federal government to consider changes such as increasing the age of retirement or lowering benefits (Schooley & Worden, 2013). Changing the Social Security program will only add additional burdens to the retiring baby boomer generation, and the rising costs of healthcare will compound the financial drain (Schooley & Worden). The retirement landscape of America has drastically changed over the last two decades (Willett, 2012). Ward and Yates (2013) noted how defined benefit plans, which were once common and ensured a worker would have a monthly lifetime income during retirement, are becoming rare. Defined benefit plans replaced by defined contribution (DC) plans such as 401(k) plans and Individual Retirement Accounts (IRA) are more common today (Dumay & Rooney, 2011). Blahous (2011) noted that government agencies still offer defined benefit plans, but both state and federal workers are seeing changes in contribution limits and decrease in benefits. Between 1990 and 2008, the Government Accountability Office (2011) reported participants in private sector DB plans fell by 27% while DC plans increased by over 90%.

The 2014 Retirement Confidence Survey disclosed some interesting facts on the current views of workers on retirement. During the years leading out of the recession, 2009 - 2013, only 13% of workers were comfortable with their level of savings for retirement. Only 18% during that timeframe reported that they would be financially secure in retirement. Over half of the workers, 54%, believed that debt would be a major problem during retirement and only 25% thought that they could afford the necessary costs of living once retired. The savings of workers have not fared well since the recession. In 2013, 28% of employees reported that they had less than $1,000 in savings, and this rose to 30% in 2014. Saving for retirement is especially hard for lower income families. Of families with an annual income of less than $35,000, 68% have less than $1,000 in savings. Pension plans are crucial for workers to save for retirement. Workers with DC plans report being twice as confident about their retirement as those without pension plans. Belonging to a retirement plan encourages saving. Ninety percent of workers with a retirement plan saved for retirement while only 1 in 5 of without a pension plan had retirement savings. Most workers fail to plan for their retirement expenses, opening the possibility for unforeseen financial hardships during retirement. Only 44% report having tried to calculate how much money they will need to have saved for retirement. Few workers seek professional financial assistance, as only 1 in 5 said they obtained investment advice.

Social Security is a vital component of America's retirement system. Many Americans are living past the age of 100, resulting in retirees drawing Social Security for longer periods than ever before (Wheelwright, 2010). The full retirement age is 67 for most Americans born after 1960. People that are born earlier than 1960 fall under modified retirement age standards for Social Security. The earliest date of birth standard for Social Security entails being born in 1937 or earlier, the retirement age being 65. Workers that decide to take Social Security before reaching the retirement age receive less than the full amount. For example, if an employee has reached the full retirement age at 67 and decided to receive Social Security benefits at the age of 62, then the monthly benefit amount reduces by about 30%. This reduction decreases depending on the age of the recipient when receiving benefits. At the age of 63, the reduction is about 25%. At the age of 64, the reduction is about 20%. At the age of 65, the reduction is about 13.3%. At the age of 66, the reduction is about 6.7% (Social Security Administration, 2014).

Financing Social Security is dependent on the solvency of its intergenerational trust fund. Projection on the solvency of Social Security depends on mortality forecasts; however, these projections do not include risk factors such as obesity and smoking. King and Soneji (2012) discussed how the current system of forecasting mortality rates for Social Security is not accurate. Social Security forecasting models should include risk factors for more precise results. Revising the death rate calculations will better forecast how long the current levels of Social Security availability will last and determine the need for Social Security reform. Social Security is the largest program in the U.S. federal government, and funded by contributing payroll taxes. Retired workers, disabled workers, and eligible dependents reduce Social Security. The viability of sustaining Social Security has become a political and social issue with the retiring baby boomers. There are fewer active workers supporting the growing number of beneficiaries (Coleman, Guled, Levy, & Mitchell, 2010), and this is forcing many to consider reforming the program. In 1983, Congress raised payroll taxes to fund Social Security, and generated revenue in excess of annual benefits; however, the program is in danger again of becoming insolvent. Cost-of-living adjustments, changes in monthly benefits, increasing retirement age, and investment in marketable securities are other proposals to ensure Social Security funds are available in the future.

Defined benefit (DB) or pension, plans were common to many companies at one time but have fallen out of favor in recent years. Some public sector workers still enjoy DB plans, while other agencies phase the plans out. Defined benefit plans guarantee a monthly payment to a retiree as an annuity, with the amount depending on the investment and participant vesting. Defined benefit plans are expensive to maintain, especially with the average lifespan increasing. Many companies are converting DB plans to cash balance plans, which results in lower pension benefits for many workers (Kapinos, 2012). Some companies are deciding to terminate DB plans to access those plan assets, but certain conditions apply. When the assets in a DB plan exceed the plan liabilities, a company can terminate the DB plan to access the surplus funds. A downside of this to the enterprise is that the cost of termination is immediately vesting all program participants. There is usually an excise tax levied on the surplus amount. Kapinos wrote how a company can avoid this tax by converting the DB plan to a cash balance plan. A danger of conversion is accounts, a breach of contract if the value of an employee account diminishes. Defined benefit plans result in large accruals of wealth prior to a participant retiring. Cash balance plans often result in a reduction of value for retirement benefits for older and longer tenured workers. Older employees prefer to maintain their defined benefit plan as opposed to converting to a cash balance plan. Johnson (2013) noted another method companies may take to end their DB plans is a 'hard freeze.' Hard freeze is when the employer stops all benefit accruals in the DB plan, and the DB plan closes to new employees. The hard freeze method of closing a DB plan is beneficial for employers, as they no longer have responsibilities for future contributions to the pension plan. However, making changes to a pension plan runs the risk of negative labor relations with employees nearing retirement. Many workers, especially those that belong to a union, are aggressively fighting to retain their pension plans for the guaranteed benefits (Johnson, 2013).

Analysts are pessimistic when forecasting the future levels of public pension plans. Johnson (2013) wrote how state and local governments are dealing with shrinking tax revenues combined with an increased number of older workers retiring, and this is placing major strains on existing (DB) pension plans. For example, the city of Philadelphia reported a $3.9 billion shortfall in 2007 in their city pension fund, and San Diego reported a $1.2 billion deficit in their city pension fund in 2004. Those shortages have grown causing significant state and local employer debt. States are struggling to find methods to support their shrinking retirement plan funds. Pension fund problems are not limited to government agencies alone, as deficits among Fortune 500 companies were

$145 billion in 2005. Underfunding is spurring the change from DB plans to DC plans. Defined Contribution plans are taking the place of DB plans due to the lower costs of maintaining the plans and having a finite amount of benefits. Companies offering DC plans typically match a certain percentage of an employee's contributions to encourage participation in the program. In the United States, the tax code subsection 401(k) defines DC plans. Another benefit of DC plans is pre-tax contributions. Laws detailing 401(k) plans set annual limits on the amount a participant can contribute. To discourage early withdrawals of funds from DC plans, there are severe restrictions on members until the age of 59.5. First withdraws may be not only subject to taxation as income, but also an additional 10% excise tax. There are special considerations for hardship withdrawals that allow participants access to their money, such as for medical costs or funeral expenses. Participants must carefully research what hardship withdrawals are under their particular plans. Some DC plans also allow loans against their accounts. Once a member reaches 70.5, they must frequently take a required minimum distribution from their plan. Defined contribution 401(k) plans are the most common form of DC plans, but there are others. Nonprofit institutions may include 403(b) plans, and firefighters, police personnel, and public school employees use 457(b) plans. Employees should carefully review the rules for participating in these DC plans so that they understand contribution and withdrawal requirements. The fears of reduced benefits are encouraging some managers to retire early before risking lower lifetime retirement earnings (Matthews, 2010).

Defined benefit plans and defined contribution plans are the most common retirement savings policies for workers; however, participation in these programs is not available to everyone. Drucker et al. (2012) mentioned another option to save for retirement is an Individual Retirement Account (IRA). Through financial institutions that offer them, such as banks, eligible people can open IRA accounts. If an individual is self-employed or receives earned income or compensation, he or she is eligible to contribute to either a traditional or a Roth IRA. Similar to larger DC plans, participants make pre-tax contributions into an IRA, but they are subject to the same restrictions and penalties for early withdrawals. Individual Retirement Accounts are single largest component of the U.S. retirement market with over $3.6 trillion of assets. The Tax Payer Relief Act of 1997 allowed for another type of retirement savings accounts called the Roth IRA. Withdrawals are taxable in Traditional IRAs. In a Roth IRA, donations are post tax, so only additional earnings have taxes levied upon withdrawal. Another difference between Traditional and Roth IRAs is that contributions to a Roth IRA continue past the age of 70.5. Participants can withdrawal their contributions at any time with no penalty.

Simple and SEP IRAs are two other forms of IRA plans available for small businesses and self-employed individuals. A Savings Incentive Match Plan for Employees, or Simple IRA, is a type of traditional IRA where contributions are tax deductible like other DC plans. The unique item concerning Simple IRAs is that the employer must contribute on the employee's behalf, a contribution that can be a dollar-for-dollar or percentage match. Simple IRAs have higher contribution limits than traditional IRAs and are cheaper to set up and manage. Simplified Employee Pension, or SEP IRAs, are a type of traditional IRA for business owners with one or more employees or anyone with freelance income. Contributions are tax-deductible for the company or individual and go into a traditional IRA held in the employee's name. In a SEP IRA, employees of the business cannot contribute, only the employer. Which type of IRA is best for an individual depends on his or her strategic financial plans. Roth IRAs are beneficial to individuals with excess retirement money after taxes and give them greater flexibility using their money. Traditional IRAs are beneficial to individuals in higher tax brackets and wish to take advantage of pre-tax contributions. Individuals should carefully evaluate their financial needs to determine the best method for investing in retirement.

Structured savings plans such as IRAs and pension plans encourage participants to save for retirement, but many workers rely on other forms of income as well (Statman, 2013). Sukar and Krishnan (2012) discussed options aside from retirement plans such as defined benefit, defined contribution, and individual retirement accounts. Individuals may rely on personal savings for retirement rather than participating in a formal pension plans. Savings accounts in banks and credit unions have the advantage of no restrictions on contributions or withdrawals. The funds are there for the individuals to use at will. There are many disadvantages to relying on personal savings for retirement. Personal savings rates have trended downwards over the last two decades. Low saving rates are a cause for concern as savings contribute to economic growth (Sukar & Krishnan). Poor economic conditions and the recession took heavy tolls on the ability for the working class to put aside money. Savings accounts pay very low rates of return, making them less than ideal for long-term growth. Many people, especially those in lower income brackets, have little to no savings. It is preferable to participate in a pension plan as opposed to using a savings account. Retirement plans sponsored by employers have a much higher contribution rate than personal savings accounts and encourage participants to save more. The consensus is that the money is used if accessible (Bajtelsmit, Foster, & Rappaport, 2013). Thus, the restrictions on withdrawals in defined contribution plans and IRAs go a long way to discourage spending from those accounts. Some financial institutions offer special savings accounts with higher rates of return, with certain restrictions on usage that discourage spending. Investing in savings bonds is another way to invest for the future. Savings bonds have the advantage of an exemption from state or local taxes and no age-related withdrawal penalties. Savings bonds are also very safe investments, although they mature over long periods with low rates of return and have no investment flexibility.

Understanding the motivation behind saving is important to help individuals make the decisions for funding their retirement. The older individuals become, the less they tend to spend. Unfortunately, few people correctly estimate their future expenses and properly prepare financially for retirement. Mclean (2012) wrote that poor self-control and irrational financial decisions account for individual behavior towards inadequate saving for retirement. Many workers place a lower value on future benefits and overvalue the present. Statman (2013) found that individuals with a higher education have a much greater tendency to save. Those with more education are more likely to participate in pension plans and better estimate future expenses. Companies that offer formal education on retirement saving have a measured increase of participation in pension plans. Younger workers often put aside saving priorities because they consider retirement to be something in the distant future. Education on long-term goals and helping employees commit to saving for retirement assist greatly in convincing workers to save more money.

Healthcare Concerns

Healthcare costs are rising and placing severe financial strains on retirees (Kim & Kim, 2010). Hoffman and Jackson (2013) wrote how the seniors currently finance a significant portion of their healthcare expenses. Many seniors depend on Medicare coverage, but Medicare only covers around 60% of healthcare costs and has no limits on out-of-pocket spending (Baicker & Levy, 2012). Supplemental insurance is available, but often leaves coverage gaps and can be expensive. Recent studies estimate that some Medicare beneficiaries may spend up to one-third of their income on healthcare costs (Hoffman & Jackson). As the employer-sponsored healthcare diminishes and insurance shifts from defined benefit to defined contribution plans, experts project healthcare spending may consist as much as half of post-tax income for some retirees by 2030 (Hoffman & Jackson). Rising healthcare costs go beyond the borders of the United States. Within the last few years, many developed nations have been implementing significant changes in their public pension plans and healthcare policies, hoping to keep plans solvent as retiree populations grow. Changes include increasing the retirement age and reducing pension payments. Such changes pose a risk by declining living standards and increasing poverty levels among the elderly population (Luo & Polivka, 2013).

Healthcare is a very complex system of insurance providers, doctors, suppliers of healthcare products, and a multitude of policies and regulations. Cultural influences such as ethnicity, race, and religious beliefs that form individual standards and values also complicate healthcare (Wall, 2013). The complex system makes it difficult to set healthcare policies to large groups of people. Individuals choose healthcare policies depending on their needs, but many times fail to shop for the best value. Hoffman and

Jackson (2013) discuss how most employed workers are aware of the costs of healthcare; however, ignorance and failing to estimate real healthcare costs are increasing the financial burden upon the recently retired. Education and research into healthcare costs can be confusing, as few studies exist that examine the perceptions workers have on healthcare. Much of the available information on healthcare costs can vary widely depending on location and patient needs. A false sense of confidence may exist among some workers as nearly half say they are confident that they will be able to afford future medical expenses during retirement (Hoffman & Jackson).

A primary challenge of employees is planning for future healthcare expenses that may occur during retirement (Du et al., 2013). Out-of-pocket healthcare expenditures include any amount paid directly for healthcare and are uncovered by insurance. Out-of-pocket expenses consist of insurance coverage premiums and costs for services and supplies. Medicare can help offset about half of healthcare costs, and is available to 39 million individuals. Medicare, which is the federal health insurance program for people 65 or older, is composed of two parts. Part A of Medicare covers hospital, inpatient care, and some home healthcare. Part B of Medicare is supplementary insurance primarily for outpatient care. For individuals eligible for Medicare, enrollment in Part A is free and automatic. Beneficiaries must pay a monthly premium to enroll in Part B. Around 90% of all retirees obtain supplemental insurance coverage in addition to Medicare. About one-third of Medicare beneficiaries use additional employer-sponsored insurance. Unfortunately, employer-sponsored insurance is becoming less available as many employers are dropping this form of insurance due to costs. Medicare Advantage or Medicare Part C is another additional insurance option available to seniors. Medicare

Advantage is a private insurance policy combining the benefits of Medicare Part A and B and prescription drug coverage. Some retirees choose to use a Medigap policy from a private insurer. Although Medigap plans have high premium costs, Medigap pays for many of the costs not covered by Medicare. Even if Medicare enrollees have supplemental medical and drug insurance policies, retirees are still obligated with out-of-pocket expenses for cost-sharing and uncovered services. Hoffman and Jackson (2013) wrote the major components of out-of-pocket spending in 2006 were premiums (39%), long-term care (19%), medical providers and suppliers (15%), prescription drugs (14%), dental care (6%), and inpatient and outpatient hospital costs (5%).

Measuring out-of-pocket expenses for retirees varies across different studies depending on the data source or the particular categories of medical care. Hoffman and Jackson (2013) developed two methods to estimate out-of-pocket expenses. The first method is an annual assessment that predicts average monthly or annual expenditures. The annual evaluation relies on the 2010 Urban Institute study by Johnson and Mommaerts for benchmarks because of the comprehensive set of estimates the study contains. The Johnson and Mommaerts study reports individual estimates with intervals from 2010 to 2040 for each quartile of the spending distribution and excludes long-term care. Using the first method of determining out-of-pocket expenditures, Hoffman and Jackson estimate that a retiree will spend on average $3,284 in 2020, $4,569 in 2030, and $6,214 in 2040. These estimates indicate the share of adults who spend more than one-fifth of household income on healthcare will grow to 45% in 2040. The second method of determining retiree healthcare expenditures calculates lifetime spending or the net present value, at age 65. The second method is of particular importance to retirees planning to finance expenses from savings rather than from monthly cash flow (Hoffman & Jackson). The benchmark for the second method comes from a 2010 Employee Benefit Research Institute (EBRI) report. The second way noted the average lifetime retiree healthcare costs at $65,000 for a man and $93,000 for a woman ($158,000 for a couple) retiring in 2010 without including long-term care expenses. Estimates are considerably higher for 2020 ($109,000 average rating for a man and $156,000 for a woman), based on individuals with median drug expenditures and full Medicare coverage. The EBRI estimates are similar for individuals with supplemental insurance whose employer contributes to coverage, but nearly 70% higher for people with no employer contribution. Hoffman and Jackson (2013) cautioned when relying on expert studies as benchmarks. Researchers may disagree on which survey data is most accurate due to a mix of Medicare claims data. Self-reported out-of-pocket spending is commonly overestimated or underestimated. Estimating the future costs of individuals is also very difficult because they are unpredictable. There are three primary sources of uncertainty, including the skewed distribution of costs among retirees based on personal health experience, unexpected excess healthcare cost growth, and policy change (Hoffman and Jackson). Researchers suggest that intensive users of healthcare can spend two to three times the amount that the typical retiree spends. Policy changes, especially to the Medicare program, may also affect retiree costs. Medicare costs escalate as a percent of the total federal budget, from just over 2% a decade ago to 3.6% in 2010 (Hoffman & Jackson). One of the reform proposals to Medicare is converting the insurance program from a defined benefit to a defined contribution program. Such a change will increase the out-of-pocket expenses for individuals making comprehensive insurance plans unaffordable for many retirees.

Employers should focus efforts on educating workers on retirement savings, especially younger workers who are in a position to save more for retirement to offset future healthcare costs. Education is crucial for participants in healthcare programs, and there is a lack of effort from employers to provide healthcare information (Hoffman & Jackson, 2013). The Employee Benefit Research Institute (2015) noted 54% of participants in healthcare policies find cost information on their healthcare on the health provider's website. The next locations include the provider's customer service department and from the supplier's printed material. Education efforts should explain the many insurance programs available to retirees (Statman, 2013). Aside from healthcare costs, other insurance policies cover dental and prescription drugs. One plan may fit an individual much better than another. Much depends on an individual's medical history and prescription drug needs, and the amount available for paying out-of-pocket expenses. Although many would benefit, two-thirds of the population eligible for the Medicare Savings and Low-Income Subsidy programs for prescription drugs has not enrolled (Statman).

Boron, Fausset, and Mitzner (2010) wrote how computers and technology are hindering the ability of some elderly to research healthcare policies and finances properly. Individuals are using computers to manage all aspects of daily life from bills to insurance. Many websites of different companies may be difficult to navigate, with unclear options and small fonts making web pages difficult to read. Website designers and developers tend to be younger and may not understand the needs and concerns of elderly users. Learning new technology takes time and learning take longer for older consumers than younger individuals that grew up with such technology (Statman, 2013). Companies should consider elderly consumers and design websites with larger fonts and easy to read options to meet their needs. Customer support should also be available when needed which allow retirees to manage their healthcare policies and finances more efficiently.

Some critics of insurance programs advocate greater transparency so that consumers can better forecast out-of-pocket expenses, and understand what policies may or may not cover. Du et al. (2013) discussed how regulatory reforms might help consumers make better choices towards insurance. Current insurance regulations require disclosure of deductibles, co-pays, and annual and lifetime limits, but out-of-pocket payment risks remain unclear. Consumers might need to manage spending under supplemental insurance plans. Medicare reform may also help users with simplifying choices to reduce spending risks (Hoffman & Jackson, 2013). Many of the current federal proposals geared towards Medicare would decrease coverage and shift certain financial burdens to the consumer. Such policies might be devastating to retirees on fixed budgets, especially considering how high out-of-pocket expenses are for some individuals. Any increase in risk and cost to consumers from Medicare reform threatens the future financial security of millions of retirees.

The elderly can reduce healthcare costs by becoming proactive and leading healthier lifestyles. Amsterdam and Kappagoda (2012) considered the effectiveness of exercise in the elderly for leading longer and healthier lives. Exercise, when properly conducted, is not a barrier to the old, even if they have heart conditions. Exercise improves blood pressure, mobility, and mental attitude. Training programs offered to the elderly typically include cognitive therapy, occupational therapy, and exercises designed to improve balance. To avoid accidents or injury, exercise should be non-strenuous and conducted with supervision. Diet is another important factor for retirees to pay attention to in order to enjoy a healthier lifestyle. Afonso et al. (2013) discussed how a proper diet for the elderly improved mental sharpness, resistance to illness and disease, increased energy levels and fewer chronic health problems. Meals should contain the required nutrition, especially calcium and protein. Food should have low fat levels and be easy to chew and digest. Guarding against seasonal influenza through vaccination is crucial for the elderly due to their age and weaker immune systems. Banach et al. (2012) discussed how vaccinating retirees is difficult due to their inability to travel to immunization locations. Programs that include home-based primary care achieve higher rates of seasonal influenza vaccine coverage among the urban elderly. Education on the importance of vaccination is also important to retirees as many refuse to receive vaccines due to misinformation on their dangerousness and effectiveness. Misinformation on costs can also discourage the elderly to receive vaccinations. Retirees should ensure that their insurance policies cover the costs of vaccines or look into programs that may supply vaccines free.

Job Security Concerns

Job security or job insecurity can influence the time when managers retire. The Employee Benefit Research Institute (EBRI) (2012) reported American worker retirement confidence is historically low, with only 14% confident they will have enough money to live without major financial hardship. Uncertainty is especially true of older workers and their healthcare cost concerns (Winkelmann-Gleed, 2012). One of the chief reasons workers are unconfident about their retirement is the high level of job insecurity, where 42% identify job uncertainty as their most pressing issue. Many workers confess that they have little to no money in savings for retirement, with 60% reporting the total value of their household's savings and investments to be less than $25,000 (EBRI). The EBRI reported that in 1991 only 11% of workers said they expected to retire after 65. By 2012, that number has grown to 37%. Half of the current retirees surveyed by the EBRI say that they left the workforce unexpectedly due to health problems, disability, downsizing, and closure with Social Security as their primary source of retirement income.

Significant changes occurred in the labor force after the 2007 - 2009 recession as companies slashed employment. Workers must do more with less, leading to an increase of anxiety and stress (Cunningham & Poehl, 2011). Many workers also exhibit a form of survivor syndrome, which is guilty and apprehensive feeling by those who remain with an organization after job reductions. Reinardy (2012) noted that the stress of job insecurity following a layoff negatively affects individual's self-integrity, self-esteem, and self-identity. Organizational downsizing declines job satisfaction, reduced job performance, and a reduction in job security (Reinardy). When employees face the fear of layoffs, there is a decrease in both work quantity and quality, with workers demonstrating anger and fear. Workers often report a sense of powerlessness due to the threat of additional cuts. The employee does not know what actions he or she can take to avert the perceived threat. The feeling of job insecurity increases when the overall job market for a particular skill declines and the worker fears finding another job will be more difficult.

Another consequence of layoffs, especially when multiple layoffs have occurred, is a reduction of employee commitment to an organization (Cozijnsen, Deeg, Rijs, 2012). Employees often develop attachments to organizations that create a bond as the organization and employee share similar values and goals. When a worker faces a layoff, it could signify losing a career, and thus harm the worker's self-identity. After a company makes a series of personnel cuts, uncertainties about the job and job responsibilities rise to peak levels. Surviving employees may implement coping strategies in an effort to save their jobs or to avoid thinking about additional job cuts. Coping strategies are essential when contending with job survival. Reinardy (2012) noted how managers who survived downsizing retracted in terms of job satisfaction and job performance. Reinardy also addressed self-affirmation theory, which suggests the negative impact to a survivor's self-esteem, self-identity, and personal control. Survivors feel threatened in a physical sense, such as job loss, salary reduction, or additional responsibilities, along with their self-identity. Many times after watching fellow workers lose their jobs, the remaining employees receive additional responsibilities that are unrelated to their job description, which dramatically changes the work environment. Golanski et al. (2013) noted the difficulties that the elderly have with new technology. Having to learn new skills and technology significantly affects self-identity and personal control, and leads survivors to question their value to an organization.

Winkelmann-Gleed (2012) explored the effects of older workers losing their jobs and the importance of retaining experienced employees within an organization. Older employees feel additional anxiety over losing their jobs, as they must compete with younger workers for new positions. Younger workers are also more willing to accept employment for lower salaries. Winkelmann-Gleed also noted that employers must understand the impact of retaining or dismissing older workers towards budget concerns and meeting pension shortfalls. Keeping managers, and other experienced workers involve career management and training to adapt to a newly structured workforce (Reinardy, 2012). Rather than just dismissing older employees outright, employers may opt for a gradual retirement. In a gradual retirement, a worker transitions from a full-time employee to retirement by reducing responsibilities. If employers wish to retain employees, then companies need to engage and accommodate the needs and preferences of older workers. Companies must not only take into account the work-related needs of older workers, but also those employees' family and personal needs, which also manifest in an employee's self-identity. Older workers seek to balance a range of individual and professional responsibilities and interests (Winkelmann-Gleed). There is a danger of negative stereotypes of older workers that may lead to age discrimination. Age discrimination impacts job satisfaction and results in the withdrawal of an employee toward work commitment. An employer with an active work-based social system in place reassures older workers of their value.

Employee commitment is an important element when encouraging workers to remain in the workforce. Commitment not only encourages employees to stay with an employer, but also improves customer relations and company growth (Benkenstein, Curth, & Uhrich, 2014). There are several reasons for employee commitment to an organization. Some employees stay due to a need for financial security. Financial concerns include providing for dependents and saving for retirement. Other workers may have a moral commitment to remain with an employer, especially if they feel they received support in the past. Some employees continue working to satisfy the desire of self-worth. If they retire, an employee may feel they do not have value in society. Winkelmann-Gleed (2012) observed how employers that matched employees with organizational identities led to positive outcomes, both for the individual worker and the organization.

Finding a balance between personal and corporate identities works especially well for older workers nearing retirement that seek to find a medium between private and professional interests. Reinardy (2012) noted how older and more experienced workers are more willing to adapt to changing policies in a company due to the fear of losing a job and not being able to reenter the job market. Employers who respect the needs of their older workforce find proven employees willing to remain active past normal retirement age. Retaining such employees involves career management, training, and development, along with being flexible to older workers' unique needs (Matthews, 2010). Unfortunately, existing studies indicate that companies are more willing to balance work with non-work-related commitments with employees earning higher incomes, which alienates the middle and lower threshold employees (Reinardy). Many employers seem less concerned about retaining older workers as mentors to younger employees, losing that valuable resource of knowledge. If a company wishes to keep qualified managers, they must open communication with their older and more experienced workers. Forming positive relationships between employer and employee is often a starting point to worker retention. Offering flexible hours, remote working, and rotating schedules has proven attractive to many managers, although other managers are unable to work remotely and be capable leaders. Still, the offer for flexible hours should be available to employees nearing retirement. Researchers have shown that companies with inflexible working hours contribute to pushing workers into early retirement as they interfere with the balance between work and non-work related interests (Reinardy). Older individuals commit to a wider range of interests and obligations, which need balancing between their work and private lives. Employers should seek to provide an environment for workers, of all ages, that promote personal wellbeing, which increases an individual's job satisfaction and sense of self-worth.

Involuntary retirement is another danger facing older workers. Seligman (2014) wrote economic factors such as job loss, company closure, or health-related reasons cause involuntary retirement. Three in ten retirees reported from 1992 - 2011 that they lost their jobs due to involuntary retirement, with about half due to health-related concerns (Seligman). The recession helped increase the rate of involuntary retirement. From the years of 2008 - 2011, involuntary departures grew about 78% faster than voluntary retirements. As incomes fall, and healthcare costs rise, workers forced into involuntary retirement are particularly vulnerable to economic hardships. Involuntary retirement is widespread and affects retirement satisfaction negatively. Employees forced into involuntary retirement often only have Social Security to fall back on. For workers with health concerns, the use of disability insurance has spiked during the recession. Individual reform proposals to Social Security call for increasing the retirement age (Schooley & Worden, 2013). If this occurs, many types of health insurance may become unobtainable for those involuntary retirees, as age-related eligibility requirements change.

Less insurance coverage may place further stress on retirees that were not ready to leave the workforce. Involuntary retirement should be a last measure of any company that considers retiree well-being.

Employees facing the threat of losing their jobs exhibit more than mental or financial hardships. Fatimah, Khairuddin, Nasir, and Noraishah (2012) explained how the well-being of particular employees diminishes to the point that actual physical harm occurs. Stress is the most common ailment workers face in uncertain situations, leading to anxiety. Stress can be very dangerous, as it increases an individual's heart rate and blood pressure. Workers under pressure may begin to breathe heavily and rapidly, leading to possible panic attacks or hyperventilation. High stress can lead to ulcers, irritable bowel syndrome, indigestion, constipation, and nausea. Muscle tension can occur under stress and weaken the immune system. Stress can lead to certain forms of psychosis, triggering hallucinations and delusions (Dunn, Lewis, & Palmier-Claus, 2012). Suffering from long-term stress can follow a worker into retirement, and increase alcohol and drug abuse. Employers should recognize the dangers of stress and take steps to reduce the harmful effects that stress has on employees. Opening communication with staff and establishing an individual level of trust reduces stress. Removing the anxiety is the key to lessening the dangers of stress. If a person is showing signs of stress, he or she should take breaks and find somewhere to breathe deeply and relax. For severe anxiety attacks, seek professional medical care. Companies removing pressure from the workplace results in a greater well-being of employees.

Public versus Private Sectors

Careers in the public or government sectors, and those in the private sector have many similarities in job descriptions, but actual job duties may vary. Comparing salaries and benefits can also be confusing. A comparison between pay and benefits among the public and private sectors will allow a better understanding of what factors may motivate employees to retire early or delay retirement. Oluwafemi and Omolayo (2012) addressed how salary is the primary factor to influence an employee on retiring. Higher wages allow for greater savings in pension plans and investing in other assets. Some individuals believe salaries in the private sector are more generous compared to government workers; however, information published by the Bureau of Labor Statistics seems to disagree with that assessment. The Bureau of Labor Statistics (2014) is an agency under the U.S. Department of Labor that measures labor market activity, working conditions, and price changes in the economy. According to the Labor Employer Costs for Employee Compensation report produced by the Bureau of Labor Statistics (2014), public sector employees receive more than those in the private sector are when including benefits included. For example, employees in the private sector received an average of $29.11 per hour in total compensation in June 2013 including $20.47 in salary and $8.64 in benefits. Public sector workers earned an average of $42.09 per hour in compensation including $27.16 in salary and $14.93 in benefits showing public sector workers are earning more in both base salary and allowances. Management, business, and financial professionals earned the most while service workers earned the least. The Bureau of Labor Statistics also reports that union members tend to earn more than nonunion workers do.

The Congressional Budget Office (2015), a federal agency that analyzes budgetary and economic issues to support the Congressional budget process, reported that many characteristics such as experience and education could affect compensation. The federal government employs around 2.3 million full-time workers, not counting military personnel. Federal workers tend to be older and more educated than private sector workers are. The federal government competes directly with the private sector for qualified employees to function effectively. Attracting professional employees to public industry is becoming more involved with recent budget cutbacks and the downsizing of many agencies. The Congressional Budget Office found education levels dramatically affect salaries between the public and private sectors. Employees possessing a bachelor’s degree earned roughly the same hourly wages in both the federal government and in private industries. Federal civilian workers with no more than a high school education earned about 21% more than workers in the private sector did. Federal workers with a doctorate earned about 23% less than their private sector counterparts did. Benefits, including health insurance, retirement benefits, and paid vacations, differed significantly between the public and private sectors about the costs that employers incurred. On average, benefits were 48% higher for federal civilian employees than for private sector ones.

Although disappearing from the private sector, some companies still offer defined benefit plans. Easterday and Eaton (2012) stated that there are fundamental differences in the purpose of government and the private sector that help account for variations in pay and benefits. Firms in the private sector often report to stakeholders that make investment decisions and formulate business policies. Elected leaders that set annual budgets govern public sector agencies. Private sector companies are more flexible on finances and can shift expenses to different departments within an organization as needed. Government agencies work within their budgets until the next fiscal year. Aside from budgets, pension plans between public and private industries can be difficult to compare due to variations in accounting and reporting requirements. The Financial Accounting Standards Board (FASB) is the agency that focuses on private sector pension plans, while the Governmental Accounting Standards Board (GASB) covers state and local governments. Under GASB standards, there are three accounting methods; they apply to business-type activities, governmental agencies, and regulatory agencies with business-type activities and mandate an indirect method of cash flow reporting. The FASB requires pension assets be reported at fair value and measured as the difference between the pension benefit obligation and the fair value of plan assets. The GASB requires statements that detail plan assets and changes in net assets, including disclosures of actuarially determined values of pension plan assets and accrued liabilities. Pension plan funding reports use the actuarial values for both pension assets and liabilities that smooth the effects of gains and losses on invested plan assets over a period of years. FASB requires reporting DB pension assets at fair value. The FASB standards define a single reporting method and allow either the direct or the indirect method of converting net income into net cash flow. Different representations of cash flow under the FASB and GASB make comparing financial statements in public and private industries difficult. Fears of insufficient income during retirement motivate some employees to retire when eligible, or sometimes early (Willett, 2012). Easterday and Eaton (2012) noted underfunding in both public and private sector pension plans. Employers evaluate the funding status of their pension to determine whether plan assets are adequate to pay the obligations to employees. When the assets are sufficient to cover a pension's liabilities, the fund is fully funded (Easterday & Eaton). Private sector companies with DB plans face several regulations to ensure the programs remain solvent. The Pension Protection Act of 2006 requires firms to fund their pension obligations and to make up shortfalls in seven years. The net value of companies with underfunded pension plans may also be negatively affected and reduce future cash flows and earnings. Federal and state entities do not face regulatory constraints on project funding, which may result in underfunded public DB plans. Some analysts believe that GASB accounting rules for pension plans lead to significant understatements of public pension liabilities and overstatements of DB plans significantly overstated. Concern over inappropriate public pension plan reporting is a chief cause of Moody's Investment Service to include unfunded pension liabilities in its ranking of state debt loads. Rauh (2010) reported that as many as 20 states could run out of money in their pension plans by 2025. Not all states have constitutional or legislative guarantees for public employee retirement benefits; this may result in participants facing higher costs or benefit reductions as state agencies attempt to balance budgets. Tax increases are another funding method that replenishes pension funds. Proposed changes in GASB and FASB accounting and disclosure requirements for pensions plan to make agencies and companies more accountable for shortfalls, and transparency will allow for better disclosure to public budgeting agencies and private company stakeholders.

Oluwafemi and Omolayo (2012) discussed how salary and benefits are not the only differences between public and private sector employees. How workers utilize their time, affects work efficiency and organizational effectiveness. Time management is a reflection of employee attitudes towards their employers. Employees with a higher level of self-fulfillment at work are more likely to remain employed, rather than retire. The effectiveness of an organization comes down to the efficiency of individual workers in the organization and the management of time is fundamental to job performance. Researchers have found a significant relationship between time allocation toward tasks and job performance, and worker attitudes towards perceived job performance (Passerini & Wu, 2013). A common finding of job satisfaction is that it correlates with life satisfaction, meaning people who are satisfied with lives tend to be satisfied with their jobs. Oluwafemi and Omolayo found that there is no significant difference in the attitude of workers towards time among private and public sector workers. Therefore, it is important for private and public employers to allocate time appropriately to their workers so that they can perform their assigned responsibilities. However, there is a significant difference in the attitude of employees towards work between private and public sector workers. Private and public sector workers project different kinds of attitudes towards work, which may affect the extent of job satisfaction (Oluwafemi & Omolayo). Oluwafemi and Omolayo also found that private sector workers are more satisfied with their jobs overall than public sector workers are. Positive and negative attitudes towards work influence the perceived fairness of promotions, quality of working conditions, management, and the job itself. Public sector employees tend to have more defined job descriptions that rarely change unless the employee assumes a different position. Private sector employees experience a wider variety of tasks that stimulate interest and challenges. Employers wishing to retain experienced workers in the public sector should find ways to offer new job experiences, without increasing workloads, in order to keep employees inspired in their careers.

Summary

The purpose of this proposed research study is to determine if the factors of finance, healthcare, and job security motivate managers to retire differently in the public and private industries. El-Haddadeh and Weerakkody (2012) defined private industry as corporations and businesses exchanging goods and services to maximize profits while public sector includes federal and state government agencies that provide public goods and services. Understanding the impact of these factors is important as the baby boomer generation grows older and retires from the workforce (Kim & Kim, 2010). As older workers retire, they take experience and leadership from their employers, and many companies and agencies lack quality management consequently. Retaining managers is a priority for many organizations that need to understand why managers retire (Nygård, Siukola, & Virtanen, 2013).

The recession forced the loss of managers across the workforce spectrum due to downsizing and layoffs while other managers voluntarily left the workforce. Some managers who have retained their jobs are delaying retirement, and employers are finding it difficult to forecast if managers remain on the payroll. One reason workers are postponing retirement is due to the increased lifespan of the baby boomer generation (Wheelwright, 2010). Older workers find a purpose in life remaining employed while others postpone retirement for financial reasons. Cocco and Lopes (2011) discussed how financial concerns are the chief factor in deciding when to retire. Whether the public or private sector is more generous in terms of salaries or benefits is a matter of contention.

Lazear (2011) noted how wages are sometimes higher in the private sector and allowed managers to save more towards retirement, although the public sector may be more generous in benefits. Financial concerns greatly influence the decision of retirees; however, rising healthcare costs and massive layoffs have also affected managers' decisions to retire (Willett, 2012). Grace, Mitchell, and Weaven (2010) discussed how a quantitative research method is useful for comparing factors that influence decision-making. The results of this quantitative study will detail how the factors of finance, healthcare, and job security affect manager retirement decisions to retire. Comparing public and private industries allow employers to forecast manager shortages and prepare for healthcare and pension plan costs (Cunningham & Poehl, 2011).

Chapter 3: Research Method

There is a gap in rational choice theory regarding the belief that the boomer generation can adequately plan for retirement (Coughlin & Dambrosio, 2009). One reason for this difference is a lack of behavioral research on what motivates managers to retire (Chatterjee, 2010). Gaining a better understanding of what motivates managers to retire will add essential information to rational choice theory (Chatterjee).

There has been little research comparing the factors that affect manager decisions towards public and private sector retirement (Coleman, Guled, Levy, & Mitchell, 2010). Typically, managers' salaries are higher in the private sector than the public sector, but healthcare benefits and job security are also important factors (Coleman, Guled, Levy, & Mitchell). The aging population of the American workforce has a profound economic impact on labor as a significant number of workers are retiring (Cunningham & Poehl, 2011). Managers remaining employed past the normal retirement age of 65 are preventing younger workers from moving into those positions (King, 2011). If employers do not efficiently plan for actively employed manager retention or retirement, they may find themselves without adequate leadership and experience in the workplace (King). Understanding managers' behavior on finance, healthcare, and job security allows employers to minimize their impact on the workplace (Cunningham & Poehl). Forecasting manager retirement also allows employers to budget for healthcare and pension plan costs (Cunningham & Poehl).

The purpose of this quantitative study is to examine whether there are measurable differences between public and private sector managers and the factors that influence their decisions to retire. The results of this study will help forecast retirement and retainability trends in the labor force (King, 2011). Understanding what factors influence manager decisions regarding retirement in public and private industries will help business leaders forecast labor shortages (Matthews, 2010). Uncovering shortage or retainability trends in manager positions in public or private industries will also allow for better control of the costs associated with healthcare and pension plans (Kim & Kim, 2010).

Participants identify as managers in organizations throughout the country. The advantage of using managers is that, regardless of the work environment, they share many related duties including managing staff and developing and conducting office activities (Nygård, Siukola, & Virtanen, 2013). Nygård, Siukola, and Virtanen also noted that managers are equal to job duties and responsibilities in both white and blue-collar occupations in public or private industries. This research will include the use of a Likert-type scale survey to evaluate factors that may influence a manager's decision to retire. Murray (2013) noted that researchers commonly use Likert-type scales to measure factors among individuals or groups. The Likert-scale usually requires a response based on a 5-level scale measuring agreement or disagreement.

The data collection service SurveyMonkey will distribute the surveys to participants across the United States using the audience feature for emails. The SurveyMonkey audience feature allows members to be selected based on occupation and industry and adheres to strict institutional review board (IRB) guidelines to ensure all data remain confidential (SurveyMonkey, 2014). Symonds (2011) discusses how remote data collection services such as SurveyMonkey are growing in popularity among researchers and students due to efficiency, low costs, and the ability to reach a broad target audience. This type of electronic survey distribution and collection method also saves a great deal of time over traditional survey approaches. This chapter details the research design used in this study, the population and sample, instruments used for the survey, operational definitions of the variables, assumptions, limitations, delimitations, and ethical reassurance. The following research questions address the factors that influence active public and private sector managers and their decisions to retire.

Q1. Is there a difference regarding the influence of salary and the decision to retire between currently employed public or private sector managers?

Q2. Is there a difference regarding the influence of healthcare benefits and the decision to retire between currently employed public or private sector managers?

Q3. Is there a difference regarding the influence of job security and the decision to retire between currently employed public or private sector managers?

Null (H_0) and alternative hypothesis were presented for each research question.

$H1_0$. There is no statistical difference between currently employed public or private sector managers and how salary influences their decision to retire.

H1. There is a statistical difference between currently employed public or private sector managers and how salary influences their decision to retire.

$H2_0$. There is no statistical difference between currently employed public or private sector managers and how healthcare benefits influence their decision to retire.

H2. There is a statistical difference between currently employed public or private sector managers and how healthcare benefits influence their decision to retire.

$H3_0$. There is no statistical difference between currently employed public or privates sector managers and how possible job security influences their decision to retire.

H3. There is a statistical difference between currently employed public or private sector managers and how possible job security influences their decision to retire.

Research Methods and Design

Questions used in the survey will be taken with permission from three existing instruments. The questions will be chosen to cover the factors of finance, healthcare, and job security. The researcher uses a non-experimental quantitative research design for this study to compare the groups of public and private industries. Researchers use a quantitative analysis when analyzing behavior patterns and individual choice (Callahan, 2010) and when working with Likert-type scale survey data (Murray, 2013). Quantitative research methods are efficient when working with Likert-type scale survey data (Murray, 2013). Quantitative analysis is also useful when comparing factors that influence decision-making (Grace, Mitchell, & Weaven, 2010). The quantitative method works well with the sociological theory that takes into account how individual choice influences behavior in the social world (Callahan, 2010).

With a large part of the population aging and retiring, understanding what variables influence manager decisions to withdraw is useful when conducting social and economic research (Cozijnsen, Deeg, & Rijs, 2012). There appears to be a great deal of confusion between advantages in retirement from public or private careers. Some studies give salary advantages to private workers while others give benefits and healthcare advantages to federal workers (Fernández-de-córdoba, Pérez, & Torres, 2012). By making a non-bias comparison between public and private professions, a more accurate picture will emerge to determine any measurable differences in overall perceived retirement satisfaction (Chang & Neelakantan, 2010). Statistical Analysis System (SAS) software will be used to conduct this analysis. The statistical *t-test* will be used with an alpha level of .05.

Population

The population in this study consists of currently employed managers in the public and private industries. The population is contained within the continental Unites States. Public sector participants will work in both federal and state government agencies that provide public goods and services. Private industry members work in firms and businesses that individuals or commercial companies control.

Sample

The researcher will utilize an asynchronous remote usability testing method for the collection of participant data. The collected data will be downloaded into spreadsheets for statistical testing. Remote data collection services such as SurveyMonkey are becoming more popular with researchers (Symonds, 2011). One of the main reasons for this popularity is that remote testing costs less. Remote testing removes costs for laboratory testing, travel, and costs for planning and scheduling. Furthermore, remote testing is more flexible than other data collection methods due to the reduction of labor in reaching a large population of possible participants. Remote testing in turn saves time for the researcher. Remote testing is less stressful for participants as it allows participants to complete surveys in their environments, provided they have access to a computer. A more diverse group of participants can be recruited from a large population without taking those participants away from their usual activities (Symonds).

The SurveyMonkey service is used by all of the Fortune 100 companies and popular with students and researchers. Participants utilized by SurveyMonkey are recruited from a population of over 30 million people. SurveyMonkey keeps detailed user data on all participants and limits the number of weekly surveys members can take to help avoid over participation. SurveyMonkey members are rewarded with non-cash incentives to discourage rushing through the surveys just for the reward alone. Regular benchmarking studies are performed by the SurveyMonkey staff ensuring members are satisfactorily representing the U.S. population (SurveyMonkey, 2014).

The sample population used in this study will consist of managers currently employed. An equal number of surveys from the private and public sectors will be targeted to ensure an even comparison of participants. A goal of 176 completed surveys (88 from each industry) will be used. The 176 surveys complies with the G*Power test performed against the *t-test*. SurveyMonkey adheres to strict Institutional Review Board (IRB) guideline compliance for researchers conducting studies. SurveyMonkey provides documents to obtain written permission to do research using their service. Distributed and collected data is sent by secure transmission over Secure Sockets Layer (SSL) encryption. SurveyMonkey records respondent time stamps and allows for a ‘no response' feature for individual survey questions. Participants can also withdraw from the study at any time. SurveyMonkey ensures they will not use any collected information from the surveys in any way, shape, or form and all data is considered confidential (SurveyMonkey, 2014).

Materials and Instruments

The researcher will create and distribute surveys to collect the data through SurveyMonkey. Selections in the SurveyMonkey distribution options allow researchers to narrow their target audience by geographical, occupational, demographic, and other variables. The population sample for this study will focus on participants in manager positions in the public and private sectors nationwide. These options are available within the SurveyMonkey service. Rowley (2014) wrote how researchers use questionnaires to conduct quantitative research to profile the frequency of opinions, attitudes, and behaviors. A survey might include questions relating to facts, ideas, attitudes, behavior, and beliefs. The typical population sample used for studies is usually between 100 and 1,000 participants drawn from a wider population. Rowley noted that ten questions per subject area were sufficient. The researcher for this study will use ten questions for each of the following main topics: finance, healthcare, and job security. There will be 30 questions.

The researcher will use multiple-choice questions with a Likert-type scale for the responses. Murray (2013) explained how researchers commonly use the Likert-type scale system to measure attitudes and beliefs among individuals or groups. The instrument for the Likert-scale usually requires a response based on a 5-level scale measuring agreement or disagreement. Correct sample size is determined using the G*Power 3.1 software (Buchner, Erdfelder, Faul, & Lang, 2009) with an error factor of .05 and a confidence level of 95%. G*Power analysis recommended a sample size of 176 participants is required for statistical significance.

Questions for this survey will be retrieved from three previously verified survey instruments pertaining to the areas of finance, healthcare, and job security. The copyright information on all three of these instruments designates that they are free to use for non-commercial research. Questions on finance come from the annual retirement confidence survey (RCS) the Employee Benefit Research Institute (EBRI) performed. The EBRI is a nonprofit agency assigned to research economic security and employee benefit issues (Employee Benefit Research Institute, 2014). The 2014 RCS polled 1,501 participants (1,000 workers and 501 retirees) from the ages of 25 and older using a telephone interview. The full survey consists of 43 questions utilizing a 5-point Likert-type scale to measure behavior patterns (Adams, Copeland, Helman, & VanDerhei). Healthcare questions will be chosen from the patient satisfaction questionnaire (PSQ) that the RAND Health Corporation produced. The PSQ consists of 51 questions pertaining to satisfaction with medical care and utilizes a 5-point Likert scale. The PSQ includes technical quality, interpersonal manner, communication, financial aspects of care, time spent with a doctor, and accessibility of care, showing acceptable internal consistency reliability (RAND Health, 2014). The objective of the PSQ is to examine particular characteristics of providers, patients, and health systems on outcomes of care (RAND Health). Job satisfaction questions will be taken from the job questionnaire of Brayfield and Rothe (1951). The job survey is popular and used in peer-reviewed studies today. The survey contains 18 questions with responses answered on 5-point Likert-type scale.

Operational Definition of Variables

For this study, public and private industries, finance, healthcare, and job security are the independent or predictor variables. Retirement is the dependent variable.

Finance. Finance includes pension plans, personal retirement plans such as 401(k) and individual retirement plans, and personal savings.

Healthcare. Healthcare is defined as employer-provided and private insurance. The importance of healthcare to the manager will be determined by the Liker-type scale options in the survey.

Job Security. Job security includes layoffs, firings, and long-term retainability in current positions.

Private Industry. Private Industry is operationally defined as corporations and businesses exchanging goods and services to maximize profit (El-Haddadeh & Weerakkody, 2012). Private industry will be defined by the way of distribution options in SurveyMonkey where participants identified working in the private industry.

Public Industry. Public Industry is operationally defined as federal and state government agencies that provide public goods and services (El-Haddadeh & Weerakkody, 2012). Public Industry will be defined by the way of distribution options in SurveyMonkey where participants identified working in the public industry.

Salary. Average salaries for managers range from $30,000 to $100,000 (Occupational Employment Statistics, 2012).

Data Collection, Processing, and Analysis

The data collection process begins after approval of the institutional review board (IRB) of Northcentral University (NCU). G*Power 3.1 software (Faul, Erdfelder, Buchner, & Lang, 2009) calculated the projected sample size required for using a *t-test* should be 176 total participants split into two groups of 88 participants each. Data for this research project will be collected by surveys developed and distributed through the SurveyMonkey service. There will be thirty total questions on the survey. Ten questions each cover the factors of finance, healthcare, and job security. Participants will answer five questions utilizing a five-point Likert-type scale to measure their satisfaction regarding each inquiry. The surveys include an informed consent form to comply with ethical standards. The SurveyMonkey service allows survey distribution limited by a broad range of demographic variables. Individuals will be distributed by those in manager occupations. Two equal surveys with a requirement of a minimum of 88 responses will be allocated to one of the managers in public service and one in private service. After the data is gathered, the results will be entered into Statistical Analysis System (SAS) software for analysis. Data retrieved from public and private sector managers will be compared using the *t-test* to determine any significant relationships in the three hypotheses being tested.

Assumptions

Assumptions concerning this study relate to the participants and data gathering. It was assumed that members were honest in submitting their demographic and characteristic data to SurveyMonkey. It was expected that members receiving surveys are managers and work in either public or private industries, as per the distribution choices on the SurveyMonkey website. It was assumed that participants answered the questions truthfully, and the sample presents a reliable representation of managers from the larger population of the United States. It was assumed that data protection follows the guidelines on the SurveyMonkey website.

Limitations

A potential limitation of this study is participant bias, which is a threat to internal validity. Bias occurs when respondents do not answer survey questions truthfully. If a respondent feels that someone will use their replies to the survey questions against them, the participants are more likely to choose answers they think are correct, rather than what they honestly believe. It is important to ensure all personal member information is kept confidential. Bias can also occur due to specific participant characteristics such as ethnicity or gender. Aside from occupation and industry, participant characteristics are not considered. If members are treated differently in the workplace due to variables such as ethnicity or gender, their survey answers may reflect that influence. Participants are not completing surveys due to their length or complexity can also affect internal validity. The survey will be limited to thirty total questions.

Probability and nonprobability sampling are two methods of finding participants in statistical testing. Probability sampling chooses a sample from a population that utilizes some form of random selection while nonprobability does not involve random selection (Jeffrey, Lucas, & Thomas, 2010). Probability sampling selects a random sample from a population, with each participant having an equal chance of selection. Probability sampling works well for generalizing results from a random sample and extrapolating them to the entire population (Jeffrey, Lucas, & Thomas). Drawbacks to probability sampling include costing more and taking more time to complete (Jeffrey, Lucas, & Thomas). Nonprobability sampling works well with smaller populations and is effective when forming ideas and receiving feedback (Jeffrey, Lucas, & Thomas). Non-probability sampling has advantages when gathering from particular groups, but it also increase the danger of having Type I or Type II errors (Jeffrey, Lucas, & Thomas). Rejecting the null hypothesis when it is, in fact, true is a Type I error. Not rejecting the null hypothesis when, in fact, the alternate hypothesis is true is a Type II error (Mario, 2010).

Researchers have argued that Likert-type information should be treated as categorical or continuous data in statistical testing (DeWinter & Dodou, 2010). There are differences of opinion whether Likert-type data is better suited for parametric or non-parametric tests. The study of DeWinter and Dodou utilized Likert-scale data from fourteen population distributions using both the *t-test* and the Mann-Whitney-Wilcoxon test. The results showed that the two tests had an equivalent power for most of the pairs. The study concluded that for five-point Likert items, the *t-test* and Mann-Whitney-Wilcoxon test results have similar power, and either test produces an accurate analysis.

When a researcher is studying the relationship between two variables, there may be another variable affecting the results of a particular relationship between those two variables (Cozby & Bates, 2012). The unknown factor is known as a third variable problem (Cozby & Bates). For example, if a researcher wondered if lower income or higher income workers drove further to work on a daily basis. The researcher might use the amount of money spent on gas every week to conclude that lower income workers traveled less than higher income workers since higher income workers were paying more on a weekly basis for gasoline. However, this conclusion may be false due to the inclusion of third variables that may affect the weekly cost of gas. Individuals with higher income may be able to afford larger vehicles and thus use more gas on a weekly basis, or lower-income workers may not drive to work every day, using public transportation at times. Participants in this study identify with working in either public or private sectors. A third variable that may influence public or private sectors could be the location, where individual states fared better than others regarding layoffs and downsizing rates. Some states may also receive more federal agency funding than others. Third-variable problems can be common when conducting non-experimental research, and the results of such studies can be ambiguous and should be carefully and skeptically viewed (Cozby & Bates).

Delimitations

The study is delimited to analyze the occupation of managers in order to reduce the size of the population. Participants in the manager field are actively employed. The geographic delimitation of managers in the continental United States are chosen for this study. Variables are delimited to finance, healthcare, and job security to determine managers' behavior towards retirement.

Ethical Assurances

Concerns for the well-being of the participants in this study are strictly observed. All the participants involved in this research project are voluntary, with no forced or coerced actions to acquire participation. All participants are informed of the purpose of the research and the data collection process. Members are aware of any shared information and who else, in addition to the researchers, have access to the information. Participants understand the safety precautions in place to protect personal information and private data. Before any data is gathered, permission is obtained from the IRB of Northcentral University to conduct the study. Information gathering performed by the SurveyMonkey online survey development company conforms to ethical procedures. The SurveyMonkey company adheres to a strict institutional review board (IRB) guidelines and ensures all data remains confidential (SurveyMonkey, 2014). An informed consent form is included in each survey. Using consent forms when gathering information is mandatory. Plagiarism is strictly avoided, and all sources properly cited. Only peer-reviewed journals are utilized to help ensure the articles are reliable and factual.

Summary

The purpose of this quantitative study is to examine whether there are measurable differences between public and private sector managers and the factors that influence their decisions to retire. The results of this study help forecast retirement and retainability trends in the labor force (King, 2011). Understanding what factors influence manager decisions regarding retirement in public and private industries help business leaders forecast labor shortages (Matthews, 2010). Data is collected by electronically distributed surveys. Respondents answer survey questions with a 5-point Likert-type scale. Participants are managers split between public and private industries. A non-experimental quantitative research design is used, as it is a standard method when comparing two or more groups (Cozijnsen, Deeg, & Rijs, 2012). The most significant delimitations are the limitation of participants to the occupation of managers. Statistical Analysis System (SAS) software is utilized to test the data with the statistical *t-test* to discover any significant relationships between public and private sector managers.

Chapter 4: Findings

The researcher's intention with this case study was to compare how finance, healthcare, and job security affect retirement decision-making in managers in the public and private sectors. The case study research included a 30-question survey. The survey consisted of 10 questions each on finance, healthcare, and job security and utilized a Likert-type scale for the responses. Data collected from the survey were compiled and analyzed quantitatively to compare manager perceptions in the public and private sectors.

Results

Likert-scale data can be analyzed using two different methods. The first method treats Likert-scale data as ordinal data, using the Mann-Whitney-Wilcoxon test for statistical analysis. The second method treats Likert-scale data as interval data, and utilizes the *t*-test for analysis. A study by DeWinter and Dodou (2010) compared the accuracy of Likert-scale data when analyzed using the ordinal or the interval method. DeWinter and Dodou determined for five-point Likert items, the *t*-test and Mann-Whitney-Wilcoxon test produce an accurate analysis. The researcher utilized the *t*-test in this study to determine if a significant difference existed in the retirement decision-making process between public and private sector managers as it relates to finance, healthcare, and job security.

Management was chosen as the job function for comparison in this study, as managerial duties are often similar regardless of the work environment or sector (Nygård, Siukola, & Virtanen, 2013). Finance, healthcare, and job security were chosen as the factors, due to their previously identified impact on the retirement decision-making process. Financial concerns are the most prevalent issue when managers retire (Cocco &

Lopes, 2011), with healthcare concern a close second to finance due to health insurance and increased out-of-pocket costs (Kim & Kim, 2010). Job security concerns such as increased in responsibility, anxiety, and stress also motivate managers to retire (Cunningham & Poehl, 2011). The survey responses were compared between public and private sector manager to determine if any of the factors influenced one sector more than the other. Correlation tests were performed to determine whether a linear relationship existed between the two sets of answers.

Research Question 1. Is there a difference regarding the influence of salary and the decision to retire between currently employed public or private sector managers?

H1$_0$. There is no statistical difference between currently employed public and private sector managers regarding how salary influences their decision to retire.

H1. There is a statistical difference between currently employed public and private sector managers regarding how salary influences their decision to retire.

Opinions of managers toward retirement were measured on a Likert-type scale ranging from 1 (most positive) to 5 (most negative). There were 10 questions relating to the finance with 88 responses from public sector managers and 88 responses from private sector managers. Table 1 shows the total number and averages of responses in each Likert scale for Research Question 1.

Table 1

Manager Opinions Regarding the Influence of Finance on Retirement Decisions: Responses

Scale	Public Sector	Private Sector
1	74 (8.4%)	77 (8.8%)
2	344 (39.1%)	315 (35.8%)
3	290 (33.0%)	250 (28.4%)
4	124 (14.1%)	146 (16.6%)
5	48 (5.5%)	92 (10.5%)

5-point Scale: 1 = Extremely Likely / Confident / Valuable, 2 = Likely / Confident / Valuable, 3 = Unsure, 4 = Unlikely / Unconfident / Non-valuable, 5 = Extremely Unlikely / Unconfident / Non-valuable

An independent-samples *t*-test was conducted to compare public and private sector manager responses for the influence of finance on retirement decisions. There was no significant difference in the scores for public (mean = 2.84, SD = 0.57) and private (mean = 2.69, SD = 0.48) sectors; where $t(174) = 1.91$, and $p = 0.06$. These results fail to reject the null hypothesis and that there is no significant difference in the influence of finance on retirement decisions between public and private sector managers. Note that the significance value is close to the 0.05 threshold, indicating that only a small shift in scores is necessary to make the test result significant. Therefore, there may be a trend toward significance, and based on this score researchers should use caution when deciding if finance has a significant effect on the retirement decisions of managers in the public and private sectors. To validate the results of the *t*-test, an F-test for two-sample variances was conducted on the finance data. The F-test is used to measure the equality of variances from two independent groups. Chernick, LaBudde, and Sun (2011) described how the F-test is often used in conjunction with statistical tests that measure statistical differences between mean values, such as the *t*-test. After computing the F-test, the Observed F is compared to the Critical F. If the Observed F is larger than the Critical F, the null hypothesis (H_0) is rejected. The calculated finance data shows the Observed F = 1.43, and the Critical F = 2.85. Since the Critical F is greater than the Observed F, the null hypothesis was not rejected. This correlates with the *t*-test results.

DeGhett (2014) described how statistical correlation tests could be used to measure the strength of association between variables. The greater the linear relationships are between variables, then the stronger the relationship between the variables. Pearson's correlation coefficient test, or Pearson's *r*, is a measure of the strength of the linear relationship between two variables. Pearson's *r* results are scored from -1 to +1. An *r* of -1 indicates a perfect negative linear relationship between variables, an *r* of 0 indicates no linear relationship between variables, and an *r* of 1 indicates a perfect positive linear relationship between variables. The closer the Pearson's *r*-value is to 1, the stronger the relationship is. The Pearson's *r* correlation test was performed on the sets of public and private sector data to determine the strength of the linear relationship. The descriptive statistics for the finance data is shown in Table 2 and Table 3. The numbered questions as they correlate to the survey questions are found in Appendix B.

Table 2

Finance Survey Question Public Sector Manager Descriptive Statistics

Question	N	Mean	SD
Question 1	88	2.80	0.73
Question 2	88	2.88	1.00
Question 3	88	2.38	0.78
Question 4	88	3.31	0.99
Question 5	88	2.85	0.81
Question 6	88	2.32	1.05
Question 7	88	1.93	0.75
Question 8	88	2.26	0.72
Question 9	88	3.09	1.11
Question 10	88	3.10	1.02

Table 3

Finance Survey Questions Private Sector Descriptive Statistics

Question	N	Mean	SD
Question 1	88	2.80	0.91
Question 2	88	3.00	0.99
Question 3	88	2.52	0.97
Question 4	88	3.33	1.10
Question 5	88	2.98	1.01
Question 6	88	2.47	1.16
Question 7	88	2.11	0.90
Question 8	88	2.24	0.86
Question 9	88	3.50	1.23
Question 10	88	3.40	1.11

The Pearson's *r*-value of 0.99 indicates a very strong positive correlation of finance data between the public and private sector managers regarding the influence of finance on retirement decision making. The Pearson's *r*-test compares the survey responses between the public and private sectors. A strong relationship means when one sector's response is positive, then the other sector's response is also positive. Conversely, a strong relationship also means when one sector's response is negative, then the other sector's response is also negative. The very strong correlation indicates managers in both the public and private sector gave similar answers to the finance questions. The strong correlations support the *t*-test results that we failed to reject the null hypothesis, and that finance does not significantly influence public sector managers' retirement decisions compared with private sector managers.

Research Question 2. Is there a difference regarding the influence of healthcare benefits and the decision to retire between currently employed public or private sector managers?

H2$_0$. There is no statistical difference between currently employed public and private sector managers regarding how healthcare benefits influence their decision to retire.

H2. There is a statistical difference between currently employed public and private sector managers regarding how healthcare benefits influence their decision to retire.

Opinions regarding managers toward healthcare were measured on a Likert-type scale ranging from 1 (most positive) to 5 (most negative). There are ten questions relating to the factor of healthcare with 88 responses from public sector managers and 88 responses from private sector managers. Table 4 shows the total number and averages of responses in each Likert scale for Research Question 2.

Table 4

Manager Opinions Regarding the Influence of Healthcare on Retirement Decisions: Responses

Scale	Public Sector	Private Sector
1	114 (13.0%)	126 (14.3%)
2	344 (39.1%)	328 (37.3%)
3	145 (16.5%)	141 (16.0%)
4	206 (23.4%)	205 (23.3%)
5	71 (8.1%)	80 (9.1%)

5-point Scale: 1 = Extremely Likely / Confident / Valuable, 2 = Likely / Confident / Valuable, 3 = Unsure, 4 = Unlikely / Unconfident / Non-valuable, 5 = Extremely Unlikely / Unconfident / Non-valuable

An independent-samples *t*-test was conducted to compare public and private sector manager responses for the influence of finance on retirement decisions. There was no significant difference in the scores for public (mean = 2.76, SD = 0.41) and private (mean = 2.75, SD = 0.27) sectors; where $t(174) = 0.19$, and $p = 0.85$. These results fail to reject the null hypothesis and that there is no significant difference in the influence of healthcare on retirement decisions between public and private sector managers. The significance of healthcare on retirement decisions is less than in finance where $p = 0.06$. The larger *p*-value in the healthcare area indicates it makes less of a difference than finance on retirement decisions between public and private sector managers. Healthcare retirement benefits in the public sector are generally considered more generous than the private sector (Kim & Kim, 2010). Healthcare benefits and may even outweigh the salary differences between these two groups (Kim & Kim). The results of Research Question 2 indicate that healthcare retirement benefits may be similar between the public sector and private sector managers. An F-test for two-sample variances was conducted on the healthcare data to validate the *t*-test. The results of the F-test on the healthcare data are similar to the finance data. The calculated healthcare data shows the Observed F = 2.30, and the Critical F = 2.85. Since the Critical F is greater than the Observed F, the null hypothesis was not rejected, and again this correlates with the *t*-test results.

A Pearson's correlation test was performed on the healthcare data to determine the strength of the linear relationships between the survey responses. The descriptive statistics for the healthcare data are shown in Tables 5 and 6. The numbered questions correlate to the survey questions found in Appendix B.

Table 5

Descriptive Statistics for Public Sector Managers Healthcare Survey Questions

Question	N	Mean	SD
Question 11	88	3.01	1.17
Question 12	88	3.63	1.28
Question 13	88	2.08	1.01
Question 14	88	2.08	0.78
Question 15	88	3.13	1.00
Question 16	88	2.77	1.18
Question 17	88	3.66	1.03
Question 18	88	1.83	0.73
Question 19	88	2.63	0.91
Question 20	88	2.65	1.05

Table 6

Descriptive Statistics for Private Sector Managers Healthcare Survey Questions

Questions	N	Mean	SD
Question 11	88	2.68	1.23
Question 12	88	3.23	1.35
Question 13	88	2.18	1.00
Question 14	88	2.38	1.06
Question 15	88	3.16	1.19
Question 16	88	2.64	1.26
Question 17	88	3.51	1.18
Question 18	88	2.15	1.06
Question 19	88	2.98	0.88
Question 20	88	2.66	1.15

Like the finance results, the Pearson's correlation analysis of healthcare data show a very strong positive correlation between the public and private sectors, where r = 1.00 after rounding up. The strong correlation supports the *t*-test result that we failed to reject the null hypothesis, and that healthcare does not significantly influence public sector managers' retirement decisions compared with private sector managers.

Research Question 3. Is there a difference regarding the influence of job security and the decision to retire between currently employed public or private sector managers?

H3$_0$. There is no statistical difference between currently employed public and private sector managers regarding how job security influences their decision to retire.

H3. There is a statistical difference between currently employed public and private sector managers regarding how job security influences their decision to retire.

Managers' opinions on job security and retirement decisions were measured on a Likert-type scale ranging from 1 (*most positive*) to 5 (*most negative*). There were ten questions relating to the factor of job security with 88 responses from public sector managers and 88 responses from private sector managers. Table 7 shows the total number and averages of responses in each Likert scale for Research Question 3.

Table 7

Manager Opinions Regarding the Influence of Job Security on Retirement Decisions: Responses

Scale	Public Sector	Private Sector
1	111 (12.6%)	94 (10.7%)
2	330 (37.5%)	314 (35.7%)
3	104 (11.8%)	129 (14.7%)
4	237 (26.9%)	240 (27.3%)
5	98 (11.1%)	103 (11.7%)

5-point Scale: 1 = Extremely Likely / Confident / Valuable, 2 = Likely / Confident / Valuable, 3 = Unsure, 4 = Unlikely / Unconfident / Non-valuable, 5 = Extremely Unlikely / Unconfident / Non-valuable

An independent samples *t*-test was conducted to compare manager responses for job security in the public and private sectors. There was no significant difference in the scores for public (mean = 2.94, SD = 0.43) and private (mean = 2.87, SD = 0.29) sectors; where $t(174) = 1.29$, and $p = 0.20$. These results fail to reject the null hypothesis and that there is no significant difference in the influence of job security on retirement decisions between public and private sector managers. An F-test for two-sample variances was conducted on the job security data to validate the *t*-test. The results of the F-test on the job security data are similar to the previous results concerning finance and healthcare. The calculated job security data shows the Observed F = 2.13, and the Critical F = 2.85.

Since the Critical F is greater than the Observed F, the null hypothesis was not rejected, and once again, this compares well with the *t*-test results.

A Pearson's correlation test was performed on the healthcare data to determine the strength of the linear relationships between the survey responses. The descriptive statistics for the job security data are shown in Table 8 and Table 9. The numbered questions associated with the survey questions are shown in Appendix B.

Table 8

Descriptive Statistics of Job Security Survey Questions in Public Sector Managers

Question	N	Mean	SD
Question 21	88	2.15	0.88
Question 22	88	2.16	1.02
Question 23	88	3.68	0.88
Question 24	88	2.22	1.14
Question 25	88	3.70	0.92
Question 26	88	3.83	1.05
Question 27	88	4.03	1.02
Question 28	88	2.28	0.74
Question 29	88	2.39	1.08
Question 30	88	2.20	1.08

Table 9

Descriptive Statistics for Job Security Survey Questions in Private Sector Managers

Question	N	Mean	SD
Question 21	88	2.48	1.12
Question 22	88	2.33	1.11
Question 23	88	3.89	1.09
Question 24	88	2.35	1.06
Question 25	88	3.45	1.03
Question 26	88	3.65	0.94
Question 27	88	3.88	1.09
Question 28	88	2.53	0.92
Question 29	88	2.39	1.08
Question 30	88	2.42	1.09

The Pearson's correlation results for the job security data are similar to the tests performed on the data in the previous sections. The results show a very strong correlation between the public and private sectors, where $r = 0.99$. The strong relationship between the job security responses supports the *t*-test results that we failed to reject the null hypothesis and that there is no significant difference in the influence of job security on public sector manager's retirement decisions compared with private sector managers.

Evaluation of Findings

Several factors may influence the changing patterns in manager retirement behavior. One cause is the baby boomer generation that is rapidly approaching retirement age and delaying retirement (Wheelwright, 2010). Another reason is the financial crisis of 2007-2008 that destabilized the economic environment, resulting in massive layoffs and downsizing of businesses. The financial crisis negatively affected the way managers save for retirement and view job security (Willett, 2012). Altering retirement patterns occurred in both the government (public) and non-government (private) sectors (Coleman, Guled, Levy, & Mitchell, 2010); however, it is unclear if these factors have more of an influence on managers in the public or private sectors. This study measured how three key factors - finance, healthcare, and job security - influence managers' retirement decisions. Answers from the public and private sector managers were then compared to determine if any significant differences existed.

The findings of Research Question 1 indicated there is no significant difference in how finance influences public and private sector managers' retirement decisions. In the public sector managers, 39.1% had a favorable view of their finances toward retirement, as opposed to a 19.6% with a negative view. Private sector managers showed a similar trend with 44.6% favorable responses, as opposed to a 27.1% negative responses. The results of the survey indicated that a greater number of overall managers plan for retirement when they feel comfortable with their finances. The survey questions included topics covering medical expenses during retirement, maintaining a comfortable lifestyle, having adequate savings, and Social Security. The high level of positive responses to the finance questions indicated that managers feel they are adequately prepared financially for their upcoming retirement, regardless of whether they are working in the public or private sectors.

The findings of Research Question 2 indicated there is no significant difference in how healthcare influences public and private sector managers' attitudes toward retirement. Public sector managers had a 52.1% favorable view of the influence of healthcare on retirement decisions, as opposed to a 31.5% who expressed a negative view. The results for private sector managers were almost identical, with 51.6% expressing a favorable view, and 32.4% indicating a negative reply. Healthcare is a major fear among retirees, even overshadowing financial concerns for some (Matthews, 2010). Matthews also stated that there are perceptions held that retirement healthcare benefits in the public sector are superior to those in the private sector. The responses of both public and private sector managers indicated they perceive their healthcare benefits for retirement to be a more important factor than their financial condition. The confidence managers have toward their healthcare is also seen in the 'unsure' replies. Public and private sector managers indicated a combined 30.7% unsure reply rate toward finance, and a lower 16.3% for healthcare. The healthcare questions include availability of medical care, costs, and insurance. The high proportion of managers with a favorable view may indicate they have planned sufficiently for their insurance and out-of-pocket expense needs for retirement.

Research Question 3 covered the influence of job security. Job security questions included areas such as job satisfaction, working past retirement age, and relationship with supervisors. The survey results indicated there is no significant difference in how job security influences public and private sector managers toward retirement. Public sector managers had a 50.1% favorable view of their job security, as opposed to a 38.0% negative view. The results for private sector managers were almost the same, with 46.4% expressing a favorable view, and 39% indicating a negative reply. A higher favorable view of job security may indicate managers are willing to remain longer in the workforce rather than retire. Public and private sector managers expressed a high level of job satisfaction; however, the levels of negative responses were also higher than observed in the finance and healthcare responses. Compared statistically, there was no significant difference in how public or private sector managers view their job security as it relates to their retirement. This indicates job security does not adversely affect how managers employed in the public sector plan their retirement compared to managers in the private sector.

Summary

The researcher's intention with this case study was to compare the perceptions of managers of how finance, healthcare, and job security affect their retirement decision-making process. The case study research included conducting a 30-question survey. Ten questions each on the survey related to finance, healthcare, and job security. A Likert-type scale was utilized for the responses to the survey questions. Data collected from the survey was compiled and analyzed quantitatively to compare the influence of each of these the three factors on retirement decision-making between managers in the public and private sectors.

The results of Research Question 1 indicated there is no significant difference in how finance influences decision-making of public and private sector managers toward retirement. The results of the survey indicated public and private sector managers combined had a 46.0% positive response to the finance questions, and 23.3% responded negatively. This indicated that managers in both the public and private sectors feel they are adequately prepared financially for retirement.

The results of Research Question 2 indicated there is no significant difference in how healthcare influences decision-making of public and private sector managers toward retirement. The results of the survey indicated that public and private sector managers combined had 51.8% positive responses to the finance questions, and 31.9% responded negatively. This indicated the majority of both the public and private sector managers feel they will have adequate health insurance and finances for any out-of-pocket health expenses after retirement.

The results of Research Question 3 indicated there is no significant difference in how job security influenced the decision-making of public and private sector managers toward retirement. The results of the survey indicated public and private sector managers combined had 48.2% positive responses to the finance questions, and 38.5% responded negatively. This indicated there is no difference in how job security factors affect managers retirement decision-making in both the public and private sectors retire.

Despite assumptions that the factors finance, healthcare, or job security affect the decision making process of managers differently in the public and private sectors, the results of this study indicated otherwise. Comparing finance, healthcare, and job security indicated there is no statistical difference how these factors influence managers attitudes toward retirement in the public and private sectors.

Chapter 5: Implications, Recommendations, and Conclusions

The research problem connected with this study was how the factors of finance, healthcare, and job security influence individuals in the field of management toward retirement. The results of the research were then used to compare the attitudes of managers in the public and private sectors. The study was designed to determine if any of the three factors differentially influenced the attitude of public and private sector managers toward retirement. Gaining a better understanding on how finance, healthcare, and job security affect the retirement decisions of managers will help forecast departure and retainability trends in the labor force (King, 2011). The results of this study may also allow improved control over the costs associated with healthcare and pension plans (Kim & Kim, 2010).

The researcher utilized a 30-question survey with a Likert-type scale with 10 questions each pertaining to the factors of finance, healthcare, and job security. The data collection service SurveyMonkey was used to distribute the surveys to participants by way of emails. A total of 176 surveys were distributed to managers, 88 in the public sector and 88 in the private sector. Questions used in the survey were taken with permission from three existing instruments. Survey queries on finance come from the annual retirement confidence survey (RCS) the Employee Benefit Research Institute (EBRI) performed (Employee Benefit Research Institute, 2014). Healthcare questions were chosen from the patient satisfaction questionnaire (PSQ) that the RAND Health Corporation produced (RAND Health, 2014). Job satisfaction questions will be taken from the job questionnaire of Brayfield and Rothe (1951).

The statistical *t*-test was used to determine if any significant relationship existed between the public and private sectors for each of the three research questions. An F-test for two-sample variances was performed to validate the findings of the *t*-test. The Pearson's correlation test was also performed on the sets of public and private sector data to determine the strength of the linear relationships.

Participant bias is a potential limitation of this study, which is a threat to internal validity (Cozby & Bates, 2012). Bias occurs when respondents do not answer survey questions truthfully. If a respondent feels threatened that replies may become public knowledge and adversely affect them, it can influence the way those participants answer the survey questions. It is vital to ensure all participant information is kept confidential. Specific member characteristics such as ethnicity or gender were not taken into consideration in this study. Members of different race or background may influence the survey answers based on their personal experiences. Participants in different locations in the United States may answer questions differently based on local economic factors such as layoffs, business downsizing, and cost of living. Third variables may also exist (Cozby & Bates, 2012). Third variables are unseen variables that influence a particular relationship (Cozby & Bates).

Probability and non-probability sampling are two methods of finding participants in statistical testing. A researcher using probability sampling chooses a sample from a population that utilizes some form of random selection while non-probability sampling does not involve random selection (Jeffrey, Lucas, & Thomas, 2010). Researchers utilizing probability sampling select a random sample from a population, with each participant having an equal chance of selection. Probability sampling works well for generalizing results from a random sample and extrapolating them to the entire population (Jeffrey, Lucas, & Thomas, 2010). Drawbacks with probability sampling include increased costs and taking more time to complete (Jeffrey, Lucas, & Thomas, 2010). Non-probability sampling works well with smaller populations and is effective when forming ideas and receiving feedback (Jeffrey, Lucas, & Thomas, 2010). Non-probability sampling has advantages when gathering data from particular groups, but it also increase the danger of having Type I or Type II errors (Jeffrey, Lucas, & Thomas). Rejecting the null hypothesis when it is in fact true, is a Type I error. Not rejecting the null hypothesis when in fact, the alternate hypothesis is true is a Type II error (Mario, 2010).

Researchers have argued that Likert-type information should be treated as categorical or continuous data in statistical testing (DeWinter & Dodou, 2010). There are differences of opinion on whether Likert-type data is better suited for parametric or non-parametric tests. The study of DeWinter and Dodou utilized Likert-scale data from fourteen population distributions using both the *t*-test and the Mann-Whitney-Wilcoxon test. The results showed that the two tests had an equivalent power for most of the pairs. The study concluded that for five-point Likert items, the *t*-test and Mann-Whitney-Wilcoxon test results have similar power, and either test produces an accurate analysis.

All the participants involved in this research project were voluntary, with no forced or coercive actions used to acquire participation. All participants were informed of the purpose of the research and the data collection process. Members were aware of any shared information and who else, in addition to the researchers, had access to the information. Participants understood the safety precautions in place to protect personal information and private data. Before any data was gathered, permission was obtained from the institutional review board (IRB) of Northcentral University to conduct the study. Information gathering performed by the SurveyMonkey online survey development company conforms to ethical procedures. The SurveyMonkey company adheres to strict IRB guidelines and ensures all data remains confidential (SurveyMonkey, 2014). An informed consent form was included in each survey. Using consent forms when gathering information is mandatory. Plagiarism was strictly avoided, and all sources properly cited. Only peer-reviewed journals were utilized to help ensure the articles are reliable and factual.

Implications

The survey was broken up into three subject areas, finance, healthcare, and job security, with ten questions on each subject. Rowley (2014) wrote how 10 questions per subject area were sufficient when working with population samples between 100 and 1,000 participants. The implications of each question are discussed separately below

Research Question 1. Regarding the influence of salary and the decision to retire, is there a difference between currently employed public and private sector managers?

Understanding how finances affect the decision of managers toward retirement was a primary concern. Financial matters, such as salary and pensions, are the prevailing factors for managers when planning retirement (Cocco & Lopes, 2011). The results of the study indicate there was no significant difference in how finance affects the perception of managers when it comes to retirement. Correlation testing showed a very strong relationship between the survey answers in both the public and private sectors.

The results from the finance survey questions indicate the perception of finance in terms of retirement decision-making is similar for managers in the public and private sectors

Lazear (2011) discussed the perception that managers in private industry receive higher wages than managers in government agencies. Greater salary allows for greater savings and contributions into pension and retirement plans (Lazear, 2011). Lazear assumed that private sector managers would respond more positively toward the issue of retirement finances compared with government managers. The study results do not support this observation. Managers in both the public and private sectors who participated in this survey have an overall positive view on their financial retirement position. This implies manager salaries and retirement plans may have become increasingly similar between public and private sectors, and are now less of a concern. Finances also include retirement plans, including pensions, 401(k), and Individual Retirement Accounts (IRA). Retirement planning is instrumental in manager decisions to retire (Cunningham & Poehl, 2011). The survey results suggest that managers are adequately contributing to available retirement plans. Another correlate between higher savings and retirement is education. The more educated an individual is on investing and saving for retirement, the more those individuals contribute to retirement plans (Hoffman & Jackson, 2013). The survey results indicate that managers are either educating themselves, or taking advantage of employee-sponsored training programs that are helping them plan for retirement. Employers appear to be offering adequate training in both the public and private sectors.

Research Question 2 Regarding the influence of healthcare benefits and the decision to retire, is there a difference between currently employed public and private sector managers?

Healthcare costs have steadily risen over the past few years, and concerns over healthcare during retirement surpass financial worries for some (Matthews, 2010). Matthews wrote that there is a perception that government workers enjoy more generous healthcare benefits than their counterparts in the private sector. If this assumption is true, the survey results should show that public sector managers are less concerned regarding pensions than those in the private industry. However, the responses indicated there was no significant difference in the way healthcare concerns influence manager's retirement decisions. The survey results suggest that previous gaps in healthcare have closed between the public and private sectors. Estimates of retirement rate should therefore not be based on healthcare concerns, as the survey results indicate a greater number of positive responses as compared to manager pessimism.

The healthcare questions include having adequate insurance and cash available for out-of-pocket expenses. The survey results indicate that managers feel they have sufficiently acquired health insurance and savings for unexpected costs of retirement. Correlation tests on healthcare responses indicate a very strong linear relationship between the data between the public and private sector managers. The robust correlation signifies employers are providing adequate insurance options for employee retirement in both the public and private sectors. The positive survey responses also indicate managers are adequately educating themselves on the various options available concerning insurance and healthcare plan options.

Research Question 3. Regarding the influence of job security and the decision to retire, is there a difference between currently employed public and private sector managers?

Job security includes the threat of layoffs or firings, feelings toward management, and overall work environment. There is a strong relationship between employees satisfied at work remaining past their retirement age and those that retire earlier (Reinardy, 2012). Winkelmann-Gleed (2012) noted job insecurity directly affects work motivation and satisfaction, and this influences manager decisions to retire. Therefore, comparing how managers in the public and private sectors feel about job security may predict which ones will remain active longer with their current employer. Examination of the survey results for the job security question showed there was no significant difference between how government managers feel compared to those in the private industry. These results indicate that job security is not an important factor in determining retirement trends between the public and private sectors for managers. The correlation tests signify a strong linear relationship between the two sets of survey responses, with an overall positive outlook on job security. These results hint that the current economic setting has stabilized since the financial crisis of 2007-2008. Employers may have therefore have considered employee satisfaction and improved the workplace environment. Managers who are happier with their employer and have less fear of losing their jobs may be more likely to remain actively employed past their retirement age.

Recommendations

A distinct shift in the profile of the labor force due to the financial crash and aging population has affected the availability of qualified leadership for employers (Coleman, Guled, Levy, & Mitchell, 2010). There is a lack of qualified managers in both government agencies and private industry (Nygård, Siukola, & Virtanen, 2013). Employers wish to retain current managers, and attract new prospects from the public and private sectors (Coleman, Guled, Levy, & Mitchell, 2010). Understanding what motivates managers to retire or remain actively employed allows employers to better forecast where possible manager shortages may occur, and budget for associated costs.

Practical Applications. The results of this study indicate that the factors of finance, healthcare, and job security do not differ in managers' decision-making when it comes to retirement. The lack of difference holds true for managers whether they are in government or the private industry. Employers fearing losing qualified managers to retirement should note that overall, the majority of managers appear satisfied they can retire comfortably in relation to the studied factors. The strong correlation between the survey answers indicates salary and health benefits have grown similar between the public and private sectors. The feelings of managers concerning supervisors and work environment, including fear of layoffs, have also narrowed between the public and private sectors. Models geared toward forecasting costs and labor rates for manager retention can be utilized universally, rather for only one industry. The similarity of manager perceptions on survey responses allows for easier prediction of retirement trends. Fears that qualified managers may leave one industry for another due to pay and benefits should diminish due to the comparable opinions of managers from each sector.

Future Research. Differences between habits of managers in the public and private sectors may exist in the retirement decision-making process; however, these variations are likely to be due to factors beyond the areas of finance, healthcare, and job security. Future researchers may consider a qualitative approach asking managers open-ended questions to identify these factors and understand in more detail the personal and professional reasons that motivate employees to retire early, or remain active longer in the workforce. The respondents of this study selected a population sample from the continental United States to present a general assessment of managerial opinions. A more narrowly focused location may yield different results. For example, selecting a particular state or city allows additional factors such as the cost of living to be taken into account, which may influence retirement decisions. Costs of living may affect government workers and private industry employees differently. Public sector worker pay is determined by defined pay scales, and is bound by fixed budgets, whereas private industry pay and benefits are more varied depending on ownership decisions and policy. Other variations may exist in participant demographics that were beyond the scope of this study. Examination of age, race, and gender factors may yield additional differences that can affect when a manager decides to retire. For examples, females receiving lower pay than males may have to work longer to save the same amount for retirement. Promotion rates affected by race can also force minorities to work longer. Future examinations of manager perceptions of retirement should narrow the focus of the research to discover elements that affect retirement decisions that may be lost in a more general study.

Conclusions

The financial crisis of 2007-2008 resulted in massive layoffs and downsizing (Willett, 2012) and has left many employers trying to retain and replace qualified and experienced managers (Nygård, Siukola, & Virtanen, 2013). Understanding what motivates managers to retire allows employers to better forecast labor trends and budgets

(Coleman, Guled, Levy, & Mitchell, 2010). Previous studies concluded that the prevailing factor in manager retirement is controlling finances (Cocco & Lopes, 2011). Healthcare concerns and job security are the second and third most influential factors in managers' retirement decisions (Matthews, 2010). Comparing manager perceptions toward retirement between the public and private sectors allows forecasting of where manager shortages may occur.

The results of the finance questions were surprising due to the strong assumptions of pay discrepancy between the public and private sectors (Oluwafemi &Omolayo, 2012). Higher pay allows for flexibility in saving and investing. Individuals with the capability to put more aside for retirement would expect to be better prepared, and thus more confident in their ability to afford retirement when eligible. If the presupposed thought that private sector managers have higher income than their government counterparts, there should be a measurable difference in the test scores. The finance score testing did not produce a significant result, hinting that the pay for managers has equalized throughout the labor force. There may be several reasons for this; first, we can look at the impact of the financial crisis during 2007-2008. The crash of the stock market, coupled with the housing bubble bursting caused massive layoffs and downsizing in companies throughout the United States (Willett, 2012). Private industry was affected the quickest, as the bottom line for profits plunged and consumers became wary of making excessive purchases. Managers, along with employees in virtually all professions, were laid off, fired, or forced to work for less pay and benefits (Willett, 2012). Government agencies weathered the financial storm better than the private sector as government jobs are tied to fixed budgets. Once new budgets became due, the public sector found themselves in the same situation as the private industry. Budgets were slashed and hiring froze (Easterday & Eaton, 2012). Now, as the economy slowly rebounds and unemployment rates begin to rise, employers are struggling to replace managers in both public and private industries (Laura, Nivorozhkin, & Schneider, 2013). The difficulties of attracting qualified and experienced employees may lead to competition between the public and private sectors. This rivalry may be one reason pay and benefits have stabilized for the profession as a whole.

The financial survey questions included asking managers about their perception of retirement plans. Over the past two decades, there has been a major shift in retirement plans for workers (Johnson, 2013). Defined benefit plans that guaranteed lifetime payments for retirees were once common, especially among larger corporations (Schooley & Worden, 2013). Schooley and Worden observed that today defined benefit plans are being phased out for defined contribution plans such as 401(k) and Individual Retirement Plans (IRA) in the private sector. Defined contribution plans rely on the investment of the participant and the funds have a finite balance, making them much more affordable than defined benefit plans. Government agencies still offer defined benefit plans, and one would assume public sector managers would feel more optimistic about their long-term financial outlook during retirement. The correlation results for the finance questions show a strong linear relationship, meaning managers from both industries answered the survey questions similarly. Overall, the results for finance were positive, indicating managers are saving enough in the plans that are available in their company. These results may mean that private sector workers are saving more in defined contribution plans to offset government defined benefit plans. These results may also indicate that defined benefit plans are being phased out of the public sector similar to the private sector. In either case, increasing pay or retirement benefits does not appear to be a viable option for employers wishing to retain or attract leadership talent. Instead, employers should explore other factors, such as location and cost of living that may help draw managers to their companies.

Results from the healthcare responses indicate a similar view of finances among managers. Healthcare insurance premiums and out-of-pocket expenses continue to rise, especially among the aging population (Kim & Kim, 2010). Any advantage one industry may have over the other should be clear from the survey answers; however, testing showed that managers in the public and private sectors have a similar overall attitude towards healthcare and retirement. The results were distinctly more positive than negative, leading one to believe insurance costs are affordable for managers. Being that health insurance companies are not limited to serving one industry over the other, similar plans may be offered to both government and private workers. With similar costs and coverage in available healthcare plans, the only advantage one employer may have over another is the premium contribution amount offered. From the survey responses, it appears there is not enough discrepancy between the two groups of managers to register a significant difference.

The survey results also indicate that managers are confident they will have sufficient cash on hand to cover unexpected expenses for their long-term healthcare needs. Social Security is another concern for retirees. Although Social Security benefits cannot be expressly controlled by employers, Schooley and Worden (2013) wrote that many retirees depend on Social Security as their primary source of income. The aging population is commanding a heavy draw on available Social Security funds, and many fear the program may become insolvent in the future (Schooley &Worden, 2013). Employees concerned about the availability of long-term funds would have a cautious opinion toward Social Security, but the results indicate managers are comfortable with their projected Social Security payments. The optimism expressed by managers points to the accumulation of sufficient savings or investment in retirement plans that negates any fears of Social Security availability. The results of the healthcare section of the survey tell employers that offering increased health benefits would not necessarily attract and retain managers.

In the third section on the survey inquired about job security, the more significant questions related to perceptions of layoffs and downsizing. The thought of job loss leads to great stress and anxiety, which directly affects performance and motivation (Reinardy, 2012). Reinardy noted how job insecurity could directly lead employees to retire early for fear of losing benefits, or seek other employment. The test results were similar to the previous factors of finance and healthcare, where managers in both the public and private industries expressed an overall positive view on their job security. This hopeful attitude may be related to the improving economy and a decreasing unemployment rate. Job stability gives employees career security and diminishes the chance of employees leaving one company for another (Reinardy). The job security questions also covered manager perceptions toward their supervisors and work environment. Again, the responses were positive, indicating that employers are considering employee satisfaction in the workplace. Happy workers result in higher productivity and efficiency, and these concepts appear to have influenced employer policy (Winkelmann-Gleed, 2012).

The results of this study indicate that managers in government agencies and private industry feel the same concerning the factors of finance, healthcare, and job security when deciding to retire. The survey results indicate a more positive view of the three factors, with the responses of managers showing a strong overall correlation. The researcher determined from this study that managers in both the public and private sectors are generally optimistic when contemplating retirement. Variations in finances, health benefits, and job security have become closer between government and private firms. Further research may include a more narrow focus to take costs of living and location into account. Demographic variables such as age, race, and gender may also yield differences in the perception of managers and their desire to retire. Employers should explore these other variables if they wish to attract and retain managerial talent to their respective companies and agencies.

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Appendixes

Appendix A: Informed Consent Form

Informed Consent Form

Introduction:

My name is Philip LaVoie. I am a doctoral student at Northcentral University in Arizona. I am conducting a research study on manager perceptions on finance, healthcare, and job security toward retirement in the public and private industries. I am completing this research as part of my doctoral degree. I invite you to participate.

Activities:

If you participate in this research, you will be asked to:

1. Complete a 30-item survey. This should take up 30 minutes.

Eligibility:

You are eligible to participate in this research if you:

1. Reside within the continental United States
2. Are actively employed in a managerial position
3. Work in the public or private industry

You are not eligible to participate in this research if you:

1. Reside outside the continental United States
2. Are not actively employed in a managerial position

I hope to include 176 participants in this research.

Risks:

There are minimal risks in this study. Some possible risks include distress at answering personal questions.

To decrease the impact of these risks, you may stop participating in the study at any time.

Benefits:

If you decide to participate, there are no direct benefits to you.
The potential benefits to others are people in the field of business may learn more about the manager perception toward retirement.

Confidentiality:

The information you provide will be kept confidential to the extent allowable by law. SurveyMonkey ensures your identity remains confidential.

The people who will have access to your information are: myself, my dissertation chair, and my dissertation committee members.

I will secure your information with these steps: The computer files will be stored on a password-protected USB flash drive in a locked drawer.

I will keep your data for 7 years. Then, I will delete electronic data and destroy paper data.

Contact Information:

If you have questions for me, you can contact me at: P.LaVoie8920@email.ncu.edu, 501-454-7150.

My dissertation chair's name is Melanie Shaw. She works at Northcentral University and is supervising me on the research. You can contact her at: mshaw@ncu.edu, 618-698-3280.

If you have questions about your rights in the research, or if a problem has occurred, or if you are injured during your participation, please contact the Institutional Review Board at: irb@ncu.edu or 1-888-327-2877 ext. 8014.

Voluntary Participation:

Your participation is voluntary. If you decide not to participate, or if you stop participation after you start, there will be no penalty to you. You will not lose any benefit to which you are otherwise entitled.

By participating and completing this survey, you agree to the above conditions of this Informed Consent Form.

Appendix B: Survey

Manager Perception on Finance, Healthcare, and Job Security toward Retirement Survey

Section 1: Please answer the following questions regarding finance as it relates to influencing your retirement:

1. Overall, how confident are you that you will have enough money to live comfortably throughout your retirement years?

- Extremely confident
- Confident
- Unsure
- Unconfident
- Extremely unconfident

2. Overall, how confident are you that you will have enough money to take care of your medical expenses during your retirement?

- Extremely confident
- Confident
- Unsure
- Unconfident
- Extremely unconfident

3. Overall, how confident are you that you will have enough money to take care of your basic expenses during your retirement?

- Extremely confident
- Confident
- Unsure
- Unconfident
- Extremely unconfident

4. Overall, how confident are you that you will have enough money to pay for long-term care, such as nursing home or home health care, should you need it during your retirement?

- Extremely confident
- Confident
- Unsure
- Unconfident
- Extremely unconfident

5. Overall, how confident are you that you prepared financially for your retirement?

- Extremely confident
- Confident
- Unsure
- Unconfident
- Extremely unconfident

6. Do you now expect to retire later, at an older age than before?

- Extremely likely
- Likely
- Unsure
- Unlikely
- Extremely unlikely

7. Do you think you will do any work for pay after you retire?

- Extremely likely
- Likely
- Unsure
- Unlikely
- Extremely unlikely

8. How valuable do you think you would find recommendations as to how much you can withdraw from your plan each month to help your savings last throughout your retirement?

- Extremely valuable
- Valuable
- Unsure
- Non-valuable
- Extremely non-valuable

9. How confident are you that the Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today?

- Extremely confident
- Confident
- Unsure
- Unconfident
- Extremely unconfident

10. How confident are you that the Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today?

- Extremely confident
- Confident
- Unsure
- Unconfident
- Extremely unconfident

Section 2: Please answer the following questions regarding healthcare as it relates to influencing your retirement:

11. The medical care I receive needs improvement.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

12. Sometimes I go without the medical care I need because it is too expensive.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

13. I am able to get medical care whenever I need it.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

14. I understand what my medical insurance policy covers.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

15. My insurance protects me financially against all possible medical problems.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

16. I worry sometimes about having to pay large medical bills.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

17. It is a problem to cover my share of the cost for a medical care visit.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

18. It is easy for me to get medical care in an emergency.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

19. I will be able to afford medical care after I retire.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

20. My medical insurance is affordable.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

Section 3: Please answer the following questions regarding job security as it relates to influencing your retirement:

21. I am satisfied with my job.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

22. My job is interesting enough to keep me from being bored.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

23. I enjoy my work more than my leisure time.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

24. I am enthusiastic about my work.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

25. Each day of work seems like it will never end.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

26. I have to force myself to go to work.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

27. I dislike my supervisor.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

28. I am happier in my work than most other people.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

29. My supervisor respects my needs.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree

30. I will work past my retirement age.

- Strongly agree
- Agree
- Unsure
- Disagree
- Strongly disagree