

UNIVERSITI TEKNOLOGI MARA

**THE INFLUENCE OF
PSYCHOLOGICAL
DETERMINANTS AND
RETIREMENT PLANNING ON
PERCEIVED BRIDGE
EMPLOYMENT: EXAMINING THE
MODERATING EFFECT OF JOB
SATISFACTION AMONG
EMPLOYEES IN SABAH**

ZAITON BINTI OSMAN

Dissertation submitted in partial fulfilment of the
requirement for the degree of **Doctorate of Philosophy**

Faculty of Business Management

Februry 2015

AUTHOR'S DECLARATION

I declare that the work in this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledged as referenced work. This topic has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

In the event that my dissertation be found to violate the conditions mentioned above, I voluntarily waive the right of conferment of my degree and agree to be subjected to the disciplinary rules and regulations of Universiti Teknologi MARA.

Name of Candidate : Zaiton Binti Osman
Candidate I.D. No. : 2010835116
Programme : Doctorate of Business Administration
Faculty : Business Management
Dissertation Title : The Influence of Psychological Determinants and Retirement Planning on Perceived Bridge Employment: Examining The Moderating Effect of Job Satisfaction Among Employees in Sabah.

Signature of Candidate:

Date : February 2015

ABSTRACT

Retirement forces older workers to disconnect with their previous behavioural patterns and economic position. Transition and adjustment from working life to retirement places great psychological pressure and financial distress on older workers, especially those with dependent children. Bridge employment provides a solution for older workers to continue working after retirement while transitioning into retirement slowly and smoothly. As losing the job role has a significant impact on the psychological well-being of retirees, engaging in bridge employment helps to fulfil the important psychological functions of older workers by providing an adaptive style to retirement. This study investigates the influence of psychological determinants (future time perspective, retirement goal clarity and financial knowledge) and retirement planning on bridge employment. Moreover this study also examines the moderating effect of job satisfaction among employees in Sabah. Retiring individuals must adapt and make major life transitions. A self-administered questionnaire was used in this study and a total of 523 samples were collected for nine major district in Sabah. Pearson Correlation and Multiple Linear Regression were conducted to determine the relationship between psychological determinants, retirement planning and perceived bridge employment. The findings from this study show a positive association between future time perspective and financial knowledge on bridge employment and a negative association between retirement goal clarity and retirement planning on bridge employment. Subsequently, job satisfaction was proven to moderate the relationship between psychological determinants, retirement planning and bridge employment. The study indicated that there is a need for aggressive promotion on financial knowledge, especially on retirement planning as well as programs on retirement preparedness (seminars, workshops, consultations, talks and surveys) in all organisations (government or private firms) as it will help to prepare employees for retirement and educate employees on other available retirement options such as bridge employment. Moreover, bridge employment opportunities should also be drafted for middle class income employees with a low level of education in both the government and private sectors, rather than just for highly educated employees only.

ACKNOWLEDGEMENT

Great appreciation and gratitude, as well as special acknowledgement are extended to the members of my dissertation committee of supervisors; Prof Dr. Ismail Ahmad, Assoc. Prof. Dr. Noryati Ahmad and Dr. Imbarine Bujang, for their constant support, encouragement, constructive criticism and direction during the course of this dissertation. Their invaluable inputs have significantly improved the quality of my work. I would not have survived this journey without their constant mentoring and help.

Many individuals, both professional and personal friends, have shared their knowledge, expertise, encouragement and support during the process of this dissertation. A special place in my heart is reserved for my fellow colleagues and DBA classmates especially Grace Phang, Dr. Azaze@Azizi, Izyanti, Rizwan, Sharon Cheuk and Rosle Mohidin.

Words are inadequate in expressing the admiration and heartfelt thanks I feel for my late parents; Hj. Osman Bin Ambak and [redacted] for their unconditional love, continuous prayers and confidence in my ability to pursue my ultimate dream. To my siblings, Norsiah, Odah, Along, Yad, Aton, Ina, Aman and Ateh, thank you for believing in your 'little sister' and during the really 'tough times' - this alone gave me strength to move on and achieve my goals. To my in-laws, the support and understanding you gave me in the course of completing this dissertation is greatly appreciated.

Last but not least, as they were with me every step of the way, a special thanks to Tadjuddin Tanjing, my other half and Tisha Zuleikha Tadjuddin, my lovely daughter – they are the truest of friends. They heard all the laughter, saw all the smiles and comforted all the tears. Thank you so much for all your love and understanding. These sincere thanks are specially dedicated to the both of you for helping me reach this goal and great success!

Table of Contents

CONFIRMATION BY PANEL OF EXAMINERS	i
AUTHOR'S DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	viii
LIST OF FIGURES	xi
LIST OF ABBREVIATION	xii
 CHAPTER 1: INTRODUCTION	 1
1.1 Background of Study	1
1.2 Problem Statement	5
1.3 Objectives of Study	10
1.4 Research Questions	10
1.5 Significance of Study	11
1.5.1 Industry Perspectives	11
1.5.2 Theoretical Perspectives	12
1.6 Limitation of Study	13
1.7 Definitions of Terms	13
1.7.1 Dependent Variable: Bridge Employment	13
1.7.2 Definitions of Terms: Independent Variables	14
1.7.2.1 Psychological Determinants: Retirement Goal Clarity, Future Time Perspective and Financial Knowledge	14
1.7.2.2 Retirement Planning	14
1.7.3 Definition of Term: Moderating Variable	15
1.8 Physical and Psychological Issues of Bridge Employment	15
1.8.1 Health Status	15
1.8.2 Financial Status	16
1.8.3 Family-Related Issues	16
1.8.4 Job-Related Issues	16
1.9 Summary of the Chapter	17
 CHAPTER 2: DEVELOPMENT OF RETIREMENT PROGRAM	 20
2.0 Introduction	20
2.1 Pension System and Retirement Scheme in Asia	21
2.2 Schemes Available in Malaysia	22
2.2.1 Pension Scheme: Government Servants	22
2.2.1.1 Objectives of Pension Scheme	22
2.2.1.2 Types of Pensions	23
2.2.2 Employee Provident Fund (EPF)	25