



ARC Centre of Excellence in Population Ageing Research

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Mature Workers in Organisations: Understanding Retirement in Australia

Laura Bennett, Daniela Andrei, Leah Zoszak, Cecilia Runneboom, Jane Chong, David Pitt

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CEPAR Industry Report | 2024



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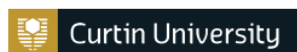


Table of Contents

1. About CEPAR	3
2. Executive Summary	4
2. Research Background	6
3. About the Project	8
3.1 Sample Demographics	8
3.2 Interpreting the Report	10
3.3 Analysis Approach	10
4. Key Insights	11
5. Recommendations	17
6. Conclusions	24
7. References	25

About this report

This report is the result of a collaboration between the Centre of Excellence in Population Ageing Research (CEPAR) and an Australian financial advisory firm, Viridian Advisory. The presented findings highlight interview insights for retirement decision making processes.

About CEPAR

CEPAR is an Australian Research Council funded project and a unique collaboration between academia, government, and industry. CEPAR is committed to delivering solutions to one of the major economic and social challenges of the 21st century.

CEPAR produces pathbreaking research with the potential to secure our future a future of world-best policy and practice for an ageing demographic, and to provide thought leadership to enhance global wellbeing.

CEPAR's *Organisations and the Mature Workforce* research stream is led by ARC Laureate Fellow, Professor Sharon Parker and focuses on the impact of various work designs on worker wellbeing across the lifespan. Stream 3 investigates barriers to mature workforce participation and intergenerational collaboration. The 3i model below is the central educational framework used by CEPAR to facilitate age-related change within teams and organisations



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Executive Summary

With an ageing Australian workforce, understanding retirement intentions, decision making processes, and successful transitions to retirement become increasingly valuable at the economic, organisational, and individual levels. In making this report, CEPAR collaborated with an Australian financial advisory firm to complete eighteen interviews with mature workers and recently retired individuals from diverse (Australian) geographical and career backgrounds. Our goals were to investigate the changing nature of retirement aspirations and outcomes, and to form multi-level recommendations to support successful transitions into retirement.

Though our sample is smaller, there were three key generalisable findings from this investigation. First, when approaching retirement age, mature workers tend to engage in almost spontaneous decision making with little planning, advice (beyond financial), or consideration of their retirement aspirations. This suggests significant scope for educational advancement for individuals and organisations across the working lifespan, as well as holistic enhancement opportunities for advisory bodies.

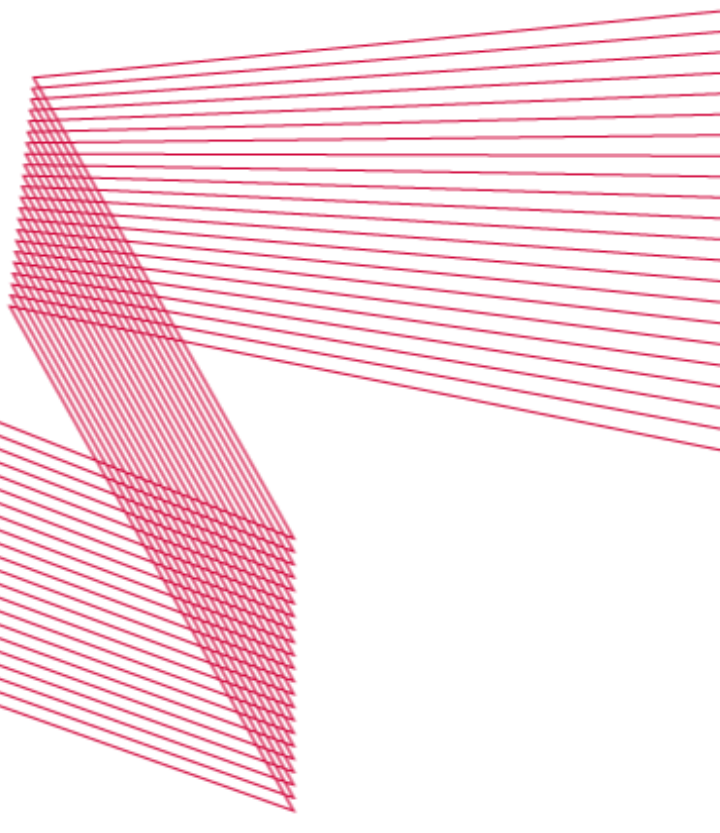
A second key finding was that neither mature workers nor organisations typically consider part time, post-retirement work (bridge employment) as a viable option and are instead primed for transitions into full retirement.

This is despite many positive attitudes toward the practice and suggests the need for proactive communication between workers and organisations, as well as a review of higher-level barriers to participation in bridge employment such as tax penalties and excess paperwork. If we are to attempt to fill labour shortages via extending the productive working life of mature people, then incentives to engage in bridge employment may be a beneficial offering.

Finally, against our initial suspicions, mature workers reported COVID-19 had limited influence on their decision to retire. Instead, COVID-19 had an indirect effect on retirement intentions via changing work design (e.g. furlough, and flexible working options), and transitions to retirement (e.g. due to travel restrictions), which caused disruptions to retirement plans. Other factors like health and financial readiness were more influential in the decision to retire than the pandemic. These findings highlight the need for organisations to thoroughly consider the impact of good work design on their capacity to retain mature workers over the long term. It also presents an opportunity for financial advisors and mature workers to collaboratively plan retirement goals and activities and consider alternative ways to find fulfillment and purpose during retirement, particularly in the face of unexpected challenges.

Executive Summary

We hope this report will provide some evidence base to inspire collaboration between workers, HR professionals, CEOs, and relevant advisory parties to develop diverse practices that holistically support our mature working populations. Successful retirement planning and transitions may improve longer term workability and organisational planning processes, yielding benefits to all.



Research Background

Australia has an ageing population (ABS, 2015), with an increasing number of mature workers making up the labour force (Handley et al., 2021). By 2050, it is projected that those aged above 55 years will account for 40% of the adult Australian population (CEPAR, 2021). This changing age profile of the labour market, coupled with labour skills shortages, presents considerable challenges for organisations to engage and retain older workers in the workforce. In recent years, there has also been a growing trend of mature workers retiring earlier than previous generations (Peterson & Murphy, 2010). In fact, population projections indicate that over the next 25 years around seven million Australians will transition into retirement, to barely be replaced by those entering the workforce (Walter et al., 2023). The early retirement of mature workers poses significant economic and social implications for Australia (Churchill et al., 2014). Hence, strengthening the labour force participation of mature workers, is a key strategy to better manage the implications of population ageing in Australia.

Our changing workforce demographic and evolving attitudes towards work and retirement have led to a renewed interest in understanding retirement aspirations in Australia. Traditionally retirement has been viewed as the ceasing of paid work entirely. However, today pathways into retirement are much more diverse, with more mature

workers looking to pursue bridge employment opportunities in an effort to gradually transition into retirement (Warren, 2015). Bridge employment typically involves post-retirement self-employment or casual work, or more ad hoc working periods (i.e., periods of contract work), or a decline in work responsibilities (Wang & Schultz, 2010). However, it remains unclear what elements of bridge employment are desirable for mature workers, and what specific factors mature workers consider when choosing to pursue or accept bridge employment opportunities in retirement. Understanding the factors that influence mature workers' choices regarding bridge employment can help organisations develop strategies to support successful ageing at work to help maintain workforce stability.

Moreover, the COVID-19 pandemic has likely introduced further complexity to retirement decisions for mature workers. The economic and social disruptions caused by the pandemic may have influenced some mature workers to reassess their retirement plans due to changing work arrangements. However, the extent to which the pandemic has, or continues to influence mature workers' retirement decisions and planning remains unclear. On the one hand, economic disruptions may have led mature workers to re-evaluate their retirement plans and consider delaying their retirement in order to adequately build up their retirement savings.

On the other hand, social disruptions caused by the COVID-19 pandemic may have prompted mature workers to retire earlier to protect their health and avoid exposure to the virus, or to focus on caregiving duties for sick family members. Investigating the impact of COVID-19 on retirement decisions among mature workers will provide valuable insights into how external factors can shape retirement choices and planning in Australia.

The objective of this project was to gain a comprehensive understanding of changing retirement aspirations. We aimed to explore the specific factors that influenced mature workers' decisions to retire and how this impacted their quality of life during retirement. By exploring other aspects beyond financial planning and considering health and lifestyle aspects of retirement more broadly, this research aims to contribute valuable insights into how older Australians plan for retirement. In doing so, this research can assist organisations, financial advisors, and policymakers to retain and engage mature workers for longer; as well as promote positive retirement transitions and outcomes for mature workers.

About the Project

This project is the result of a collaboration between the Centre of Excellence of Population Ageing Research (CEPAR) and Viridian Advisory. Viridian Advisory is a national financial advisory firm, who approached CEPAR to gain insights into the needs of their clients in order to effectively respond. Viridian advertised the research opportunity among their clientele base, and mature workers who expressed interest in participating in the project were then contacted by the CEPAR research team and invited to take part in the research.

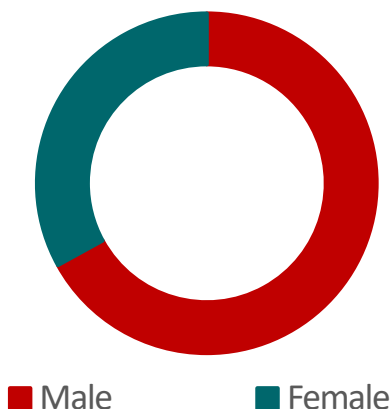
Between November of 2022 and July of 2023, 18 mature workers located across Australia were interviewed by the CEPAR research team for this project. Interviews were conducted either by telephone or Microsoft Teams and lasted approximately 30-45 minutes. Interview questions focused on mature workers' experiences and perceptions about retirement. Each interview covered three broad research themes.

1. Questions relating to general retirement decision making processes.
2. The specific impact of COVID-19 on retirement decisions and aspirations.
3. Attitudes toward, and uptake of bridge employment during retirement.

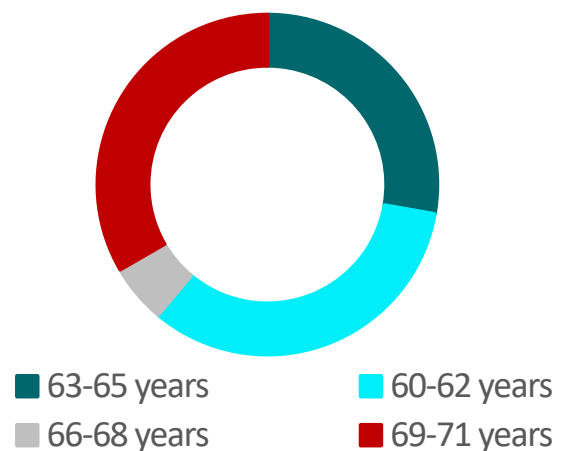
3.1 Sample Demographics

The majority of the mature workers were male (12; 67%), with an average age of 70 years, (age range: 60 to 71 years).

Gender Breakdown

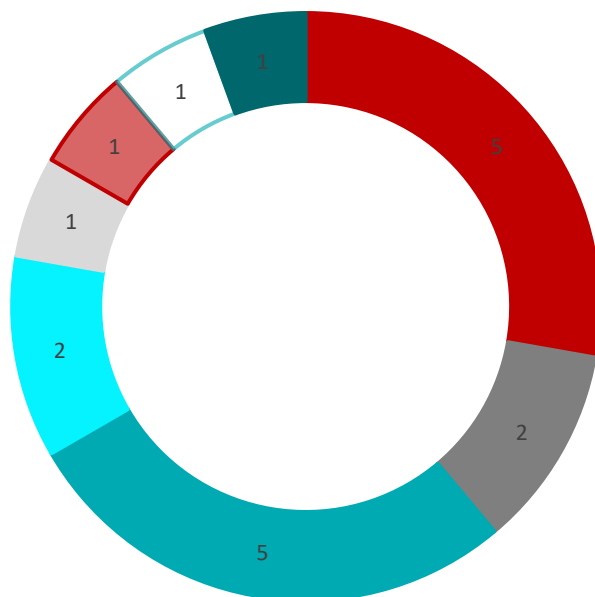


Sample Age Distribution



Interviewees were from a range of industries which included: finance, government, oil and gas, engineering, trade, business services and healthcare. Additionally, mature workers held various positions ranging in seniority from former Chief Operating Officers (COOs) to administration and support service staff.

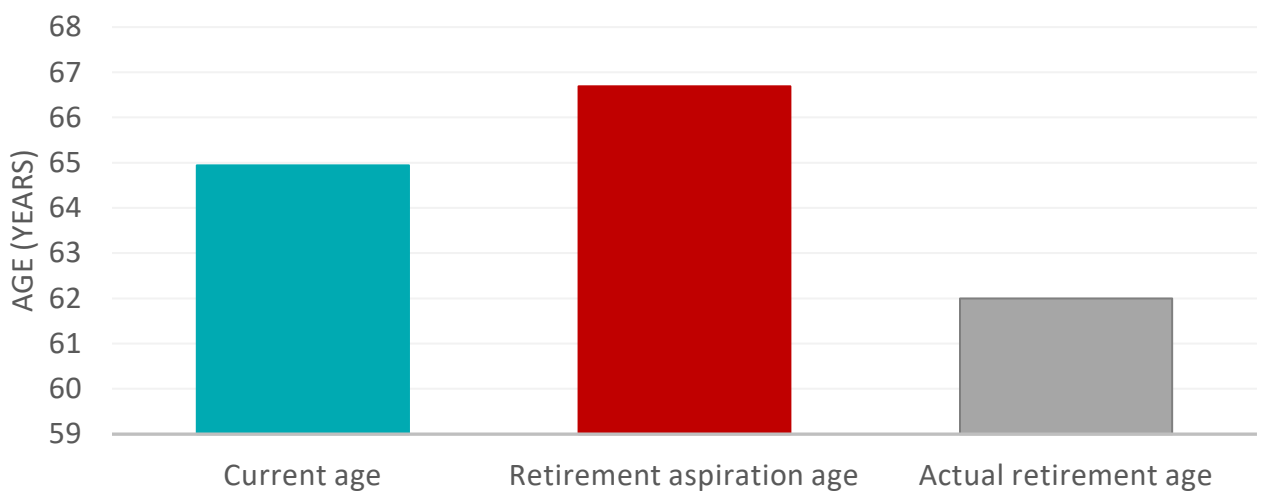
Employment Background



- Financial and Insurance Services
- Mining
- Multi-trade
- Business Services
- Healthcare and Social Assistance
- Trade and Tourism
- Administration
- Education and Training

Of the ten participants who identified as currently retired, 62 years was the average age of retirement, however retirement age ranged from 58 years to 67 years. On average participants reported being retired for just over one year. Whereas, among the 8 mature workers who were yet to retire 66.7 years was reported as the average retirement aspiration age.

Retirement Trends



3.2 Interpreting the Report

Participants of the current study represent a proactive group of mature workers who actively sought financial advice before making the transition into retirement. Due to this, findings of the study may not represent the experiences of all mature workers across Australia, as those who do not seek financial advice are more likely to experience negative retirement outcomes (Topa et al., 2017), meaning our sample may represent the best-case scenario for retirement experiences.

3.3 Analysis Approach

Interviews were recorded, transcribed, and analysed using NVivo data management software and a thematic, content-comparison method of analysis was conducted by the research team. From the analysis, a number of key findings emerged based on the research questions. Please note that at times small adjustments have been made when de-identifying quotes (e.g. removing age, location, gender, or other identifying information), as depicted by square brackets, to maintain confidentiality of interviewees.

Key Insights

Research Question 1: How do mature workers make the decision to retire?

Despite the majority of mature workers recognising the various advantages of early retirement planning, many only began financially planning for retirement in the year or two leading up to their decision to retire. On average, mature workers did not seriously consider retirement planning until the age of 61 years. In previous research, this delay in retirement planning has been attributed to the fact people often feel distant from any envisaged version of their ‘future selves’, especially when retirement seems far off (Urminsky, 2017). This lack of connection with one’s future self can lead to a lack of motivation to proactively engage in retirement planning. Hence, mature workers likely only begin retirement planning once the prospect of retirement feels more tangible. Therefore, the amount of time mature workers perceive to have left in their career is likely a significant factor in shaping their readiness for retirement and their willingness to plan for it.

Within our sample, mature workers’ attitudes towards retirement also influenced their decision to retire in that those who held more negative retirement attitudes did not proactively plan for it. Commonly it was reported that the fear of the unknown in post-retirement led them to delay or avoid planning for it. As a result, these mature workers often reported their decision to retire was made quickly and spontaneously. This finding aligns with a recent report which found up to 72% of mature workers rely on their own instincts when planning for retirement, and making critical retirement decisions (Deevy & Vernon, 2022). Taken together, these findings suggest mature workers who hold negative attitudes towards retirement, may be more inclined to rely on more instinctual ‘mental shortcuts’ (often without awareness) to reach retirement decisions quickly (Evans & Stankovich, 2013). On the other hand, we also observed that our interviewees who held more positive attitudes toward retirement (e.g. saw it as an opportunity for greater leisure time) were more proactive in planning for retirement and gave greater consideration to what they would like to achieve in retirement (e.g. leisure activities).

Finding 1: Mature workers are often making the decision to retire with very little planning

Finding 2: Many personal, social, and work-related factors contribute to mature workers making decisions to retire

Our analysis suggests that although little planning occurs, the decision to retire is still a complex process influenced by a combination of personal, work-related, and financial factors. Many of our interviewees reported their retirement was not typically triggered by a single major life event, but rather the culmination of multiple factors that prompted reflection on their retirement aspirations. Financial considerations were commonly reported as an impetus to either retire, or delay retirement. This was because, for many, seeking financial advice enabled them to determine whether they were financially secure and had the means to retire.

Relatedly, some mature workers reported that receiving a redundancy package impacted their retirement decision. Here, the majority opted to accept the redundancy package, stop work completely, and transition into their retirement earlier than initially planned. The primary motivation behind this choice was to improve their quality of life. For many, they reported being motivated to accept the redundancy package as the meaning of work had changed to them across the later years of their career. For

example, many reported wanting to be involved in work that ‘gave back’ to the community. Additionally, many reported increasing physical and mental demands in their job did not support successful ageing at work and resulted in additional stress towards the later phase of their career. As a result of these deficiencies in work, several interviewees felt more motivated to retire and transition into activities with less stress and more personal meaning. These findings are in line with lifespan development theories and frameworks suggesting age-related changes work motivation and goals (Carstensen, 1998; Kanfer & Ackerman, 2004).

Interview Quotes

“I wasn’t particularly proactive early. I think in the last two years I probably took more of an interest because I was two years out from retirement”.

“Oh, it was quite late. It didn’t sort of come across me as something I needed to plan for. It was more in the way of the opportunity that arose”.

“I thought to myself ‘Well it’s timely. I’ll give it another few more months’. And so it wasn’t so much a retirement plan”.

Research Question 2: What role has COVID-19 played in mature workers' retirement decisions or aspirations?

Finding 1: COVID-19 was reported to have a small or negligible impact on retirement decisions and retirement planning.

Based on the major disruptions in the labour market, various pandemic restrictions, and ongoing financial and health ramifications of the COVID-19 pandemic, we anticipated COVID-19 would have a significant impact on mature workers' retirement timing and decision-making. However, more commonly our interviewees reported the pandemic had a very small impact on their retirement timing and decision-making. The majority stated that the COVID-19 pandemic was more of an after-thought consideration they had after they had already made the decision to retire. This may reflect that the majority of mature workers we spoke to had already adequately financially prepared for retirement, and by seeking financial advice during COVID-19 many mature workers were likely able to navigate the financial uncertainty caused by the pandemic which placed them in a strong financial position. Hence, the economic impact of COVID-19 likely had limited influence on their retirement plans and aspirations.

However, we did identify that the COVID-19 pandemic affected mature workers during their retirement. Many retired mature workers reported that COVID-19 had disrupted their aspirations to travel in retirement, which had affected their mood and transition to retirement. This finding is inconsistent with emerging literature looking at the psychological impact of COVID-19, which suggests that older people, particularly women, are more psychologically resilient to the effects of the pandemic (Garcia-Portilla et al., 2020). Though older men in the study were also found to be resilient, differences in our sample's gender distribution may account for some of the discrepancy in our findings.

Finding 2: The impact of COVID-19 on mature workers' decision to retire was more indirect, through its effect on work design characteristics.

For our interviewees, the impact of the COVID-19 pandemic on retirement decisions became more evident when considering its effects on their work. Many mature workers reported that the pandemic had a negative impact on the quality of their work, primarily due to increased workloads and a reduction in social support after working from home was introduced. These factors contributed

to heightened work stress and uncertainty, prompting many of our participants to consider retirement. This finding aligns with previous research by the Centre for Excellence in Population Ageing Research (CEPAR, 2021), which identified trends of increased work demands, and reduced autonomy and social support as a result of COVID-19.

Conversely, a proportion of mature workers (28.6%) also reported that flexible working arrangements, such as remote work options, offered throughout the pandemic provided them with more flexibility. In turn, this motivated interviewees to extend their working career, as they were able to cultivate a better-work life balance. Where, instead of adhering to structured work hours (often in a continuous block of time), mature workers were able to adjust their working hours to be more productive and accommodate their other life demands.

Overall, the COVID-19 pandemic seemed to both positively and negatively affect various aspects of work. This highlights a nonlinear impact of COVID-19 on decision making behaviours where (1) the impact was more indirect through its influence on work design, hence the overall effect of the pandemic was likely not consciously accessible to mature workers when making their retirement decisions, or (2) there was no clear consensus on how the pandemic influenced retirement decisions and plans among the mature workers we spoke to.

Interview Quotes

“We have to live with COVID now and as things have got progressing, it's just a way of life ... It doesn't really faze me at all. It's just something that's come up in life that we have to deal with”.

“We're about to [travel] and there are massive COVID restrictions in place, which have only been just tightened up just prior to us [leaving]. And so that has [affected us in retirement] and to be honest with you, it's going to make our trip not so enjoyable, I believe”.

“What COVID actually did for companies like [my company] was totally change how we worked. So [my company] changed the rules to say that there was no primary place of work, it could be from home, it could be at the office, it could be a client, it could be the local coffee shop, it didn't really matter. There was no primary place of work. So thereafter, until I retired in 2021, I worked mostly from home, maybe went into the office one or two days a week, and it made me realize that maybe retirement wasn't a bad idea. So it really had an influence, because it made me think about the quality of life that I had”.

Research Question 3: What sorts of bridge employment opportunities would be of interest to mature workers who are thinking of retiring?

Another key finding of the project was that mature workers did not consider any options of part time or casual work after retirement, and instead chose to transition directly into full retirement. Several barriers were identified that prevented mature workers from seeking out and accepting bridge employment opportunities. First, mature workers were not presented clear options or guidance on how to seek out bridge employment by their organisation or financial advisor. It was clear from these comments that many expected organisations to take the lead in creating job opportunities that would utilise their skills in a meaningful way and communicate these opportunities to workers in the lead up to retirement. Second, mature workers reported Australian taxation rates were a financial barrier that deterred them from pursuing bridge employment opportunities in retirement. Finally, mature workers expressed a loss of interest in pursuing bridge employment due to overly complex and time-consuming administration processes and organisational bureaucracy.

Although our sample did not routinely take up bridge employment options, majority of interviewees were interested in the concept for the potential income and personal opportunities it represented. Majority were not looking to advance their career in retirement and instead seemed to approach the idea of bridge employment as a new phase of their lives. Interestingly, if barriers were removed, many interviewees were keen to accept bridge employment opportunities in a different field from their previous career. New roles would ideally align with their interests and desired lifestyles. This finding emphasises the importance of flexible and diverse retirement plans that accommodate gradual or transitional approaches.

Finding 1: The majority of mature workers don't consider bridge employment as an option in retirement

Interview Quotes

“It wasn't offered, nobody spoke to me, I found that they just went, oh ok go. See you later, sort of thing. I gave them plenty of notice that I was looking, and hints that I was looking to retire”.

“[I like to go travelling] so [casual work] gives me that flexibility, whereas I start to commit to a permanent one or two days of work, it wouldn't impact us that much, but it may affect our plans. So that's why I'm only sort of thinking about it, at the moment”.

Finding 2: Mature workers could be motivated to accept bridge employment

Conversely, other interviewees were motivated to engage in hypothetical bridge employment opportunities that allowed them to pivot within their original industry to help others (e.g. colleagues and the community) more. This finding further highlights the shift in priorities that mature workers experience as they approach retirement, where they are more likely to seek employment opportunities that align with their values and provide them with a sense of fulfilment beyond financial rewards.

Recommendations

Our findings imply varied strategic and practical suggestions for a multi-faceted approach to improving retirement outcomes. Where appropriate, this section details recommendations made for four levels of action: Individual, Organisational, Advisory, and Policy.

In line with previous research, many interviewees in our study reported that they rely on their own instincts when planning for retirement, and that the decision to retire was made quickly. Many interviewees also stated that they have delayed or avoided retirement planning due to a 'fear of the unknown'. Both approaches suggest there is significant scope for clearer decision making.

Recommendation 1: Individuals are encouraged to proactively seek holistic education to aid retirement planning

Individual Level

Holistic retirement planning may include opportunities presented through workplace and community outlets (e.g. Libraries and government funded events) and advisory services.

Because financial resources are a strong predictor of retirement adjustment and satisfaction (Leung & Earl, 2012), financial advice and education is advised to be sought

early and as a priority to ensure financial potential can be achieved in retirement. Due to interviewee ties with our partner organisation, financial advice was a clear avenue for assistance obtained by our sample in their preparation for retirement. However, less attention was given to other potential pathways that prove to be equally important once the retirement transition has been made. Previous research has suggested that contentment with life following retirement is strongly related to health and relational support (Leung & Earl, 2012). Therefore, attention should also be paid to the lesser utilised avenues for pre-retirement advice on psychological and social wellbeing.

Relatedly, our report found that positive attitudes about retirement were correlated with proactive retirement planning. In other words, interviewees who spoke and thought about retirement in a more optimistic light were more likely to plan for retirement, which is associated with better retirement outcomes. We suggest that a personal review of the reasons one may want to retire may assist in improving negative retirement thoughts and support accurate planning for a successful retirement. This might include the use of episodic future thinking, in which one purposefully constructs possible future scenarios for consideration, as a strategic approach to gain clarity for planning. Resources assessing holistic wellbeing in retirement can be found via the *Work and Ageing* including a [Retirement Resources Inventory](#).

Organisational Level

Organisations are advised to incorporate workforce strategies for retirement planning as a priority. The benefits of holistic retirement decision making highlight the need for education that enhances pathways for psychological and social planning, in addition to financial planning. This might include educational programs and collaboration with external providers to offer tailored advice and preparation to employees. Providing a means for clarity and assistance in decision making may also benefit an employers' own strategic labour force planning.

In line with a 'lifespan' approach to work and retirement, it is further recommended that holistic education on retirement planning should not be reserved for employees approaching traditional retirement age. Rather, education and planning assistance should be distributed across the working lifespan to ensure optimal conditions for a successful retirement and limited age bias associated with 'older' employees being targeted for training opportunities associated with retirement.

Advisory Level

It would be worthwhile for financial advisers to better educate themselves about the social and psychological aspects of making the decision to retire as this will provide a more holistic understanding of why people are making a decision to voluntarily retire.

Greater understanding of the psychological and social factors that impact client decisions to retire may better assist advisors in identifying issues that need consideration during the planning process. This will also allow financial advisers to broaden their professional partnerships to include other appropriate professionals (psychologists), in addition to their current engagement with lawyers and accountants, to help clients with decision making on when and how they wish to retire.

We suggest that Financial Advisors upskill themselves to provide a more in-depth knowledge of holistic retirement, which would ideally look at financial factors, but also psychological and social factors and how these factors intersect.

Policy Level

The implementation of policy that promotes adaptive retirement planning for workers from early career stages may be of use. One of the most important findings in this report is that many people do not plan for their retirement over the long term. In fact, most of our sample who were retired or planning to retire soon, made snap plans over short time periods after minimal advice from a financial perspective only. Further, several of these interviewees reported that they relied on intuition to select the timing of their intended retirement.

Because financial security in retirement remains a key predictor of longevity and wellbeing (Cruwys et al., 2019), we suggest further drive at the government level to assist organisations and individuals to plan for a secure retirement. This may include access to funding for improving financial literacy, and access to quality financial advice. However, previous literature also suggests the importance of social and psychological factors in retirement (Heller-Sahlgren, 2017), so we make two further recommendations for change. The first is that the reach of funding for retirement planning efforts should extend to individuals across all stages of their career to embed a culture of adaptive retirement planning. The second is that planning should include access to education on the importance of social and psychological factors for successful retirement, and avenues to engage holistic services for advice and support.

Although beneficial for overall labour supply management, promotion of holistic retirement planning also has the capacity to improve organisational knowledge gaps, which are often the result of unanticipated events from the workplace, and individual outcomes via improved financial, social and psychological wellbeing.

Recommendation 2: Individuals should consider devising a retirement 'Plan B'

An interesting finding to come from this report is that COVID-19 did not have the expected negative impact on all of our interview sample. Yet, if we view covid-19 in a more generalised way, as an unexpected event, there are some key learnings that can be extracted from our findings.

Individual Level

While one's ideal retirement plan may include travel or significant participation in community events like volunteering, the pandemic has been a reminder that things do not always go according to plan. Consideration of the assumptions that an envisaged retirement is based upon can be a useful tool to assist in retirement satisfaction. For example, an individual might consider: 'Does my envisaged retirement depend upon maintaining excellent health into the more senior years?' And 'What are alternate pathways for similar enjoyment of preferences like travel or gardening in the event of ill health or unexpectedly declining funds? This recommendation is consistent with previous research from Wang (2007), who found that health decline in retirement is associated with poorer psychological health. We suggest consideration of unexpected events as a moderating factor that can assist in maintaining psychological health in retirement.

Overall, psychological health is a major determinant of longevity in mature people, even reducing the risk of chronic illness (Steptoe et al., 2015), which may increase life expectancy. While learning to accept some uncertainty can also assist psychological health and build resilience (Hayes et al., 2012), mature individuals are further encouraged to improve their psychological flexibility (maintaining behaviours in line with one's values) by giving some consideration of unexpected events in retirement and what actions may be beneficial to mitigate negative outcomes and maintain some sense of control.

Advisory Level

When considering a Plan B, it may be important for individuals to know if the alternative plan is a financially viable option to allow them to achieve their revised goals. We suggest that financial advisers assist individuals with developing alternative strategies to meet Plan B options. Viability testing should take into consideration the individual's projected change in circumstances, from a financial, psychological, and social health point of view.

Recommendation 3: There is a need to rethink bridge employment opportunities to make them more attractive to mature workers

Our findings suggest that individuals don't routinely consider bridge employment as a viable option during retirement planning and that organisations don't routinely offer it, even when their current policy allows.

Individual Level

Interviewees gave several reasons for not engaging with bridge employment opportunities, including negative tax implications (see policy recommendations for further information), uncertainty in knowing if/when bridge employment is offered by an organisation, and whether it is the individual's or organisation's responsibility to broach the topic of bridge employment. This variety of responses is consistent with previous literature suggesting that complex decision-making processes are at play when considering bridge employment, including reflections on attitudes to work, individual health status, and any labour market constraints (Zhan & Wang, 2007). However, bridging options have been found to benefit individuals in a number of ways. For example, in the lead up to retirement, part time work in mature populations has been found to have positive benefits to psychological health.

Further, Zhan & Wang, (2015) suggest that bridge employment, specifically, has positive benefits for retired individuals because it facilitates the ‘adjustment to retirement’ period and is linked to post-retirement satisfaction. We recommend that employees consider bridge employment as a beneficial undertaking and are proactive in initiating discussions with their organisations.

Interestingly, our interviewees didn’t always view bridge employment as desirable within their original field of work. This is consistent with research that describes retirement decision-making processes and suggests those with higher career attachment and job satisfaction are more likely to enter bridge employment in a different area, while those with specific work skills and whom are more internally motivated are more likely to continue in their present career via bridge employment. Worth noting for individuals who are considering bridge employment is that bridge employment of any type has been linked to fewer instances of major disease development and functional limitation (Zhan & Wang, 2009). However, higher wealth and better psychological health has been associated with bridge employment within one’s area of expertise. This may be due to the uncertainty of role change, and financial stress.

talent pool, reduce knowledge loss (Zhan & Wang, 2015), and improve labour gaps (Henkens & Solinge, 2013). We recommend that employers review internal policy and negotiate agreements to tailor opportunities to individual preferences and needs.

Findings from our sample also suggest that many pre retirees do not know that such opportunities for post-retirement work exist. Of those who are aware of it, many are open to bridge employment but either have no clear avenue to discuss options with their employer or feel that it is the organisation’s responsibility to show interest and present opportunities. We therefore recommend that employers take the initiative to promote bridge retirement opportunities as a viable option for individuals seeking transitions to retirement and those who have previously retired. Promotion of such opportunities should become embedded in the organisational culture to normalise options for ‘stepping sideways’ in the lead up to retirement and remove any negative associations with ‘stepping down’.

Advisory Level

When assisting clients with their retirement planning, bridge employment should be discussed. This is important to understand, particularly if the individual is under 65 and may not be able to achieve a condition of release, because they may be unable to achieve their desired cashflow requirements due to limitations on access to their superannuation.

Organisational Level

Bridge employment also offers organisations many benefits, including the opportunity to hire from an experienced

Understanding the individuals cashflow requirements for the coming years will be important. As bridge employment opportunities may result in a change in income and cashflow, the role of the financial adviser in this situation is to educate individuals on the tax implications and strategies that can be employed to maximise that amount of tax efficient income and grow retirement savings (e.g. salary sacrifice, or personal deductible contributions to superannuation) that are within the current legislation.

Policy Level

The finding that some interviewees were not willing to explore bridge employment opportunities because of negative tax implications suggests the need to review policy.

Bridge employment opportunities have been found to be a predictor of successful retirement transitions and improve life satisfaction into the retirement years. They also have the potential to reduce labour supply issues and open opportunities for organisations to draw from a knowledge and skill intensive pool of candidates. Such benefits for an ageing population are important to prioritise against the effort expenditure of reviewing tax penalties to pensions and super, and barriers to uptake like heavy reporting requirements (e.g. via Centrelink). Currently, the Australian government offer a \$300 fortnightly

‘work bonus’ which is not assessed as income under pension payments up to a maximum amount. Similar incentives via multiple avenues including removal of red tape to incentivising work, providing opportunities for agile uptake of employment will reduce barriers to successful retirement transitions and improve labour participation.

Recommendation 4: Improve work design to retain workers of all ages

Organisational Level

While Covid-19 didn’t have a direct effect on retirement outcomes in our sample, it did have an interesting impact on work design. Work design is the “content and organisation of one’s work tasks, activities, relationships and responsibilities” (Parker, 2014). Many of our interviewees were redeployed or had unexpected changes to the way that their work was carried out. Good work design during times of upheaval (e.g. flexibility) may be especially important to vulnerable groups like mature workers.

Further, interviewees in our sample had a preference for flexible options in their later career to fulfill competing caring, social and work interests.

Overall, there tended to be a shift in our interviewees that occurred at the end of their careers which prioritised work experiences of personal meaning that contribute positively to the lives of others.

This finding is consistent with previous ageing literature that indicates mature workers are motivated by meaningful work that allows them to engage in social connection and interaction (Busch & Lieberum, 2012). It also links to previously discussed bridge employment options because of literature suggesting that many older adults want to continue working for longer than they do but fail to find jobs that are flexible enough to meet their lifestyles (Mountford, 2011).

We recommend that employers look toward offering flexible work design and redesign options to mature workers during the later stage of their career. These options might include work from home, work part-time, or have flexible start and finish times. Information on work design/re-design and the potential benefits it has for all employees can be found at the [Thrive at Work](#) website.

Recommendation 5: Reduce age bias in recruitment, selection, and performance review processes.

Organisational Level

Our results suggest that perceived age bias is a key factor in the decision to retire early. For example, where COVID-19 brought redundancies, mature workers may have perceived age-related discrimination in recruitment and selection processes and weighed their options of gaining new employment as low. This is consistent with literature on age bias showing that mature candidates are attributed lower ‘hirability’ scores by HR managers than younger colleagues with the same (or fewer!) qualifications (Lössbroek et al., 2020). Unfortunately, while age bias is always an issue that mature workers need to contend with, it is estimated that the issue is on the rise in recent years. In the US, 2.4 million additional mature workers took early retirement each year during the pandemic.

To avoid holes in labour supply resulting from biased recruitment and performance appraisals, we recommend that leaders are versed in strategies that promote successful ageing. A strategic model has been developed by Parker and Andrei (2020) that may assist leaders in facilitating mature workers in organisations.

Three areas are promoted by the authors as important to address. These are 1. Include: Which includes strategies to ensure mature workers are included and their contributions are valued without discrimination or stereotyping. 2. Individualise: Here the needs of mature workers are accommodated to ensure workability, productivity, and retention. And 3. Integrate: Where the strengths of mature workers are actively used through effective team design and positive interactions across different age groups. Information relating to the 'Three I' model can be found at www.cepar.edu.au

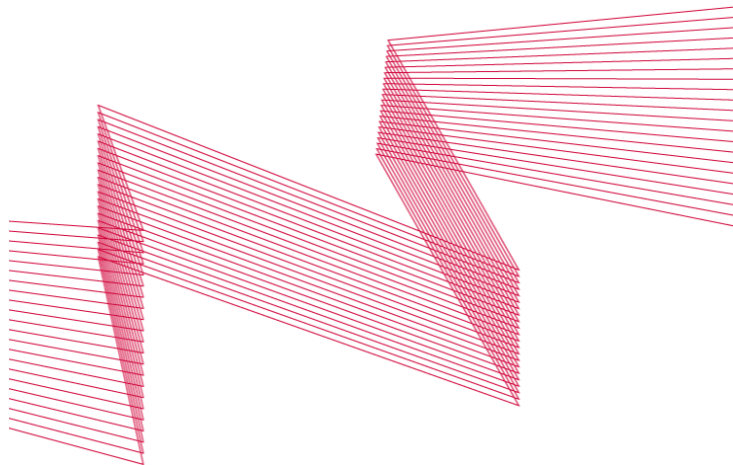
A second recommendation in this area is to educate leaders and hiring managers on unconscious bias, which are those ingrained biases outside of conscious awareness. [Harvard implicit association test](#) may assist in highlighting unconscious bias for different characteristics including age, race, and disability.

spontaneously; and often only began financially planning for retirement in the year or two leading up to their retirement. Interestingly, the COVID-19 pandemic had little to no impact on mature worker's decision to retire. Instead, the pandemic effected mature workers' lifestyle in retirement by restricting their travel or ability to engage in various hobbies. These findings highlight the need for proactive education to assist retirement planning and a restructuring of the way we conceptualise bridge employment opportunities in Australia.

The research team would like to thank our research participants, who gave their own time and energy to provide thoughtful insight into the current state of retirement affairs in Australia.

Conclusions

Our findings suggest that the decision to retire is multifaceted. Mature workers reported considering a range of personal, work-related, and financial factors to inform their retirement timelines. However, commonly mature workers reported being motivated to retire to seek a greater quality of life. In addition, it was found mature workers typically made the decision to retire somewhat



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