

**INDIVIDUAL NEEDS' INFLUENCE ON
RETIREMENT INTENTION: A STUDY AMONG
GOVERNMENT NURSES IN MALAYSIA**

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by

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LIST OF ABBREVIATIONS

RI	Retirement Intention
EPF	Employee Provident Fund
GPS	General Pension Scheme
SDT	Self-Determination Theory
WLB	Work-Life Balance
FS	Financial Stability
ICC	Individual Career Competency
EC	Employee Characteristics
PP	Performer
PTS	Transactor
PTM	Transformer
NMRR	National Medical Research Register
CRC	Clinical Research Center
MREC	Medical Research and Ethics Committee

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APPENDIX A: RESEARCH QUESTIONNAIRE

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**PENGARUH KEPERLUAN INDIVIDU TERHADAP NIAT BERSARA:
KAJIAN DI KALANGAN JURURAWAT HOSPITAL KERAJAAN DI
MALAYSIA**

ABSTRAK

Kajian ini tertumpu kepada niat bersara jururawat hospital kerajaan di Malaysia. Berdasarkan teori penentuan sendiri, kajian ini bertujuan untuk memahami pengaruh keperluan individu iaitu kesihatan, kestabilan kewangan, kecekapan kerjaya individu dan keseimbangan kerja-kehidupan terhadap niat persaraan jururawat. Ianya penting memandangkan hospital kerajaan Malaysia sudah pun berdepan dengan isu kekurangan jururawat seiring dengan peningkatan populasi warga emas yang menghampiri usia persaraan yang mendorong kepada issue peningkatan kehilangan jururawat berpengalaman di hospital kerajaan. Oleh itu, kajian ini mengkaji pengaruh empat keperluan individu dan kesan ciri pekerja terhadap hubungan antara keperluan individu dan niat bersara jururawat hospital kerajaan di Malaysia. Penyelidikan kuantitatif dan korelasi telah diterima pakai untuk menilai kesemua hipotesis pada tahap keertian 5% melalui penggunaan perisian SPSS dan PLS-SEM. Kaedah persampelan bertujuan digunakan untuk mengumpul tiga ratus sembilan puluh lapan (398) sampel. Penemuan kajian mendapati bahawa daripada empat keperluan individu, hanya tiga; kestabilan kewangan, kecekapan kerjaya individu dan keseimbangan kerja-kehidupan mempengaruhi secara positif niat bersara jururawat hospital kerajaan di Malaysia. Manakala keperluan kesihatan tidak mempunyai pengaruh positif terhadap niat bersara. Kesan penyederhanaan iaitu, ciri-ciri pekerja didapati tidak menyederhanakan hubungan antara empat keperluan individu dan niat bersara. Kesemua penemuan ini memberikan lebih maklumat yang menyumbang kepada

penentuan sendiri dalam perspektif jururawat hospital kerajaan di Malaysia. Hasil penemuan kajian ini membantu Kementerian Kesihatan Malaysia (KKM) merangka strategi dan dasar untuk mengatasi isu niat bersara dalam kalangan jururawat hospital kerajaan di Malaysia bagi mengurangkan isu kekurangan jururawat selain mengurangkan niat bersara dalam kalangan mereka. Malah, pengamal juga memperoleh pemahaman yang lebih baik tentang pengaruh keperluan ini dan ciri-ciri pekerja terhadap niat persaraan jururawat.

**INDIVIDUAL NEEDS' INFLUENCE ON RETIREMENT INTENTION:
A STUDY AMONG GOVERNMENT NURSES IN MALAYSIA**

ABSTRACT

The study focuses on the retirement intention of government hospital nurses in Malaysia. Based on the self-determination theory, this study aims to understand the influence of individuals needs namely health, financial stability, individual career competency and work-life balance on retirement intention of the nurses. This is important as the Malaysian government hospital already faces the nurses' shortages issue along with the increasing aging population that is nearing retirement age which leads to further loss of experienced nurses in government hospitals. Therefore, this study examines the influence of the four individual needs and the effect of employee characteristics on relationship between the individual needs and retirement intention of the government hospital nurses in Malaysia. A quantitative, and correlational research was adopted to evaluate all the hypotheses at 5% significance level via the usage of SPSS and PLS-SEM software. A purposive sampling method was used to collect three hundred and ninety-eight (398) samples. The findings resulted that out of four individual needs, only three; financial stability, individual career competency and work-life balance positively influenced retirement intention of government hospital nurses in Malaysia. While health needs had no positive influence on retirement intention. The moderating variable, employee characteristics was found not to moderate the relationship between the four individual needs and retirement intention. All these findings provide key insights that contributes to the self-determination theory in perspective of government hospital nurses in Malaysia. The outcome is evidence for Ministry of Health (MOH) to formulate strategies and policies to manage the

retirement intention amongst government hospital nurses in Malaysia in the aim to reduce nurses' shortage issue and reduce retirement intention among them. In fact, practitioners too gain better understanding on the influence of these needs and employee characteristics on the retirement intention of nurses.

CHAPTER 1

INTRODUCTION

1.1 Chapter Introduction

The introduction focuses on the research background and problem statement related to individual needs' influence on retirement intention in perspective of Malaysian government hospital nurses , followed by the research questions, research significance, research objective, scope of study and definition of key terms. Followed by the summary of entire Chapter 1.

1.2 Research Background

The research background highlights the present situation related to retirement intention. The retirement intention among government hospital nurses in Malaysia needs to be addressed and evaluated.

Retirement intention is the proxy to actual retirement, in which the concept is like turnover intention occurrence, whereby it involves the act of a nurse to detach himself from the government service and the work role, that includes quitting and retiring early (Adams & Beehr, 1998; Ayalew & Workineh, 2020). This is in-line with the findings by Hanisch (1995 as cited in Adams & Beehr, 1998, p. 644), where the concept of retirement and turnover were found to have similar function and substitutable with the notion that retirement intention is like intention to quit.

Retirement intention that results in early retirement is known to happen before one reaches the mandatory retirement age (Naziman et al., 2022), which is before the 60 years old (gazette retirement age in Malaysia). The existence of retirement intention often leads to shortage of workforce in the respective work sector, and this has been proven in a study by Saad & Daud (2019), where shortage of secondary school teachers

pulsated due to early retirement trend. In fact, losing workforce due to retirement causes a shift in supply and demand of workforces in Malaysia (Ruiz, Ating & Yew, 2021), which again leads to an overall shortage.

The issue of nurses' shortages is closely related to the Malaysian government pension system that is available and provided to retirees. It is a known fact that the Malaysian government has the two-tier pension system for retirees namely, Employee Provident Fund (EPF) and General Pension Scheme (GPS) which is the government servants' pension scheme (Foziah et al., 2017). Although there is EPF and GPS in place, it was found that only 52% working adults are covered by EPF, 6.2% covered by GPS, while 42% labor force is not covered by any retirement scheme (Foziah et al., 2017). In fact, the GPS is also found to be not contributory to retirement savings (Employees' Provident Fund, 2015).

Based on this, it can be deduced that the actual retirement could be costly to employees itself seeing that GPS is not contributory to retirement savings and the fact that only 18% of EPF members meet the minimum savings target of MYR 228,000 by age 55, while rest are far short of reaching this target (Jomo, 2017). While more than 68% of EPF members were proven to have lesser than MYR 50,000 in savings (Jomo, 2017). This leads to a point that individuals depend on government to fulfil their financial retirement needs.

On another hand, it has been forecasted that Malaysia will face increased life expectancy, in which by year 2040, there will be 6.2million of people aged 60 and above - 20 % higher from 2020 (Onn, 2015; Employees' Provident Fund, 2018). Reason being, Malaysia faces an increased life expectancy with living years of 74.08 years for males and 78.17 years for females (Ministry of Health Malaysia, 2019). This

results in the government having the need to support 14.08 and 18.17 years for male and female after retirement.

Based on this, an actual retirement will lead the Malaysian government to succumb the EPF cost of the balancing years as the discrepancy results in a poor living lifestyle due to lack of retirement planning (Employees' Provident Fund, 2018). To worsen this situation, Malaysia is already in phase of surge in expenses on retirees due to hike in civil servants' retirement in which their pensions are not contributory (Employees' Provident Fund, 2018).

The nurses' workforce in Malaysia must be deep dived to have in-depth information on the current nurses' manpower availability and fresh graduates' production rate on yearly basis. In which, nurses are individuals who have successfully completed the accredited basic nursing courses at diploma or degree and have been placed on the Nursing Register, which also known as "Registered Nurses" (Ministry of Health, 2015). The prerequisite to be a registered nurse is for all nurse graduates to go through a training course provided by Malaysian Nursing Board (MNB), based on their requirement and indicated premise (Planning Division, 2019).

There are basically 76 public and private academies in Malaysia that offer nursing education and training service (Planning Division, 2019). Based on MNB report, total number of nurses in Ministry of Health is at 64,016. The nurses' requirement projection based on need and demand for 2016 to 2030 has been studied by the Planning Division of Malaysia, whereby it was forecasted that in 2030, 270,223 nurses will be required based on the needs of Malaysian population state. This is depicted in the table below on the increase of needs over the years.

Table 1. 1: Nurse Requirement Projection Based on Need and Demand, 2016 – 2030

Year	Malaysia Population	Nurse Requirement (Need)		Nurse Requirement (Demand)	
		n	Density per 10,000 population	n	Density per 10,000 population
2016	30,875,400	204,608	66.3	199,391	64.6
2017	31,267,400	214,395	68.6	209,084	66.9
2018	31,659,700	223,034	70.4	217,659	68.7
2019	32,051,300	230,235	71.8	224,732	70.1
2020	32,441,200	235,880	72.7	230,277	71
2021	32,822,900	240,116	73.2	234,412	71.4
2022	33,200,600	243,986	73.5	238,178	71.7
2023	33,572,100	247,658	73.8	241,743	72
2024	33,936,900	251,195	74	245,173	72.2
2025	34,294,200	254,567	74.2	248,441	72.4
2026	34,644,700	257,874	74.4	261,644	75.5
2027	34,987,600	261,112	74.6	254,779	72.8
2028	35,322,700	264,257	74.8	257,825	73
2029	35,649,400	267,306	75	260,774	73.1
2030	35,965,700	270,223	75.1	263,594	73.3

However, the supply need of nurses may increase even more as Malaysia is already heading into an ageing populated country and with increased literacy on health wellbeing among the population (Planning Division, 2019).

Even though there are educational platforms to pursue nursing education, an increase in nurses demand superseding the supply is evident. Being the largest professional body in healthcare industry worldwide, nurses are in demand in developed and developing Malaysia (Goodare, 2017). It is notable that a disproportionate ratio of nurse-to-patient (Suhaimi et al., 2021) is evident along with the surge in nurses demand and this is further supported by the gap analysis by Planning Division on the nurses' supply and requirement.

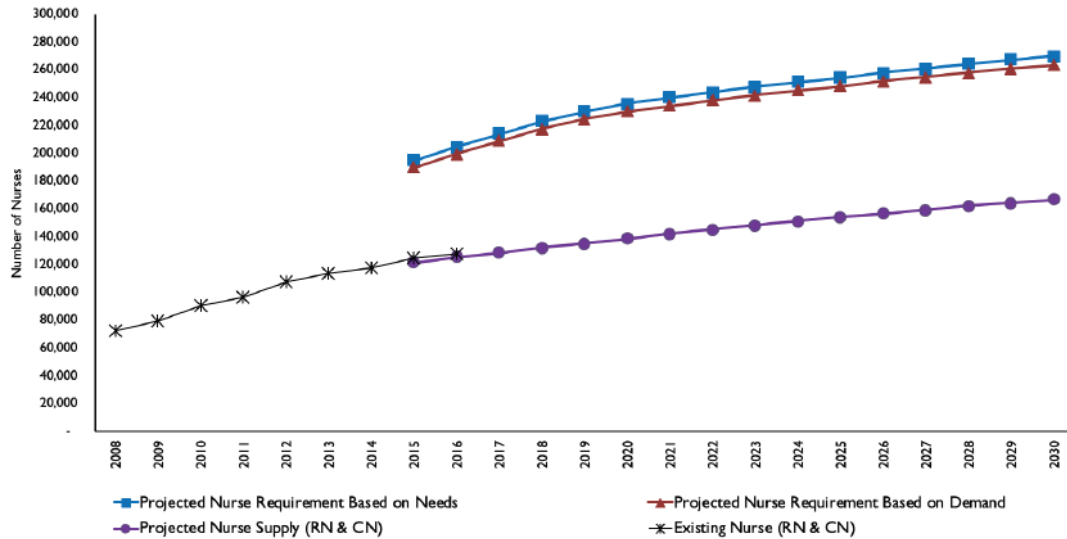


Figure 1.1: Projection of Nurse Supply and Nurse Requirement Based on Need and Demand

As per the Figure above, the projected nurses' requirement based on needs and demand have superseded the projected nurses supplies between 2016 to 2030 (Planning Division, 2019). In fact, a strenuous shortage of nurses was evident not only up to 2030, however, this may go beyond it due to gap that is evident as indicated in following table

Table 1. 2: The Gap between Supply and Requirement of Nurse in Malaysia, 2016 – 2030

Year	Supply	Requirement (Need)		Requirement (Demand)	
		n	Gap (Supply-Need)	n	Gap (Supply-Demand)
2016	127,704	204,608	-76,904	199,391	-71,687
2017	128,701	214,395	-85,694	209,084	-80,383
2018	131,943	223,034	-91,091	217,659	-85,716
2019	135,377	230,235	-94,858	224,732	-89,355
2020	138,812	235,880	-97,068	230,277	-91,465
2021	142,091	240,116	-98,025	234,412	-92,321
2022	145,244	243,986	-98,742	237,178	-91,934
2023	148,303	247,658	-99,355	241,743	-93,440
2024	151,265	251,195	-99,930	245,173	-93,908
2025	154,126	254,567	-100,441	248,441	-94,315
2026	156,884	257,874	-100,990	251,644	-94,760
2027	159,536	261,112	-101,576	254,779	-95,243
2028	162,082	264,257	-102,175	257,825	-95,743
2029	164,519	267,306	-102,787	260,774	-96,255
2030	166,850	270,223	-103,373	263,594	-96,744

Notes: Positive (+) gap indicates a surplus, and negative (-) gap indicates a shortage.

Based on the table above, there will be a shortage of nurses by 57.9% to meet the healthcare demand, while shortage by 61.9% of nurses to meet the healthcare needs. This situation will not get any better even by maximizing the nursing student intakes (Planning Division, 2019) on yearly basis. Supported further by the figure below which indicates that maximizing students' intake increases supply significantly over the years, but still insufficient to cope with the demand.

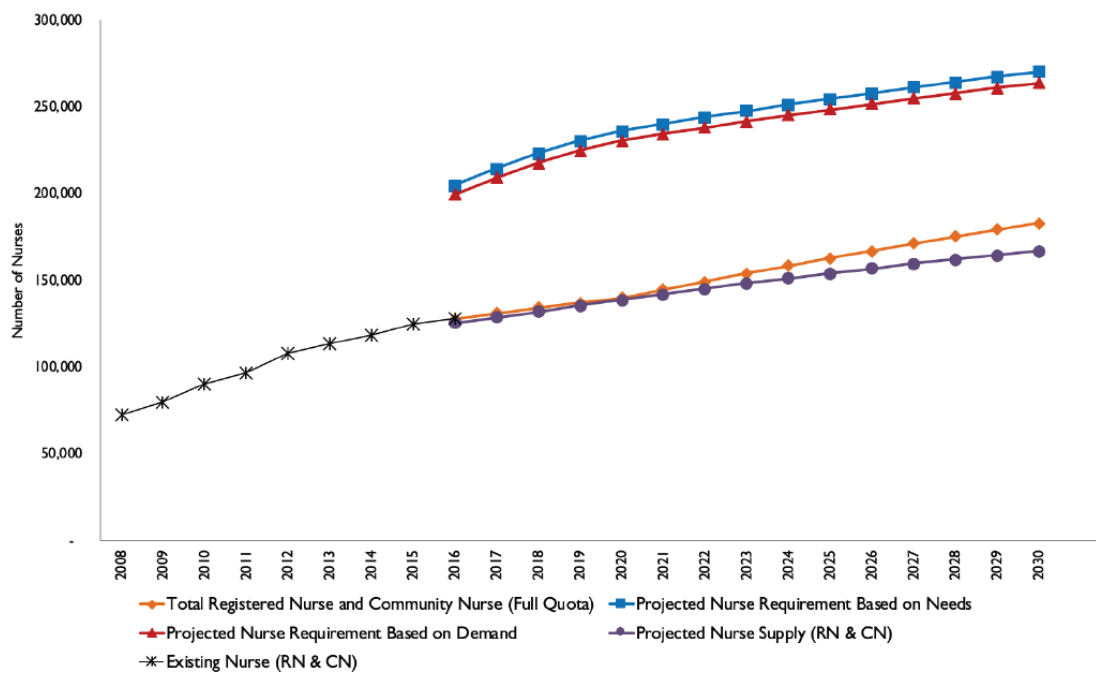


Figure 1.2: Projection of Nurse Supply, Requirement and Full Quota Student Intake of Nurse

This is worsened with the turnover rate of nurses in Malaysia which had hiked more than 50% between 2005 and 2010, with 400 nurses migrating out of Malaysia to work elsewhere (Ohue et al., 2021). In fact, the intention to leave nursing job was found to be more apparent in Malaysia as per the study conducted by Ohue et al. (2021).

It is evident that the nurses' intention to retire leads to shortage of nurses at large in Malaysia (Ayalew & Workineh, 2020). Reason being the actual retirement results in loss of competent and highly skilled nurses. And in return, this shortage

impacts the healthcare sector's quality due to the absence highly skilled nurses (Ayalew & Workineh, 2020). In fact, the actual retirement impacts the productivity and sustainability (Ayalew & Workineh, 2020) of government hospital nurses division.

With the minimum retirement age at 60 in Malaysia (Employees' Provident Fund, 2018), the preparedness or the planning towards retirement phase is often overlooked although this is the important proxy towards actual retirement (Furunes, 2015). Based on this logic, it is crucial to prevent actual retirement via identification of retirement intention (Ohue et al., 2021) influencing factors to overcome the nurses' shortage issue in Malaysia.

There are many factors or contributors that affect and triggers an individual's retirement intention. This applies the same for the reducing nurses' workforce issue in Malaysia nationwide. With the logic of retirement and turnover intention being interchangeably used, both the concepts are found to have similar antecedents which the influencing factors that lead nurses for retirement decision to also lead to turnover decision (Hanisch, 1995 as cited in Adams & Beehr, 1998, p. 645).

The antecedents of retirement and turnover were found to be common, with four common factors revolving around it (Adams & Beehr, 1998). Firstly, health status was found to influence the turnover and retirement intention, which poor health increases the probability of this occurrence. Secondly, personal finances or financial stability was found to have a strong influence on retirement intention.

Thirdly, perception of alternatives that lead nurses towards retirement or turnover decision, with the intention of finding more satisfying work in other organization too is a common factor. Finally, family related factor that leads to

juggling between family and work, which influence nurses towards retirement to spend free time with family instead of at work.

The intention to retire commonly arises due to factors like diminishing health, job satisfaction and financial exposure (Naziman et al., 2022) among many other reasons. In fact, differing individual needs especially financial needs were found to have adverse effect on retirement intention of an individual (Pavia & Grima, 2019 as cited in Naziman et al., 2022, p. 140).

The antecedents are also presented in the form of individual factors that influence nurses' retirement intention (Salminen, Vanhala, von Bonsdorff & von Bonsdorff, 2018). Like the common factors indicated, the individual factors like poor physical or mental health, poor working capability, lack of updated skills, poor financial resources and nurses with families were found to influence nurses' retirement intention. Besides that, individual factors like co-worker support and job control too were identified as antecedents of retirement intention (Salminen et al., 2018).

In summary, the individual factors as discussed above are the antecedents that brings together retirement and turnover intention, which is then used in this study. In which, four needs namely health, financial stability, individual career competency and work-life balance are represented as individual needs in this study.

In contrary to the individual needs, the characteristic of an employee is a significant factor to be assessed in this study. Employees are comprised of people, in which they are commonly known to possess differing characteristics with differing skills, knowledge, and abilities (Sullivan & Al Ariss, 2019).

The unidimensional employee characteristics in this study are categorized into three namely performer, transformer, and transactor (Muthuveloo & Teoh, 2017). The categories of employee characteristics are commonly used to assign individuals to

appropriate jobs based on the characteristics (Muthuveloo & Ping, 2020). Which in return, this aids in empowering these individuals besides fulfilling the needs relevant to the job held (Muthuveloo & Ping, 2020).

In past studies, people characteristics, individual characteristics and personal characteristics were used interchangeably as the antecedent or influencing factor for retirement, early retirement and working beyond retirement (van der Zwaan et al., 2019). In fact, job resources focusing on job control with characteristics of decision authority, flexibility, autonomy, and influence at work too were used to relate to employee characteristics as the ability to have higher job control was associated with later retirement intention (Browne et al., 2019).

For instance, being transformative with innovative behaviors is one characteristic sought out in healthcare industries at current times (Kül & Sönmez, 2021). Having this characteristic were found to promote better development of potential among nurses besides contributing to the healthcare industry (Kül & Sönmez, 2021). This explains why employee characteristics are included in this study especially on evaluating its indirect impact of retirement intention's direction.

Nurses being the critical resource to the healthcare industry, it is crucial to look beyond the direct influence of employee characteristics' influence on retirement intention. Instead, an indirect influence of employee characteristics on retirement intention is needed to be conducted, to make them retain longer in government hospital sector and subsequently reduce nurses' shortage issue (Fernet et al., 2020).

In fact, with the notion that past studies been done on people's characteristics, the differing types of people characteristics (Muthuveloo & Teoh, 2017) were commonly missed out. This serves as a reason on why employee characteristics is now

to be used to evaluate its indirect impact on relationship between individual needs and retirement intention in the context of this study.

Thus, it is crucial to meet the purpose of this study, which is to identify the influence of individual needs on retirement intention besides knowing if employee characteristics can influence the relationship between individual needs and retirement intention of the nurses. The result, being a precursor to actual retirement (Adams & Beehr, 1998), will then aid in resolving the issues faced due to retirement or turnover intention of nurses in terms of reducing nurses' shortages, reducing the financial burden to government (reduce the years of paying EPF) and aid policy makers in suggesting the suitable retirement age that would increase nurses' commitment to work in government hospitals. All these consequently leads to a proper retirement planning exposure which in return aids nurses in deciding when to stop working or to continue (Jia et al., 2020) rather than to opt for early retirement.

1.3 Problem Statement

Malaysia's healthcare industry currently experiences a world-wide issue of nurses' shortages. Nurses represents the largest group of healthcare industry in many countries including Malaysia, where a slight shortage leads to an extreme lack of manpower in the hospitals (Goodare, 2017; Wargo-Sugleris et al., 2018). Being considered as the skilled professional within labor force, a global nurses' shortage is prevalent since the last few decades which concerns the entire worldwide as a whole (Kristoffersen & Friberg, 2018; Leider et al., 2018; Sullivan & Al Ariss; 2019).

Retirement intention (interchangeably referred as turnover intention) is one of the main contributors to the nurses' shortage issue (Zhang et al., 2018). In which the nurses' shortages issue occurs in two ways. Firstly, the issue of existing nursing

shortage is known to lead to increased intention to leave among nurses due to insufficient capacity to cater for patients' health needs and demands, while increasing workload for remaining nurses' workforce at government hospitals (Ibrahim Alzamel et al., 2020). On the other hand, nurses' migration, and high turnover rate among Malaysian nurses to seek for better job opportunities out of government service does contribute to nurses' shortages issue in Malaysia (Krishnamoorthy et al., 2020). This indicates a correlation between nurses' shortages issue and intention to retirement.

Besides that, the situation of Malaysia nurses approaching retirement age and leaving nursing profession prior to retirement age worsens the pre-existing issue of nurses' shortages (Planning Division, 2019; Krishnamoorthy et al., 2020). Minnick (2000) found that nurses left the profession prior to retirement age due to career change, temporary work stoppage or permanent workforce exit. It is crucial to examine this cohort as those retiring from the profession are ones who have longer remaining working years.

With the increasing need of nurses, government has indeed introduced many initiatives to attract population in pursuing nursing courses (Planning Division, 2019). However, it is still insufficient as Malaysia still faces a surge in nurses' demand as nurses' shortage in the government hospitals is evident especially due to early retirement or leaving the nursing profession from government service to private (Ministry of Health, 2015).

Based on this, the actual retirement that leads to nurses' shortages is to be managed and dealt with upfront to restrict early retirement intention (Cui et al., 2020) via the study on retirement intention of nurses and understanding the influencing factors (Cui et al., 2020) that leads these nurses to opt for early retirement and leave the government service. Knowledge on the influencing factors can also contribute to

extended labor market participation (Meng et al., 2020) to reduce the nursing shortages issue.

With the increased turnover rate, the failure to tackle the issue of increasing nurses' shortages in Malaysia would cost a financial burden to the government as longer terms of EPF payment will need to be done for the early retirees along with the reality of Malaysia being an ageing nation (Huey & Muthuveloo, 2019; Zandi et al., 2021). While an aging population is known to affect the talent pipeline as we are in path to losing experienced workforce (Huey & Muthuveloo, 2019).

To add on, the topic of gazette retirement age in Malaysia government service at 60 years old (Huey & Muthuveloo, 2019) is a core factor to conduct this study. The intention to retirement and actual retirement were found to happen regardless of if one is nearing retirement age or not. This is supported by Theodosius et al. (2021), where 1:10 nurses were found to leave the nursing profession, in which, about 50% account are aged below 40 years old.

In another study on retirement intention, majority of Malaysian secondary school teachers planned to retire between age of 56-65 years old, while 16% of them planned for early retirement. Both these findings are another contributing factor to a situation where it creates a need to study on the influencing factors on retirement intention, among the government hospital nurses, to further avoid shortages.

Based on the research background, there are several factors that were found to prominently influence retirement intention of Malaysian government hospital nurses. Out of many reasoning behind retirement intention, the crucial individual needs like health, financial state or income, competency and work-life balance are to be analyzed further to identify the intensity of influence on retirement intention of government hospital nurses. Chung et al. (2020) in their study explained that nurses who receives

insufficient positive feedback at workplace eventually faces stress, health, and family issues. In which, this situation is proved to boost nurses' intention to retire.

There is also evidence based on past literatures that employee characteristics too influences retirement intention of nurses. In which, this calls for the analysis of employee characteristics, as one of the retirement intention antecedents (Van Dam et al., 2009; Post et al., 2013) and its impact on retirement intention. Reason being job matching based on respective employee characteristics would lead to a prolonged work attachment and reduced retirement intention (Jyoti et al., 2020).

This study is focused on government hospital nurses as there is already a great deal of shortage in the healthcare industry (Planning Division, 2019). Thus, this study focuses on the influence of individual needs' influence and employee characteristics (as a moderator) on retirement intention among the government hospital nurses in Malaysia. Identifying this, will enable Malaysia to reduce the issue of nurses' shortages, improvisation of existing public policies pertaining mandated retirement age to propose the most suitable retirement age for nurses (healthcare industry in total) and reduce the financial burden of government in paying out longer term EPF to early retirees.

In sum, as a proactive action, this study aids the government to identify which of the individual needs would eventually affect retirement intention in perspective of Malaysian government hospital nurses. Based on the research background, retirement intention of government hospital nurses must be explored deeper on the reasons in terms of individual needs related to actual retirement (Ayalew & Workineh, 2020).

This would be focused especially on nurses who wish to work longer or lesser due to the limitation in fulfilling individual needs like health, financial stability, individual career competency and work-life balance as the independent variable.

Along with the usage of employee characteristics as a moderating variable that moderates of the relationship between individual needs' influence and retirement intention. This is direly needed as the limitations that exist may further result in great loss of experienced nurses and subsequently creating nurses' shortage in Malaysia government hospitals.

1.4 Research Objectives

The main objective of the research is to identify the factors influencing retirement intention amongst government hospital nurses in Malaysia, with constructs as below.

- i. To examine health's influence on retirement intention of government hospital nurses in Malaysia.
- ii. To examine financial stability's influence on retirement intention of government hospital nurses in Malaysia.
- iii. To examine individual career competency's influence on retirement intention of government hospital nurses in Malaysia.
- iv. To examine work-life balance's influence on retirement intention of government hospital nurses in Malaysia.
- v. To examine the moderating effect of employee characteristics on the relationship between health's influence and retirement intention of government hospital nurses in Malaysia.
- vi. To examine the moderating effect of employee characteristics on the relationship between financial stability's influence and retirement intention of government hospital nurses in Malaysia.

- vii. To examine the moderating effect of employee characteristics on the relationship between individual career competency's influence and retirement intention of government hospital nurses in Malaysia.
- viii. To examine the moderating effect of employee characteristics on the relationship between work-life balance's influence and retirement intention of government hospital nurses in Malaysia.

1.5 Research Questions

The following research questions are formulated to achieve the research objectives.

- i. Does health have positive significant influence on retirement intention?
- ii. Does financial stability have positive significant influence on retirement intention?
- iii. Does individual career competency have positive significant influence on retirement intention?
- iv. Does work-life balance have positive significant influence on retirement intention?
- v. Does employee characteristics moderate the relationship between health and retirement intention?
- vi. Does employee characteristics moderate the relationship between financial stability and retirement intention?
- vii. Does employee characteristics moderate the relationship between individual career competency and retirement intention?
- viii. Does employee characteristics moderate the relationship between work-life balance and retirement intention?

1.6 Research Significance

This research is significant that it contributes to the researcher in theoretical and practical perspective.

1.6.1 Theoretical Significance

This study is significant to the theoretical body of knowledge in the self-determination theory (SDT). Firstly, this study contributes to the new insights obtained into the SDT as this theory focuses on the argumentation that behavior regulation varies to the extent of it being autonomous versus controlled (Halvari & Olafsen, 2022). Being autonomously motivated, an individual is said to have first, intrinsic work motivation, where one does work as there is a sense of enjoyment and secondly, identified work motivation where work is meaningful and valuable (Halvari & Olafsen, 2022).

Conversely, controlled work motivation that includes doing work due to being forced and to avoid punishment, has two subtypes namely, introjected work motivation that requires compliance to internal expectations and external, which is to fulfil others' demands. Amotivation whereas indicates a total missing self-determination. With relations to this study, the motivation of government hospital nurses on retirement intention is to be known based on the individual needs' impact.

Reason being work motivation have been found to be a construct affecting retirement intention (Halvari & Olafsen, 2022) of nurses. In fact, it also proven that less is known on motivational variables like work goals (Cui et al., 2020) that influence retirement intention differently across individual personality. In which this brings to a theoretical gap as the motivation and goals' (need for financial stability, good health, competency, and work-life balance) at an individual level would be

different (Cui et al., 2020) and result in differing retirement intention decision making too.

Further supported by past study by Fernet et al. (2020) found that nurses with high self-determination led to lower turnover intentions in comparison to poorly motivated nurses. Thus, this is relatable to the four individual needs being examined – health, financial stability, individual career competency and work-life balance, as the motivation level of self-determination among nurses will aid in determining its impact on retirement intention. Also, the empirical findings from this study will contribute to the SDT's body of knowledge in terms of contribution of work motivation of government hospital nurses' retirement intention.

Next, it also will contribute to the body of knowledge of work motivations on influence of individual needs relevant to this study. In which, this is in-line with the limitations found in study by Halvari & Olafsen (2022), recommended to include other retirement intention influencing factors like family, leisure, and retirement planning.

1.6.2 Practical Significance

There are basically, three main practical significances. The identification and confirmation of individual needs' influence on retirement intention of government hospital nurses in Malaysia firstly aids in better management of resources and talent pipeline of nurses. The result attainment in identifying the influencing factors enables Malaysia's Ministry of Health in focusing on these factors that would influence nurses' intention to stay or retire from the current role.

Eventually, the management of these factors would reduce the issue of nurses' shortages while focusing on the government hospital nurses. In sum, the nurses'

manpower will be better managed in terms of facing aging nation with higher life expectancy.

Secondly, the identification of individuals needs' influence in retirement intention enables a more intensive retirement planning to be developed than what is currently present. In which, the planning would be catered more on the individual needs that extremely affects the nurses' retirement intention be it, retiring from current work or leave to private hospitals. In fact, this would also mean that Malaysia government is able to have a better financial management instead of facing financial burden especially due to reducing employee provident fund.

The ability in fostering an intensive and well catered retirement planning is possible to be beneficial in many ways. In a way, this aids the nurses in two facets namely, having retirement related financial literacy and savings planning from younger working days. For the Malaysia government, it aids in avoiding financial burden while the Ministry of Health would be able to have a good forecast on the nurses' talent pipeline and extrapolation on the most suitable retirement age.

With this, it brings to the third practical contribution. Which, this would also mean that there is a need to revisit the existing policies on retirement age as to propose a suitable retirement age that can ensure nurses to have longer term commitment to work in government hospital, which then reduces the retirement intention. Reason being, not all nurses would want to opt for mandated retirement age. In fact, this study seeks to address the needs of need of working beyond the mandated retirement age of government hospital nurses via the individual needs' exploration on retirement intention.

1.7 Definition of Key Terms (Research Variables)

The operational definition of the key variables related to this study are as follow.

1.7.1 Retirement Intention

Retirement intention is the intention of nurses to retire from government services and leaving government service to other hospitals (Nooney et al., 2010; Zaniboni et al., 2010; Petters & Asuquo, 2008 as cited in Riaz et al., 2016, p. 14).

1.7.2 Health

Health is defined as state of government hospital nurses at a complete physical and mental wellbeing (Callahan, 1973).

1.7.3 Financial Stability

Financial stability is the representation of income that aids retirement planning and decision making besides enabling attainment of retirement satisfaction (Topa et al., 2011).

1.7.4 Individual Career Competency

Individual career competency is defined as ability in performing various tasks with accordance to the skills and knowledge required by the job (Wijayanto & Riani, 2021; Sunarto et al., 2020).

1.7.5 Work-Life Balance

The act of achieving a balance between work and personal life domains (Mullen, 2015) is used as the definition of work-life balance for this research.

1.7.6 Employee Characteristics

Employees characteristics is defined as personal characteristics that drives adaptability to environmental demands and changes, innovativeness, initiate change and improvise individual and work interface (Fugate et al., 2004 as cited in Sullivan & Al Ariss, 2019, p. 264). In which, it has three categories of employee characteristics as below (Muthuveloo & Teoh, 2017):

- i. Performer – Employees that carries out tasks as outlined in job description
- ii. Transactor – Employees that provides new ideas on the work or product output
- iii. Transformer – Employees that provides new ideas that aligns with the blue ocean strategy

1.8 Scope of Study

Nurses are chosen as the scope of study, as they are one of the groups of professional workers who are getting lesser and lesser in the healthcare industry following the act of leaving profession earlier than retirement age and due to the fact of facing aging nursing workforce (Krishnamoorthy et al., 2020). The target respondents are narrowed down to actively working general ward nurses in Malaysian government hospitals. This specifically designated group of government hospital nurses were chosen as they are the easily approachable nursing group as suggested by the Malaysia Nursing Board (MNB) during the conduct of this study (COVID-19 Movement Control Order phase).

1.9 Chapter Summary

In this chapter, the overview of the study that includes research background, problem statement, research objectives, research questions, research significance and definition of key terms has been discussed. The individual needs' influence on

retirement intention of nurses in government hospital of Malaysia has been elaborated to show its significance on Malaysian nurses' shortages issue. Thus, this research is conducted to identify the influence of individual needs (health, financial stability, individual career competency and work-life balance) on retirement intention of the nurses in Malaysian government hospital. Besides that, this study also investigates the moderating impact of employee characteristics on the relationship between the individual needs and retirement intention.

1.10 Organization of Dissertation

The entire dissertation consists of 5 chapters, whereby Chapter 1 – Introduction comprises the chapter introduction, research background, problem statement, research objectives, research questions, research significance – theoretical and practical significance, definition of key terms, scope of study, organization of dissertation and chapter summary. Chapter 2 – Literature Review comprises chapter introduction, literature review of key variables – retirement intention, individual needs (health, financial stability, individual career competency, work-life balance, and employee characteristics), research gap, underpinning theory, research framework, hypothesis, and chapter summary.

Followed by Chapter 3 – Research Methodology that comprises chapter introduction, research design, type of research, unit of analysis, sampling frame, sampling method, population, sampling size, inclusion and exclusion criteria, measurement and measures, data collection method, data analysis, regression analysis, pre-test, pilot test, and chapter summary. While Chapter 4 – Data Analysis and Findings comprises chapter introduction, response rate, common method bias,

descriptive analysis, measurement model analysis, structural model analysis, and chapter summary.

The final Chapter 5 – Discussion and Conclusion comprises chapter introduction, overview of the study, recapitulation of the study, discussion of findings, research contribution, limitations, future research, and research conclusions.

CHAPTER 2

LITERATURE REVIEW

2.1 Chapter Introduction

Chapter 2 focuses on the past literatures studied on the variables related to intention to retire. There are three phases in this chapter, first, literature review on retirement intention, individual needs comprising health, financial stability, individual career competency and work-life balance, and employee characteristics. Next, focusing on the research gap and underpinning theories to aid in research theoretical framework's development. Finally, hypothesis development based on the research theoretical framework to assist in the findings of this study.

2.2 Literature Review – Key Variables

The key variables namely, retirement intention, health, financial stability, individual career competency, and work-life balance, and moderator of employee characteristics will be elaborated as below.

2.2.1 Retirement Intention

Retirement has been an important topic to be investigated with the increasing aging population worldwide faced (Wang & Shi, 2014; Stynen et la., 2017). Retirement is also being commonly conceptualized as a decision-making process that relates to intention towards retirement (Wang & Shi, 2014). This is in-line with the organizational psychology that suggests retirement as a process of steps from retirement intention to retirement decision making and finally resulting in actual retirement (Ilmakunnas & Ilmakunnas, 2018).

Intentions are the determinants of an actual behavior (Igarria & Greenhaus, 1992), in which it is also seen as the accurate indicator of the subsequent behaviour (Alam & Mohammad, 2009), in this case, subsequent behavior is actual retirement. Being an activity that leads to an action in nearest future (Ayalew & Workineh, 2020), intention is seen as the behavior of an individual to think, plan and perform an action in the end.

In general, retirement intention was assessed by the questionability of whether an individual prefers to retire early or later (Wahrendorf et al., 2012). Premature retirement among the nurses however in another study, is seen in terms of the recurrence of thought of leaving the profession occurs in an individual (Van der Heijden et al., 2010).

The role of retirement intention is as a proxy to actual retirement (Stynen et al., 2017) and to triggering point for employers to forecast and management of retirement prior to mandatory retirement age or to leave to other organization. This has been proven in a study by Ayalew and Workineh (2020), where the intention to leave has enabled the forecast of actual resignation and working levels that led to leaving.

In another perspective, retirement intention is seen as the prominent predictor of an individual's actual age during the workforce exit, which allows retention strategy to be in place prior to another workers' retirement (Schreurs et al., 2011). As a proxy to actual retirement, the retirement intention occurs at the pre-retirement phase, whereby it is the stage where a worker starts with intentions and plans pertaining retirement (Zaniboni et al., 2010).

Aside to that, retirement intention serves as a base to actual retirement and the existence of the intentions itself acts as a triggering tool that allows the organization to retain the workers (Zaniboni, et al., 2010). Retirement at a non-normative age