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Relationship between Pre-Retirement Anxiety and Knowledge Sharing Intentions in State Corporation in Kenya¹

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Abstract

Managing knowledge of the aging workforce is a major challenge, particularly to state corporations in Kenya. Psychological effects of disengagement from a work life and the transition to retirement may influence knowledge sharing intentions. The objective of the study was to examine the relationship between employee pre-retirement anxiety and knowledge sharing intentions in state corporations in Kenya listed in the Kenya Gazette. The study used exploratory design. The population of the study comprised of all 202 State Corporations in Kenya. The study used purposive sampling to obtain data from the population through a questionnaire. The study targeted employees 10 years to retirement. Quantitative data was used to enable the researcher conduct an in-depth study. The study carried out a pilot test to test the validity and reliability of the questionnaires in gathering the data required for purposes of the study. Simple linear regression and multiple regression analyses was used to establish the nature and magnitude of the relationship between variables and to test hypothesized relationships. The study established that pre-retirement anxiety enhanced knowledge sharing intentions in State Corporations in Kenya. It further found that the relationship was stronger where corporations were based in the same industry and weaker when they were across industries. These research findings contribute by extending the frontiers of knowledge by linking pre-retirement anxiety and knowledge sharing intentions into a conceptual framework which was empirically tested.

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The study findings provide useful information on the essence of employee Pre-retirement anxiety for managers to make more informed decisions.

Keywords: Pre-retirement Anxiety, Knowledge Sharing, Intentions

Introduction

In every organization employees continue to age and retirement becomes predetermined phenomena and reality. In this study we examined the most important and valuable assets of this universe are aging peoples' retirement perceptions, intentions and behaviors. The most important asset of this universe are aged people because they already know how to become successful and why can't be successful. Therefore people are not like old machine or medicine that becomes useless after period of some times, they remains useful, essential and productive and fecund consultants for younger generation.

Fletcher and Hansson (1991), focusing on the social aspects of the transition to retirement, have defined retirement anxiety as "a generalized feeling of apprehension or worry regarding the uncertain, unpredictable, and potentially disruptive consequences of impending retirement". The authors identify two principal tasks that may threaten the transition phase: Coping with and/or adjusting to the possible loss of interpersonal relations and social activities connected with the work setting and Developing and/or investing in new interpersonal relations and extra-work social activities. Retirement may disrupt long-standing friendships and support networks in the workplace. Indeed, recent reviews suggest that the most frequently cited disadvantage of retirement is the lack of interaction with co-workers (Moen *et al.*, 2000).

Retirement represent an important life event in any employee's life, basically on or after the superannuation age, a person transits from one stage of life to another and this transition from world of work to state of inactiveness somewhat effects on the overall personality, collective behavior, quality of life, social connectivity, cultural approaches, ethical and moral values. "Retirement is then not an isolated stage of one's life; rather, it is a part of one's life history in which the past shapes the present" (Tougas *et al.*, 2008). The study revealed that positive attitudes of an employee towards the retirement are correlated with positive work experiences; "Retirement is then not an isolated stage of one's life; rather, it is a part of one's life history in which the past shapes the present" (Tougas, *et al.*, 2008).

The impact of age on physical and cognitive skills of worker and its transitions in productivity potential was seriously viewed in different studies as productivity is influenced by employees' physical and cognitive skills (Skirbekk, 2008); and In between 30-45 years of age, productivity is likely to reach on its peak (Jones, 2005), whereas workers in their forties years of age are now being considered old (Allen and Pifer, 1993).

Whilst, when aging employee perceived that they have nominal likelihood to further their career, job strain and age discrimination reduces their progression opportunities, they usually shift their attention from their work and career to the alternative of retirement. Studies postulated that when negative situation persists and aging employees lacks personal control to improve the situation and rise within, they use accommodative coping processes by disengagement and "they may focus on what they might gain instead of lose in a particular situation" (Brandstädter and Renner, 1990).

Overview of State Corporations

State Corporations commonly referred to in Kenya as Parastatal are established within the provision of State Corporations Act Chapter 446 of the Laws of Kenya, and given the autonomy to run and concentrate on specific mandates in order to improve service delivery to the public. Although they have Board of Directors or equivalent governing bodies to oversee the day-to-day operations, they operate within the general supervision of respective Ministries under which they are created. Pressure arises from ensuring compliance with the complex public procurement regulations but more importantly it arises from the need to achieve efficiencies and value for money targets.

There are 202 state corporations in Kenya which are divided into eight broad functional categories based on the mandate and core functions; the eight categories are: Financial Corporations, Commercial manufacturing Corporations, Regulatory Corporations, Public universities, Training and research Corporations, Service Corporations, Regional development authorities, Tertiary education and Training Corporations.

Statement of the Problem

With the advent of Knowledge Driven Economy (KDE) organizations are continuously paying more attention to aspect of knowledge management. One of the greatest barriers that hinder the performance of organizations in Kenya is the sharing of knowledge, where knowledge sharing intentions among employees is becoming difficult. Traditionally senior employees within the organization are expected to have more institutional knowledge and memory than the younger ones. The disengagement from work by civil servants may be characterised by many problems which may constitute the psychological consequences of retirement. Whereas knowledge loss due to pre-retirement anxiety may negatively impact competitive advantage (Norman, 2004), successful sharing of knowledge can enhance organizational effectiveness and personal relationships among employees (Webster et al., 2008).

However since retirement is mandatory is associated with exit from the organization, there is intense debate as to whether these Pre-retirement Anxiety may result to knowledge hoarding that may affect sharing. All this is thought to depend on the knowledge sharing behavior of employees.

In Kenya, state corporations have been hit by massive turnover particularly through retirement of employees which is partly attributed to Structural Adjustment Programme (SAP) that saw a freeze in recruitment and promotion of Government and State Corporation's employees in Kenya in the 1990's. The state corporations are crucial for national development and realization of Kenya Vision 2030. However retirement is mandatory by law and some of long serving employees in state corporations may develop pre-retirement anxiety which may hinder or become a barrier to knowledge sharing this may be conscious or unconsciously. Hence the need for the study which examined the relationship between Pre- retirement Anxiety and knowledge sharing intentions in State Corporations in Kenya.

Research Hypotheses

H₀₂: Pre-Retirement Anxiety has no significant relationship on knowledge sharing intentions in State Corporations in Kenya.

Value of the Research Study

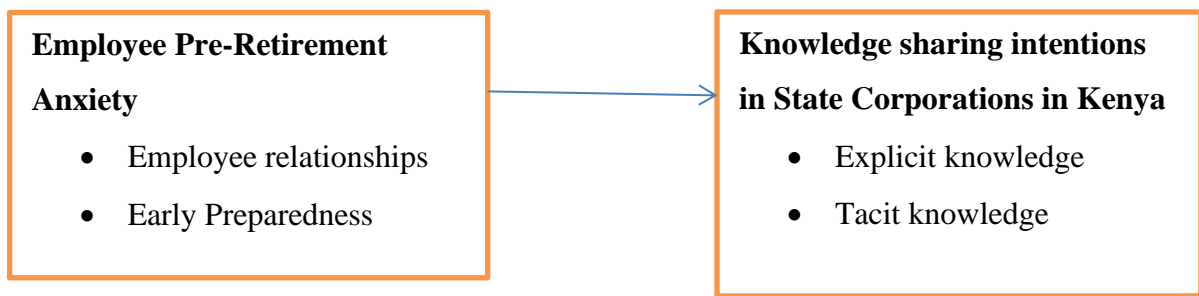
This study has brought forth important findings that link pre-retirement anxiety and knowledge sharing intentions. The findings have implications for theory, policy and practice.

Literature Review

Theoretical Foundations of the Research Study

The study was anchored on disengagement theory: According to this theory, a process of mutual disengagement takes place during aging where both the individual and the society in which he or she belong withdraw from each other (Henry and Cuming, 1959). This process is an inevitable one, and is governed by society's needs which dominate individual needs. This theory further state that older people desire this withdrawal, and as the social contacts of a person diminish, disengagement becomes a circular process that further limits opportunities of interaction (Miller, 1995).

Conceptual Frame work



Methodology

Research Design

The exploratory research design was adopted for the purpose of the study. Exploratory design is suitable for those studies that seek to determine relationship between variables (Kothari 2014).

Population of the Study

According to the Public Service Commission of Kenya annual supervision report of year 2013, as at 31st December 2013 there were 119,689 employees in the State Corporations in Kenya of which approximately 20% were in the senior management cadre. A sample size of 378 was obtained by calculating the sample from the target population the main reason for choosing senior management employees ten years to retirement was because knowledge sharing is a universal phenomenon and Pre-Retirement Anxiety applies to people nearing retirement.

Data Collection Instruments and Procedures

The study used self-administered questionnaires as the major data collection tool from the respondents. Secondary data was obtained from the Public Service Commission, Kenya National Bureau of Statistics and the State Corporation's manuals. The researchers sought authority from the National Council for Science, Technology and Innovation (NACOSTI) to collect data.

Tests of Validity and Reliability

A pilot study was conducted to find out if the respondents could answer the questions without difficulty. Respondents in the pretest were drawn from 37 randomly selected employees of the state

corporations. They were asked to evaluate the questions for relevance, comprehension, meaning and clarity. The instrument was modified on the basis of the pilot test before administering it to the study respondents. Cronbach's Alpha was therefore used to test reliability of the instrument. The retained factors had factor loading values of above 0.7 and were used for further analysis.

Table 4.1

Summary of Cronbach's Alpha Reliability Coefficients for Major Variables of the Study

Constructs/Variable	Number of Statements	Factors loadings	Cronbach Alpha
Employee Pre-Retirement Anxiety	12	0.755	0.767

Data Analysis and Interpretation

Response Rate

Out of the 378 respondents, 304 of them participated in the study. This constitutes a response rate of 80.42 percent. Out of these questionnaires, 297 were considered usable for the study. This accounted for 78.51 percent of the respondents. The other questionnaires had highly significant levels of missing information. The remaining cases represented an adequate response rate for the precision and confidence required in this study.

Descriptive analysis of variable Employee Pre-Retirement Anxiety

Respondents were requested to provide information on a Likert scale with values ranging from 1-5. The item that 'Retirement thought makes them feel comfortable and easy' had 1% strongly disagreed, 1% disagreed, 23% neither agreed nor disagreed, 42% agreed, 33% strongly agreed with a mean 4.06. The statement 'Retirement thought makes me look forward to my retirement with happiness' had 1% strongly disagreed, 4% disagreed, 8% neither agreed nor disagreed, 13% agreed, 74% strongly agreed with a mean of 4.55. The item that 'I feel that retirement will be most pleasant period for me' had 1% strongly disagreed, 1% disagreed, 8% neither agreed nor disagreed, 13% agreed, 78% strongly agreed with a mean of 4.6. The item that 'I feel calm when I think about the approaching retirement' had 20% strongly disagreed, 2% disagreed, 10% neither agreed nor disagreed, 12% agreed, 56% strongly agreed with a mean of 3.83. The statement 'My mind goes blank when I am asked how well I have prepared for my retirement' had 60% strongly disagreed, 10% disagreed, 8% neither agreed nor disagreed, 5% agreed, 17% strongly agreed with a mean of 2.09. The item that 'I find reading materials on how to prepare for retirement interesting to me' had 1% strongly disagreed, 4% disagreed, 5% neither agreed nor disagreed, 17% agreed, 73% strongly agreed with a mean of 4.59...The statement 'I find it enjoyable asking retirees how to prepare for retirement' had 17% strongly disagreed, 2% disagreed, 12% neither agreed nor disagreed, 1% agreed, 68% strongly agreed with a mean of 4.00. The item that 'I experience pleasantness when I feel my retirement could come forward by some years than expected' had 75% strongly disagreed, 4% disagreed, 4% neither agreed nor disagreed, 15% agreed, 2% strongly agreed with a mean of 1.64. The statement 'Seeing a retiree that I know gives me fear about my approaching retirement' had 60% strongly disagreed, 1% disagreed, 11% neither agreed nor disagreed, 11% agreed, 18% strongly agreed with a mean 2.25. The item that 'I feel relaxed when I am doing something positive in preparation for my retirement' had 4% strongly disagreed, 1% disagreed, 2% neither agreed nor disagreed, 22%

agreed,71% strongly agreed with a mean a 4.56. The statement 'I find collating my records of service an interesting activity for me' had 21% strongly disagreed,2% disagreed,6% neither agreed nor disagreed, 21% agreed,50% strongly agreed with a mean of 3.76. The item that 'I am scared about discussing the preparation of my retirement with members of my family' had 72% strongly disagreed,8% disagreed,6% neither agreed nor disagreed, 6% agreed,7% strongly agreed with a mean of 1.69

Atchley (1976) observed that employees at the age of superannuation begin to settle themselves to the forthcoming exit from their work environment and the associated social situation, whereas most retirees' tries to adjust with the situation as quickly as possible which might indicate that individuals already started their adjustment process prior to the actual retirement transition

Table 4.2

Response on Employee Pre-Retirement Anxiety

	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly Agree	Mean	Std. Deviation
EPRA1	1%	1%	23%	42%	33%	4.06	.83
EPRA2	1%	4%	8%	13%	74%	4.55	.87
EPRA3	1%	1%	8%	13%	78%	4.66	.74
EPRA4	20%	2%	10%	12%	56%	3.83	1.58
EPRA5	60%	10%	8%	5%	17%	2.09	1.56
EPRA6	1%	4%	5%	17%	73%	4.59	.80
EPRA7	17%	2%	12%	1%	68%	4.00	1.56
EPRA8	75%	4%	4%	15%	2%	1.64	1.20
EPRA9	60%	1%	11%	11%	18%	2.25	1.63
EPRA10	4%	1%	2%	22%	71%	4.56	.90
EPRA11	21%	2%	6%	21%	50%	3.76	1.58
EPRA12	72%	8%	6%	6%	7%	1.69	1.26

Structural Equation Modeling

The relationship between Employee Preretirement Anxiety and Knowledge sharing intensions was established using Structural Equation Modeling (SEM). Partial Least Squares (PLS) algorithm and bootstrapping algorithm using Smart PLS 2.0

Employee Preretirement Anxiety

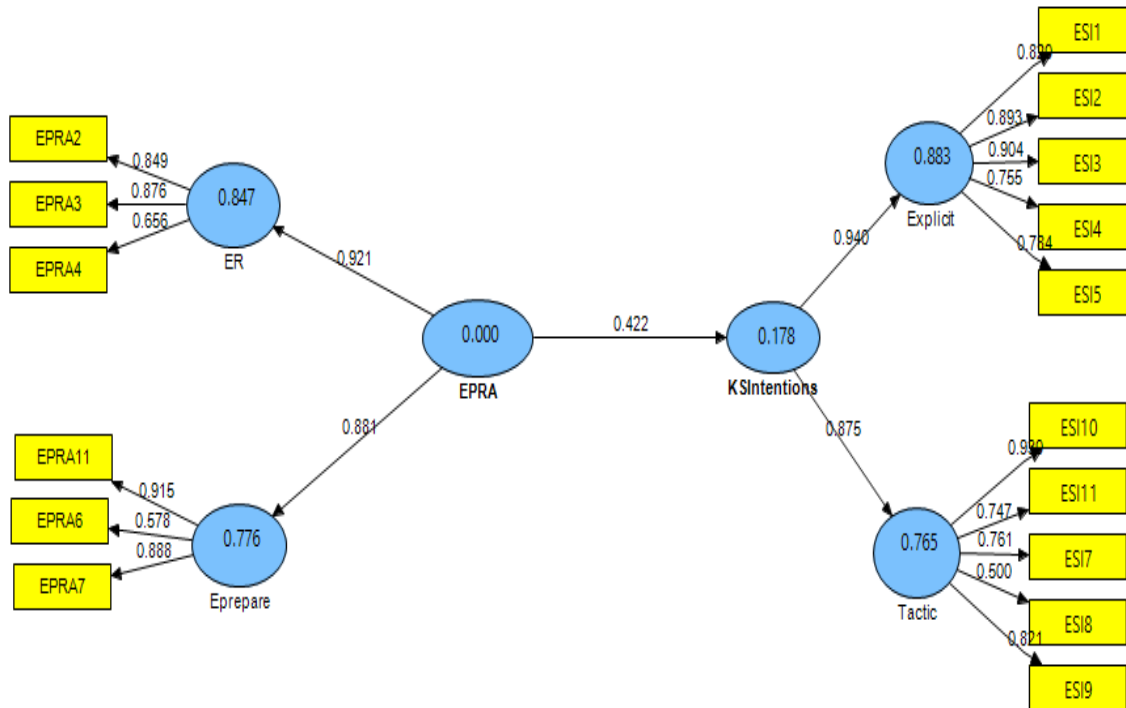


Figure 4.1 Path coefficients for Employee Preretirement Anxiety and KS Intentions

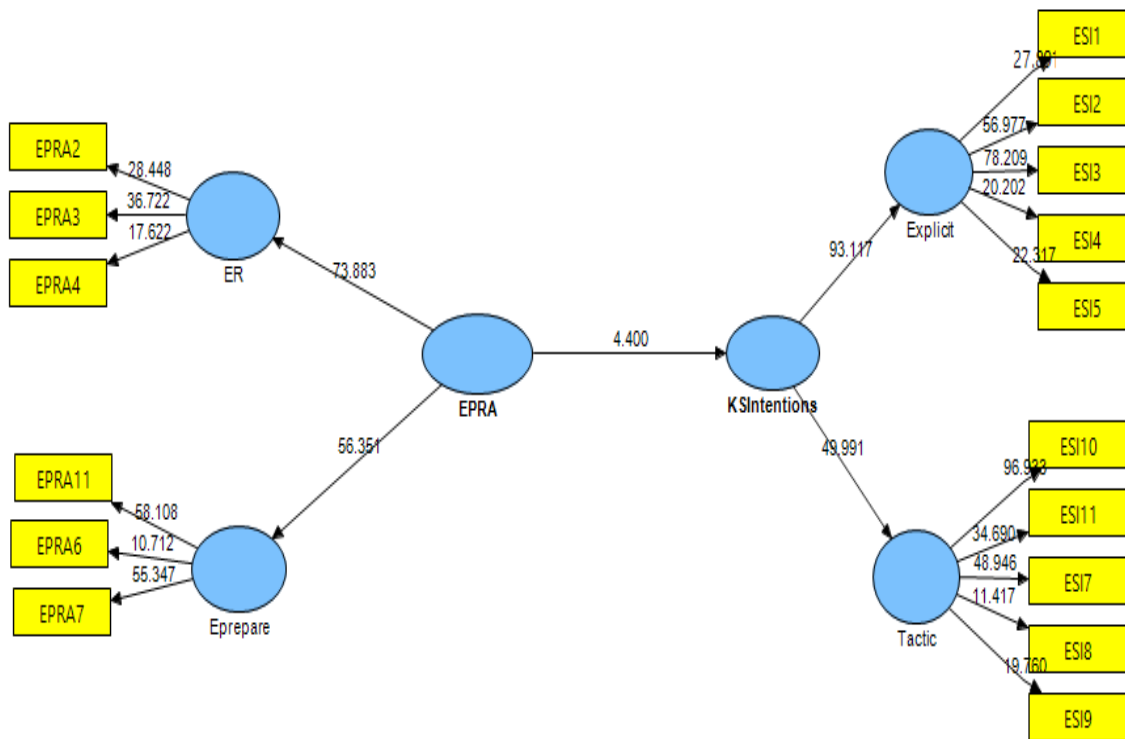


Figure 4.2 T Values for the relationship between Employee Preretirement Anxiety and KS Intentions

Table 4.3

Path coefficients for Employee Preretirement Anxiety and KS Intentions

	Path coefficient	Standard	T Statistics	p values
EPRA -> KSIntentions	0.422287	0.095984	4.399556	0.000

Employee Preretirement Anxiety on Knowledge Sharing Intentions

Employee Preretirement Anxiety was found to have a positive and statistically significant relationship with Knowledge Sharing Intentions. The path coefficient was positive and significant at the 0.05 level ($\beta=0.422$, T-value =4.3995 $p<0.05$) as indicated in table above, figure 4.1 and figure 4.2. The positive relationship means if, Employee Preretirement Anxiety increases by 1, Knowledge Sharing Intentions of the respondents will increase by 0.422.

Relationship between Employee Pre-retirement Anxiety and Knowledge Sharing Intentions

The objective of the study was to examine the relationship between employee pre-retirement anxiety and knowledge sharing intentions in State Corporation in Kenya. The study set out to establish the effect of pre-retirement anxiety on knowledge sharing intentions, when the other variables are controlled; the R Square value was obtained in this case.

$$Y = \beta_0 + \beta_2 X_2 + e$$

The results presented in Table 4.5 indicate positive relationship between pre-retirement anxiety and knowledge sharing intentions ($r=0.465$). Pre-retirement anxiety explains 21.7% ($R^2 =0.217$) of the variation in knowledge sharing intentions with the remaining 78.3% explained by other variables implemented in State Corporations in Kenya. Fletcher and Hansson (1991), focusing on the social aspects of the transition to retirement, have defined retirement anxiety as “a generalized feeling of apprehension or worry regarding the uncertain, unpredictable, and potentially disruptive consequences of impending retirement”. The authors identify two principal tasks that may threaten the transition phase: (1) Coping with and/or adjusting to the possible loss of interpersonal relations and social activities connected with the work setting; (2) Developing and/or investing in new interpersonal relations and extra-work social activities.

Table 4.5

Model Summary for Goodness of fit

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.465 ^a	.217	.214	.87060

a. Predictors: (Constant), EPRA

b. Dependent Variable: KS Intentions

The analysis of variance from table 4.6 was significant at ($F=9.105$, $p=0.000$). Since the calculated p-value was greater than 0.05, null hypothesis was rejected and it was concluded that pre-retirement anxiety had a statistically significant effect on knowledge sharing intentions. Skirbekk (2008) postulates that the impact of age on physical and cognitive skills of worker and its transitions in productivity potential was seriously viewed in different studies as productivity is influenced by employees' physical and cognitive skills

Table 4.6

*Results of ANOVA of Regression Analysis***ANOVA^a**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.901	1	6.901	9.105	.000 ^b
	Residual	227.383	300	.758		
	Total	290.284	301			

a. Dependent Variable: KS Intentions

b. Predictors: (Constant), EPRA

The model coefficients results from table 4.7 show that t-tests has p-values that were greater than 0.05 indicating that individual pre-retirement anxiety indicators had statistically significant effect on knowledge sharing intentions. This is interpreted to mean that pre-retirement anxiety influences knowledge sharing intentions of State Corporations in Kenya. According to Brandstädter and Renner, (1990) aging employee perceived that they have nominal likelihood to further their career, job strain and age discrimination reduces their progression opportunities, they usually shift their attention from their work and career to the alternative of retirement. Studies postulated that when negative situation persists and aging employees lack personal control to improve the situation and rise within, they use accommodative coping processes by disengagement and “they may focus on what they might gain instead of lose in a particular situation”.

Table 4:7

*Coefficients of Regression Equation***Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.123	.050		2.462	.041
	EPRA	.412	.045	.465	9.110	.000

a. Dependent Variable: KS Intentions

Summary of Findings

The objective was to examine the relationship between Pre-Retirement Anxiety and knowledge sharing intentions in State Corporation in Kenya. The findings of this study indicated a statistically that pre-retirement anxiety has positive significant relationship on knowledge sharing intentions in State Corporations in Kenya. A positive statistically significant effect was established between retirements thought makes one feel comfortable, retirement is the most pleasant period for me, feeling relaxed when doing something positive in preparation for retirement. This study established that pre-retirement anxiety enhanced knowledge sharing intentions in State Corporations in Kenya. The finding on the effect of pre-retirement anxiety and knowledge sharing intentions implies that state corporations tacit knowledge ought to be in place for improved performance.

Recommendations

The study recommends that policy makers and managers of State Corporations should relook at their internal organizational environments. This signifies that there is need to create enabling organizational structures and culture, technology, participative management style and embrace latest technology since they enhance knowledge sharing intentions.

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