

Relationship between Employee Pre-Retirement Adjustment Styles and Knowledge Sharing Intentions in State Corporation in Kenya.

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ABSTRACT

Knowledge management 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 Adjustment styles 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 who were within retirement age. Quantitative data was collected 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 employee pre-retirement adjustment styles had greater effect on knowledge sharing intentions. The study also established that pre-retirement anxiety enhanced knowledge sharing intentions in State Corporations in Kenya. It further found that the relationship was stronger where State Corporations were based in the same sector and weaker when they were across Sectors. These research findings contribute by

extending the frontiers of knowledge by linking pre-retirement adjustment styles and knowledge sharing intentions into a conceptual framework which was empirically tested.

Key words: Pre-retirement anxiety, Knowledge sharing, Intentions

Introduction

There has been a great deal of discussion and debate in recent years around the aging public sector workforce. Numerous articles depict the aging baby boomer generation as a looming crisis for public sector organizations while others believe the increased speculation around mass retirements is an exaggeration of the situation (Davidson, Lepeak, and Newman, 2007). Many executives today worry that skill shortages threaten their organization's ability to grow and innovate. A recent survey in the manufacturing sector found that almost 60 Per cent of managers responding thought skill shortages were already hurting their firm's productivity and quality (DeLong, 2004).

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 and 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, Lagace, La Sablonniere and Kocum, 2004). The study revealed that positive attitudes of an employee towards the retirement are correlated with positive work experiences.

Based on this approach, some authors have therefore suggested that it is more appropriate to conceptualize retirement as a process of adjustment (Wang, 2007; Wang and Shi, 2014). By adjustment, we refer to the process by which retirees adapt to the changes in their lives and reach a state of acceptable psychological well-being and comfort with their retirement life (Van Solinge and Henkens, 2008) when they managed potential significant shifts in health, finance and activity within the domains of home, community and work (Heskeths *et al.*, 2011). This approach emphasizes that it is not the decision to retire in itself the most important but rather the characteristics of the retirement transition process embedded in this decision, that are of most relevance (van Solinge and Henkens,2008; Wang and Shi, 2014)

The argument for the likelihood of significant shocks, losses, and adjustments upon entering retirement is strengthened by the finding that approximately one third of retirees have poor adjustment styles in retirement (Braithwaite and Gibson, 1987; Braithwaite, Gibson, and Bosly-Craft, 1986). This is not an insignificant group and invites the question of what are the adjustment issues for these retirees.

At least, retirement should be conceived as a personal experience, as a process and as societal institution. As personal experience, retirement implies the necessity of different skills which allow the person to cope with multiple changes brought by retirement. As a process, retirement implicates decisions on work withdrawal. And as a societal institution, retirement influences both expectations that older workers should leave to provide job opportunities for younger workers and shared perceptions about the older persons as less competent and efficient. This conceptualization of retirement allows us to conceive three spheres of influences on retirement transition and adjustment: personal variables, retirement factors and contextual factors (Szinovacz, 2003). Among the personal variables, psychological resources influence the individuals reactions to the changes associated with retirement, stressing then relevance of agency in the retirement adjustment process (Van Solinge and Henkens 2013). In this regard, perhaps the most important is the sense of personal mastery, or retirement self-efficacy. Retirement self-efficacy is the belief that one has the knowledge and skills necessary to deal with the changes associated with retirement (Taylor-Carter and Cook, 1995), and it has been developed through prior experiences to deal with other transitions. A general premise hypothesized that positive levels of retirement self-efficacy will enhance the positive effects of retirement planning on general adaptation to retirement (Taylor and Schaffer, 2013).

For many retirees, the transition to retirement includes becoming a “senior.” There is a widespread belief that seniors are not expected to be interested in continuing to work unless it is as a volunteer. Their “job” is to enjoy retirement and not work. If retirees look old enough, they may experience the stereotype of being assumed to be physically frail, hard of hearing, with poor vision and slow comprehension. Even when this stereotype is the basis for kind assistance, it can be wounding. Objects of this stereotype can feel that they are being prematurely pushed toward advanced old age. Retirees who were industrious workers may still need to find outlets for a continuation of such energy. This may be found in part-time employment, hobbies, recreational

activities, coaching, teaching, and mentoring. It is important for retirees to understand that sheer busyness may be a sign of neurotic avoidance (obsessive busyness) rather than meaningful engagement. The knowledge that residing in every corner of Public Sector Enterprises (PSEs) must be managed effectively in enhancing the organizational performance.

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. Losing knowledge when retiring employees exit has drawn concerns about the quality of work produced, the quality of customer and client relations, and efficient work progress (DeLong, 2004). Whereas knowledge loss due to retirement 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 retirement syndrome may result to knowledge hoarding that may affect sharing. All this is thought to depend on the knowledge sharing behavior of employees.

In a previous study (Kankanhalli *et al.*, 2005) found out that the retirement syndrome is one of the greatest factors that influence knowledge sharing, but the nature of the relationship is not clearly documented. According to empirical evidence (Kankanhalli *et al.*, 2005) retirement syndrome is expected to affect the knowledge sharing behavior though the exact relationship is not known. 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 technology and expertise needed in State Corporations in Kenya is unique and not readily available in the market a lot of times and resources used to creating human resources (State Corporations Advisory Committee 2014). 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 retirement syndrome knowledge sharing intentions in State Corporations in Kenya.

Research Hypotheses

H₀₁: Employee Pre-Retirement Adjustment Styles have 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 adjustment styles and knowledge sharing intentions. The findings have implications for theory, policy and practice.

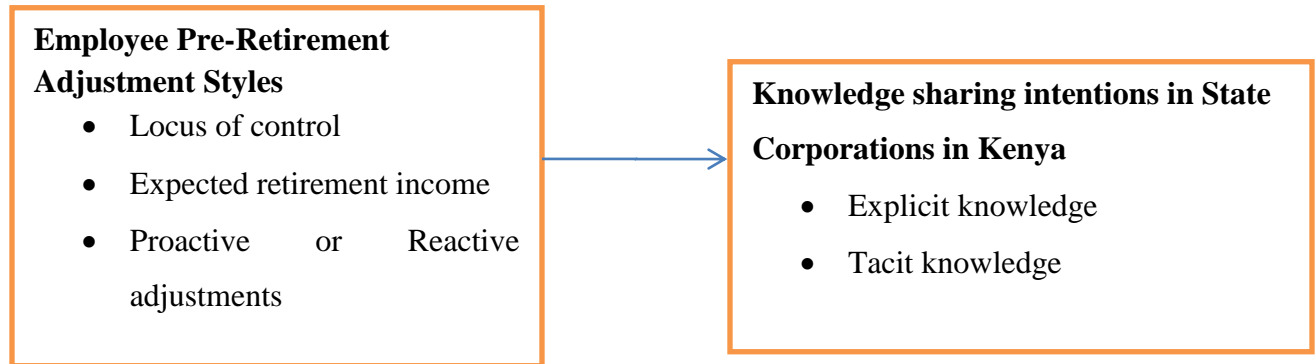
Literature Review

Theoretical Foundations of the Research Study

The study was anchored in the Resource based Theory (RBT), Grant (1991) postulates that while resources are the source of a firm's capabilities; capabilities are the main source of competitive

advantage. Therefore, it has been emphasized that the key to achieving a sustainable competitive advantage from a firm's stock of resources lies in its ability to integrate different resources to form strong organizational capabilities. It is a firm's core capabilities that make the most significant contribution to competitive advantage.

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). Exploratory research tends to tackle new problems on which little or no previous research has been done (Brown 2006). In the proposed study there seems to be no known research that has been conducted in Kenya on the relationship between employee retirement syndrome (independent variable) and knowledge sharing intentions (dependable variable) in state corporations in Kenya.

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. The main reason for choosing senior management employees ten years to retirement was because knowledge sharing is a universal phenomenon and Retirement Syndrome 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 Adjustment Styles	8	0.800	0.83

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 variables Employee Pre-retirement Adjustment Styles

Respondents were asked to provide answers on each item that was measured by a five point Likert scale ranging from 1 (very low) to 5 (very high). From Table 4.2, Respondents were asked

to provide information on pre-retirement adjustment styles. The statement, 'I sometimes worry so much most of the time' had 66% respondents who strongly disagreed, 30% respondents disagreed and 3% neither agreed nor disagreed, with a mean score of 1.37. The item that 'I sometimes feel that life is not worth living', attracted 85% responses for strongly disagreed, 11% disagreed, 4 % agreed with a mean of 1.22. the statement that 'I take long time before I give up on something', got 60% for strongly disagreed, 13 % disagreed, 1% neither agreed nor disagreed, 14% agreed, 12% strongly agreed with a mean of 2.06. The statement, 'Reduced strength keeps me from doing the things I need to do' had 1% strongly disagreed, 1% disagreed, 4% neither agreed nor disagreed 25% agreed, 69% strongly agreed with a mean of 4.62. The item that 'I manage to live a good life with my present strength' had 1% neither agreed nor disagreed, 25% agreed, 72% strongly agreed with a mean of 4.69. The statement, 'I am able to live a good life on my income' had 4% disagreed, 4% neither agreed nor disagreed, 13% agreed, 80% strongly agreed with a mean of 4.67. The item 'Retirement is just as worthwhile as working' had 1% strongly disagreed, 4% disagreed, 10 % neither agreed nor disagreed, 20% agreed, 65% strongly agreed with a mean of 4.45. The item that 'I find it difficult to make new friends' had 69% strongly disagreed, 13% disagreed, 4% neither agreed or disagreed, 6% agreed, 9% strongly agreed with a mean of 1.72. The overall findings imply that there was a general positive appreciation of adjustment styles at individual, group and institutional levels.

This is in line with studies by Taylor and Schaffer, 2013 and Atchley (1982) who 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' try 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. Retirement should be conceived

as a personal experience, as a process and as societal institution. As personal experience, retirement implies the necessity of different skills which allow the person to cope with multiple changes brought by retirement. As a process, retirement implicates decisions on work withdrawal. And as a societal institution, retirement influences both expectations that older workers should leave to provide job opportunities for younger workers and shared perceptions about the older persons as less competent and efficient.

Table 4.2: Response on Employee Pre-retirement Adjustment Styles

	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly Agree	Mean	Std. Deviation
EPAS1	66%	30%	3%	0%	0%	1.37	.55
EPAS2	85%	11%	0%	4%	0%	1.22	.63
EPAS3	60%	13%	1%	14%	12%	2.06	1.50
EPAS4	1%	1%	4%	25%	69%	4.62	.67
EPAS5	0%	0%	1%	27%	72%	4.69	.53
EPAS6	0%	4%	4%	13%	80%	4.67	.75
EPAS7	1%	4%	10%	20%	65%	4.45	.88
EPAS8	69%	13%	4%	6%	9%	1.72	1.28

Structural Equation Modeling

The relationship between Employee pre-retirement Adjustment styles and Knowledge sharing intentions was established using Structural Equation Modeling (SEM). Partial Least Squares (PLS) algorithm and bootstrapping algorithm using Smart PLS 2.0

Employee pre-retirement Adjustment styles

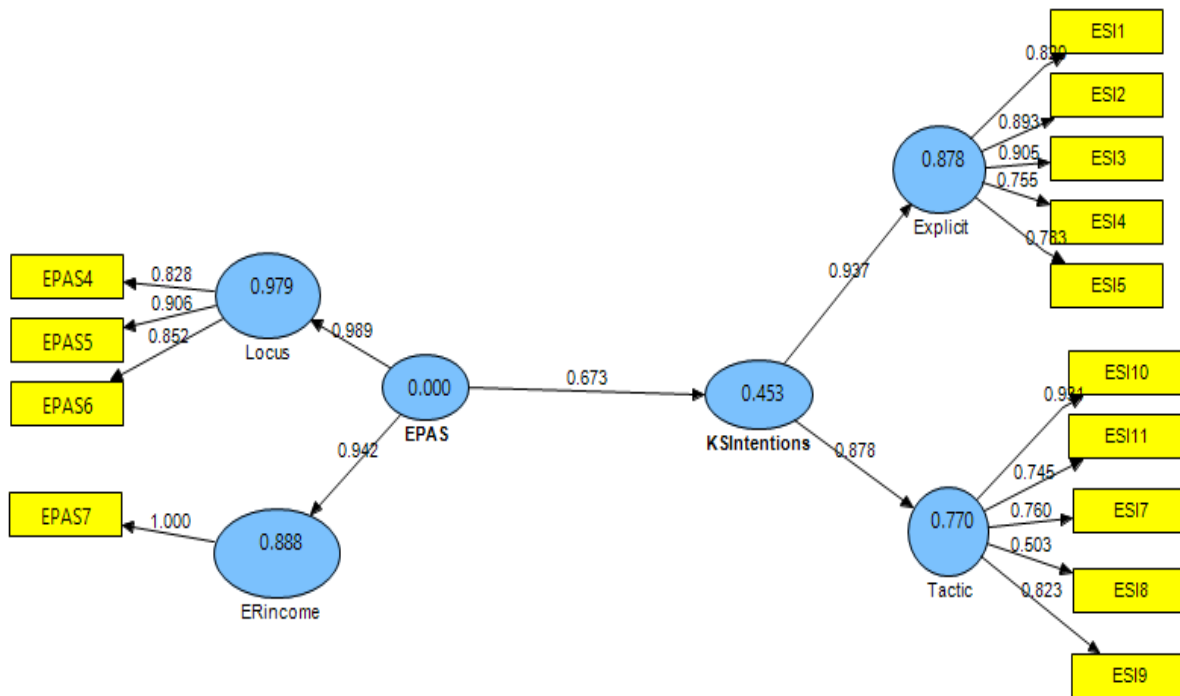


Figure 4.1 Path coefficients for Employee pre-retirement Adjustment styles and KS Intentions

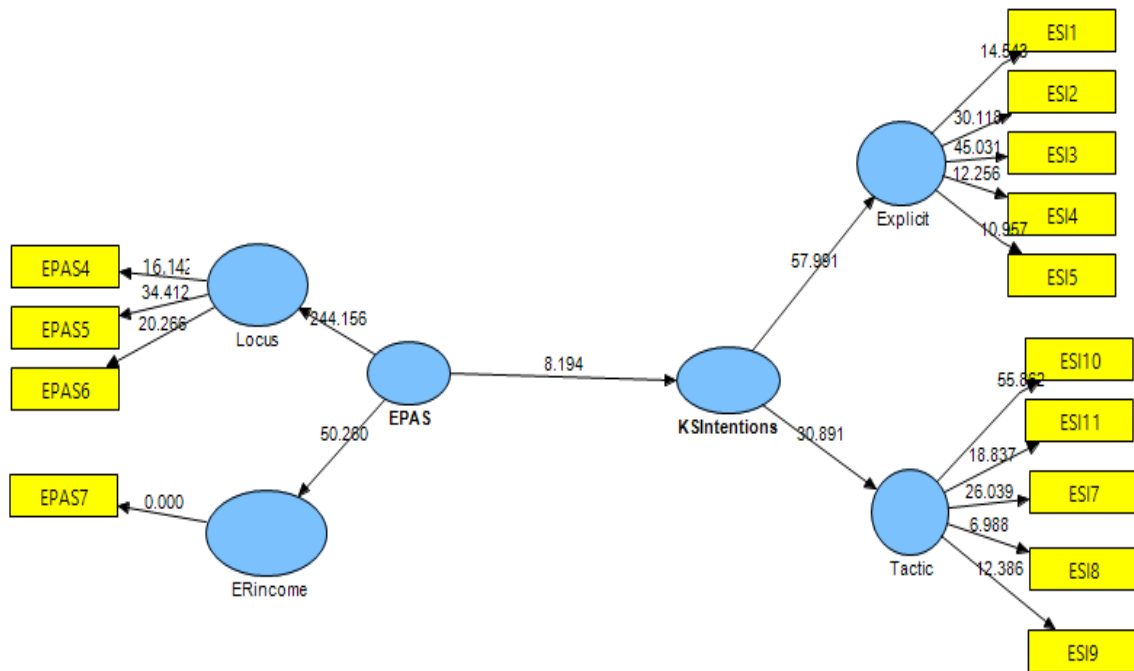


Figure 4.2: T values for Employee pre-retirement Adjustment styles and KS Intentions

Table 4.3: Path coefficients for Employee pre-retirement Adjustment styles and KS Intentions

	Path coefficient	Standard	T Statistics	p values
EPAS -> KSIntentions	0.673061	0.082137	8.194382	0.00

An employee pre-retirement Adjustment style 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 ($\beta=0.673$, T-value =8.194 $p<0.05$) as indicated in table above, figure 4.1 and figure 4.2. The positive relationship means if, Employee pre-retirement Adjustment styles increases by 1, Knowledge Sharing Intentions of the respondents will increase by 0.673.

Regression Analysis between Employee Pre-retirement Adjustment Styles and Knowledge Sharing Intentions

The objective of the study was to examine the relationship between employee pre-retirement adjustment styles and knowledge sharing intentions in State Corporation in Kenya. To achieve this objective, hypothesis one was stated in null as: Employee pre-retirement adjustment styles have no significant relationship on knowledge sharing intentions in State Corporations in Kenya. The study set out to establish the effect of pre-retirement adjustment styles on knowledge sharing intentions, when the other variables are controlled; the R Square value was obtained in this case.

$$Y = \beta_0 + \beta_1 X_1 + e$$

Table 4.4 shows the regression results of pre-retirement adjustment Styles on knowledge sharing intentions. The results presented indicate a positive relationship between pre-retirement adjustment styles and knowledge sharing intentions ($r=0.644$). Pre-retirement adjustment styles explains 41.5% ($R^2=0.415$) of the variation in knowledge sharing intentions with the remaining 58.5% explained by other variables implemented by State Corporations that were not tested by the model. The implication of these finding is that pre-retirement adjustment styles plays a significant role enhancing knowledge sharing.

According to a study by Van Den Hooff and De Ridder's (2004) conceptualization of knowledge sharing portrays it as a "process where individuals mutually exchange their implicit (tacit) and explicit knowledge to create new knowledge". This makes knowledge sharing different from information sharing. Whereas knowledge sharing contains elements of reciprocity, information sharing is about the management making information available to all members of the organization and it could be unidirectional and unrequested.

Table 4.4: Model Summary for Goodness of Fit

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.644 ^a	.415	.413	.70561
a. Predictors: (Constant), EPAS				
b. Dependent Variable: KSIntentions				

The ANOVA model from table 4.5 was significant at ($F=31.982$, $p=0.000$). Since the calculated p-value was less than 0.05, null hypothesis was rejected and it was concluded that Employee pre-retirement adjustment style has a statistically significant effect on knowledge sharing intentions. An F ratio is calculated which represents the variance between the groups, divided by the variance within the groups. A large F ratio indicates that there is more variability between the groups (caused by the independent variable) than there is within each group, referred to as the error term. Researchers Nonaka, (1994) and Jarvenpaa and Staples, (2001) have argued that individuals, namely knowledge workers, are the prime source of knowledge, and are important for the creation, capture and sharing of knowledge within organizations.

Table 4.5: Results of ANOVA of Regression Analysis

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.191	1	5.191	31.982	.000 ^b
	Residual	48.368	298	.162		
	Total	53.559	299			

a. Dependent Variable: KS Intentions

b. Predictors: (Constant), EPAS

The model coefficients results from table 4.6 show that t-tests has p-values that were less than 0.05 indicating that individual pre-retirement adjustment styles measures had statistically significant effect on knowledge sharing intentions. This can be interpreted to mean that a pre-retirement adjustment style it contributes to improvement of knowledge sharing intentions of State Corporations in Kenya.

Nahapiet and Goshal (1998) postulated that organizational knowledge is created as a result of the combination and exchange of existing knowledge among employees. The effective flow of knowledge is only sustainable through people.

Table 4.6: Coefficients of Regression Equation

		Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.113	.041		2.756	.006
	EPAS	.638	.044	.644	14.535	.000

a. Dependent Variable: KS Intentions

Summary of Findings

The objective was to examine the relationship between employee pre-retirement adjustment Styles and knowledge sharing intentions in State Corporation in Kenya. The results indicate a

positive and statistically significant effect of knowledge sharing on pre-retirement adjustment styles especially living a good life as well as retirement is just as worthwhile as working. In addition positive statistically significant effect was established between knowledge sharing and worry on time, feeling that life is not worth living and taking long time before giving up on something. This study established that employee pre-retirement adjustment styles had greater effect on knowledge sharing intentions. This implies that organizations should not only measure performance on the basis of employee pre-retirement adjustment styles but should consider of knowledge sharing intentions.

Recommendations

The findings of this research led to the formulation of key recommendations. First, the study found out that pre-retirement adjustment styles contributes to knowledge sharing intentions of state corporations in Kenya. The study recommends that State Corporations need to create forums to share ideas, insights and information that would contribute to new adjustment styles. The study further recommends pre-retirement adjustment styles within and between organizations given its impact on knowledge sharing intentions.

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