# Investigating Factors Affecting Early Retirement of Employees Covered by Social Security Insurance in Gachsaran City, Iran

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**Abstract:** The aim of this study was to investigate Factors affecting early retirement of employees covered by social security insurance in Gachsaran city, Iran at 2015. The population was all the early retirements (320 individuals) covered to social security organization. The statistical sample was calculated 174 individuals using Cochran formula. The data were collected through the questionnaire and the validity of this tool was approved by experts and its reliability was calculated by Cronbach's alpha (0.87) and data were analyzed through correlation and regression using SPSS software. According to results, there was a significant relationship between job dissatisfaction and early retirement of employees, between the lack of the mental health in the workplace and early retirement of employees, the dissatisfaction from economic reward and salary and benefits and early retirement of employees, job insecurity and early retirement of employees and finally, between the uniformity of workplace and early retirement of employees.

**Keywords:** Early Retirement, Insurance, Social Security Organization.

## Introduction

The organization is social that life and its sustainability depend on a strong link between its components and its factors. Feeling of injustice in job satisfaction has devastating effects on the spirit of cooperation. The efforts of human resources and employee motivation are influenced. Neglect and injustice and unequal distribution of gains undermine employee morale and motivation, effort; that it degrades the activity and cooperation. The organization is the systematic process of mutual relations of people to achieve certain goals. The main element and effective of any organization is formed with human resources of organization that there is the interaction between them and the best way to organize the resources is their merit. Finally, we can say that the organization is only interaction between people and reflect organizational structure of these interactions, including roles reciprocity; goals and other features of the organization's hierarchy that all of them are in terms of employee satisfaction and avoiding job (Tajik, 2011).

Every employee in the course of his career experience retirement. This phenomenon has various consequences of physical, mental and emotional for the people. Study, is the understanding of business experience of retirement in the public sector that is pointed deeper and richer understanding of this phenomenon. With all the importance and impact that retirement has on personal life, family, social and economic society and with regard to the young structure of country that a large part of the population reaches to retirement age in the next few decades, and with

the knowledge that retirement is destiny that will appear in the job life of every employee, it is discussed lower than other human resource issues. Regardless of some articles in some magazines of country about retirement and personal and their social life, in particular their lack of income and increased costs that has been published, there is not ever experienced retirees or their views about retirement .

Dissatisfaction about the problems of organization is problem that is plagued with many government agencies and some NGOs in Iran. Managers show a different reaction in dealing with this issue, some have only greed, some are indifferent due to having no choice, some think the solution is training staff, some inexperienced managers do not realize. They do not see a problem in their organization. The employees' participation in decision-making has important role in mental health and the effectiveness of the organization. A number of researchers believe that lack of participation in organization decision-making and decision-making can be closely related to increased anxiety, depression, addiction, health problems, job dissatisfaction and low self-esteem and have early retirement request. Participation and employee involvement in decision-making process gives them access to more information and control over their work environment, so their stress and job insecurity is reduced. Encouraging employees to dialogue can improve communication within the organization to strengthen social protection. Employees and managers in the organization that are satisfied with their situation remain and follow personal, organizational and job goals with more interest and motivation. In order to respect the principles of mental health in the workplace, one of the important duties of directors is provisions and facilities are necessary and sufficient to raise the morale of employees. Good human relations and creating morale in the organization, is a daunting task that must be taken seriously by managers, because healthy human relationships and make it is considered an effective factor in achieving the goals and success of any organization.   Attention to organizational behavior at all organizations forms the basis for organization development (Rahim-bakhsh, 2011).

With the implementation of early retirement rules and retirement legislation in the hard and harmful jobs, the number of employees will retire. If technical and young workforce is retired, new jobs are not created and these workforces will re-enter the labor market after retiring due to experience, age and tend to increase purchasing power.

So, the demand for labor will not increase and only retired person will be added to the pensioners of Social Security. At the same time will also be employed. Therefore, the organization will be deprived of the receipt of new income sources (Roghanizadeh, 2007).

Due to the nature of the services and work of social security organizations and close relationship with the employment, any decision taken by the government in the field of employment directly will be relevant with the Social Security organization. Increasing employment is directly related with Social Security organization resources. Increasing employment, moreover reducing unemployment and reducing the adverse effects of unemployment, will increase making insurance that an increase an organization resources. If supply and demand for labor is influenced by economic factors interact with each other in terms of free competition, so, wages index changes and the unemployment rate reflect the country's economic situation and particularly the situation of the labor market in terms of boom recession or crisis (Roghanizadeh, 2008).

## Materials and Methods

This research was applied in propose and descriptive-monitoring research in the nature. The study population was consisted of early retirement are eligible for Social Security in the Gachsaran city, Iran. According to latest statistics, the number of early retirement was 320 individuals, that statistical sample was calculated 174 individuals using Cochran formula that the questionnaires were distributed randomly among them.

### *Hypotheses*
There is a significant relationship between management method and early retirement of employees.
There is a significant relationship between job dissatisfaction and early retirement of employees.
There is a significant relationship between the lack of the mental health in the workplace and early retirement.
There is a significant relationship between dissatisfaction from economic reward and salary and benefits and early retirement of employees.
There is a significant relationship between job insecurity and early retirement of employees.
There is a significant relationship between uniformity of workplace and early retirement of employees.

**Results**

*First hypothesis*

There is a significant relationship between management method and early retirement of employees.

**Table 1.** Summary of the model.

| Statistic | Value |
|---|---|
| Pearson correlation coefficient | 0.021 |
| Significance level | 0.000 |
| The coefficient of determination | 0.12 |
| Adjusted coefficient of determination | 0.05 |

In the above table, the Pearson correlation coefficient was 0.021 and significance level was 0.00 and less than 0.05, which represents a significant and direct relationship between the management method and the early retirement of employees. The coefficient of determination was equal to 0.12, which shows management method justifies about 12% of the total changes of early retirement of employees.

**Table 2.** Analysis of variance.

| Model | Mean square | df | Sum of squares | Statistic F | Sig. |
|---|---|---|---|---|---|
| Regression | 1.24 | 1 | 1.24 | 0.079 | 0.000 |
| Residual | 2706.720 | 172 | 15.737 | | |
| Total | 2707.960 | 173 | | | |

Since, the significance level of test in the table above was 0.00 and less than error rate (0.05), so, the null hypothesis was rejected and the regression was statistically significant.

**Table 3.** The regression coefficients.

| Variable | parameter estimation | T Statistic | Sig. |
|---|---|---|---|
| Intercept $\beta_0$ | 29.517 | 22.962 | 0.000 |
| Management methods $\beta_1$ | 0.032 | 9.281 | 0.000 |

According to the results of above table, the significance level of intercepts coefficient was 0.00 and less than 0.05. Also, the significance level of management method was equal to 0.00 and less than 0.05 that according to the estimated coefficient of 0.032, it can be said that management method has positive and significant relationship with the early retirement of employees and the regression equation was as follows:

Early retirement of employees =29.517+ 0.032 Management method

As a result, the first hypothesis was accepted.

*The second hypothesis*

There is a significant relationship between Job dissatisfaction and early retirement of employees.

**Table 4.** Summary of Model.

| statistic | Value |
|---|---|
| Pearson correlation coefficient | -0.051 |
| Significance level | 0.000 |
| The coefficient of determination | 0.09 |
| Adjusted coefficient of determination | 0.011 |

In the above table, the Pearson correlation coefficient was -0.051 and significance level was 0.00 and less than 0.05, which represents a significant and inverse relationship between job dissatisfaction and the early retirement of employees. The coefficient of determination was equal to 0.09, which shows job dissatisfaction justifies about 9% of the total changes of early retirement of employees. In the table below, which is known to ANOVA, the regression significance was examined by using F test.

**Table 5.** ANOVA.

| Model | Mean square | df | Sum of squares | Statistic F | Sig. |
|---|---|---|---|---|---|
| Regression | 7.037 | 1 | 7.037 | 0.448 | 0.000 |
| Residual | 2700.923 | 172 | 15.703 | | |
| Total | 2707.960 | 173 | | | |

The significance level of test in the table above was 0.00 and less than error rate (0.05), so, the null hypothesis was rejected and the regression was statistically significant. The regression was significant, so, the regression coefficients should be estimated in the next step and their significance should be identified. This issue will be examined by T- Student test.

**Table 6.** Regression coefficients

| Variable | Parameter estimation | T Statistic | Sig. |
|---|---|---|---|
| Intercept $\beta_0$ | 30.428 | 34.212 | 0.000 |
| Job dissatisfaction $\beta_1$ | -0.064 | -0.669 | 0.000 |

According to the results of above table, the significance level of intercepts coefficient was 0.00 and less than 0.05. Also, the significance level of job dissatisfaction was equal to 0.00 and less than 0.05 that according to the estimated coefficient of -0.064, it can be said that job dissatisfaction has negative and significant relationship with the early retirement of employees and the regression equation was as follows:

Job dissatisfaction= 30.428-0.064 early retirement of employees

***The third Hypothesis***

There is a significant relationship between early retirement of employees and the mental health in the workplace.

**Table 7.** Summary of Model.

| Statistic | Value |
|---|---|
| Pearson correlation coefficient | -0.024 |
| Significance level | 0.000 |
| The coefficient of determination | 0.05 |
| Adjusted coefficient of determination | 0.07 |

In the above table, the Pearson correlation coefficient was -0.024 and significance level was 0.00 and less than 0.05, which represents a significant and negative relationship between lack of mental health in the workplace and the early retirement of employees. The coefficient of determination was equal to 0.05, which shows lack of mental health in the workplace justify about 5% of the total changes of early retirement of employees.

**Table 8.** The analysis of variance.

| Model | Mean square | df | Sum of squares | F Statistic | Sig. |
|---|---|---|---|---|---|
| Regression | 1.539 | 1 | 1.539 | 0.098 | 0.000 |
| Residual | 2706.420 | 172 | 15.735 | | |
| Total | 2707.960 | 173 | | | |

Since, the significance level of test in the table above was 0.00 and less than error rate (0.05), so, the null hypothesis was rejected and the regression was statistically significant. The regression was significant, so, the regression coefficients should be estimated in the next step and their significance should be identified. This issue will be examined by T- Student test.

**Table 9.** The regression coefficients

| Variable | Parameter estimation | T Statistic | Sig. |
|---|---|---|---|
| Intercept $\beta_0$ | 30.186 | 28.467 | 0.000 |
| Lack of mental health in the workplace $\beta_1$ | -0.037 | -0.313 | 0.000 |

According to the results of above table, the significance level of intercepts coefficient was 0.00 and less than 0.05. Also, the significance level of lack of mental health in the workplace was equal to 0.00 and less than 0.05 that according to the estimated coefficient of -0.037, it can be said that Lack of mental health in the workplace has negative and significant relationship with the early retirement of employees and the regression equation was as follows:

Early retirement of employees=30.186- 0.037 Lack of mental health in the workplace

### *The fourth hypothesis*

There is a significant relationship between dissatisfaction from the economic rewards and the way of paying salary and benefits and early retirement of employees.

**Table 10.** Summary of the model.

| Statistic | Value |
|---|---|
| Pearson correlation coefficient | 0.015 |
| Significance level | 0.000 |
| The coefficient of determination | 0.14 |
| Adjusted coefficient of determination | 0.12 |

In the above table, the Pearson correlation coefficient was 0.015 and significance level was 0.00 and less than 0.05, which represents a significant and positive relationship between dissatisfaction from the economic rewards and the way of paying salary and benefits and the early retirement of employees. The coefficient of determination was equal to 0.14, which shows dissatisfaction from the economic rewards and the way of paying salary and benefits justify about 14% of the total changes of early retirement of employees.

**Table 11.** ANOVA.

| Model | Mean square | df | Sum of squares | Statistic F | Sig. |
|---|---|---|---|---|---|
| Regression | 0.622 | 1 | 0.622 | 0.039 | 0.000 |
| Residual | 2707.338 | 172 | 15.740 | | |
| Total | 2707.960 | 173 | | | |

Since, the significance level of test in the table above was 0.00 and less than error rate (0.05), so, the null hypothesis was rejected and the regression was statistically significant.
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**Table 12.** The regression coefficients.

| Variable | Parameter estimation | T Statistic | Sig. |
|---|---|---|---|
| Intercept $\beta_0$ | 29.635 | 24.476 | 0.000 |
| dissatisfaction from the economic rewards and the way of paying salary and benefits $\beta_1$ | 0.021 | 0.199 | 0.000 |

According to the results of above table, the significance level of intercepts coefficient was 0.00 and less than 0.05. Also, the significance level of dissatisfaction from the economic rewards and the way of paying salary and benefits was equal to 0.00 and less than 0.05 that according to the estimated coefficient of 0.021, it can be said that dissatisfaction from the economic rewards and the way of paying salary and benefits has positive and significant relationship with the early retirement of employees and the regression equation was as follows:

Early retirement of employees=29.635+ 0.021 dissatisfaction from the economic rewards and the way of paying salary and benefits

### *The Fifth hypothesis*

There is a significant relationship between Job insecurity and the way of paying salary and benefits and early retirement of employees.

**Table 13.** Summary of the model.

| Statistic | Value |
|---|---|
| Pearson correlation coefficient | 0.184 |
| Significance level | 0.000 |
| The coefficient of determination | 0.03 |
| Adjusted coefficient of determination | 0.028 |

In the above table, the Pearson correlation coefficient was 0.184 and significance level was 0.00 and less than 0.05, which represents a significant and positive relationship between job insecurity and the early retirement of employees. The coefficient of determination was equal to 0.03, which shows job insecurity justifies about 3% of the total changes of early retirement of employees.

**Table 14.** ANOVA

| Model | Mean square | df | Sum of squares | Statistic F | Sig. |
|---|---|---|---|---|---|
| Regression | 91.256 | 1 | 91.256 | 5.998 | 0.000 |
| Residual | 2616.703 | 172 | 15.213 | | |
| Total | 2707.960 | 173 | | | |

Since, the significance level of test in the table above was 0.00 and less than error rate (0.05), so, the null hypothesis was rejected and the regression was statistically significant.

**Table 15.** Regression coefficients.

| Variable | Parameter estimation | T Statistic | Sig. |
|---|---|---|---|
| Intercept $\beta 0$ | 27.360 | 25.675 | 0.000 |
| Job insecurity $\beta_1$ | 0.295 | 2.449 | 0.000 |

According to the results of above table, the significance level of intercepts coefficient was 0.00 and less than 0.05. Also, the significance level of job insecurity was equal to 0.00 and less than 0.05 that according to the estimated coefficient of 0.295, it can be said that job insecurity has positive and significant relationship with the early retirement of employees and the regression equation was as follows:

Early retirement of employees=27.360+ 0.295 job insecurity

***The sixth hypothesis***

There is a significant relationship between Uniformity of workplace early retirement of employees.

**Table 16.** Summary of the model.

| Statistic | Value |
|---|---|
| Pearson correlation coefficient | -0.045 |
| Significance level | 0.000 |
| The coefficient of determination | 0.20 |
| Adjusted coefficient of determination | 0.19 |

In the above table, the Pearson correlation coefficient was 0.015 and significance level was 0.00 and less than 0.05, which represents a significant and positive relationship between Uniformity of workplace and the early retirement of employees. The coefficient of determination was equal to 0.20, which shows Uniformity of workplace justify about 20% of the total changes of early retirement of employees.

**Table 17.** ANOVA

| Model | Mean square | df | Sum of squares | F Statistic | Sig. |
|---|---|---|---|---|---|
| Regression | 5.590 | 1 | 5.590 | 0.356 | 0.000 |
| Residual | 2702.370 | 172 | 15.711 | | |
| Total | 2707.960 | 173 | | | |

Since, the significance level of test in the table above was 0.00 and less than error rate (0.05), so, the null hypothesis was rejected and the regression was statistically significant.

**Table 18.** Regression coefficients

| Variable | Parameter estimation | T Statistic | Sig. |
|---|---|---|---|
| Intercept $\beta 0$ | 30.339 | 32.367 | 0.000 |
| Uniformity of workplace $\beta 1$ | -0.089 | -0.596 | 0.000 |

According to the results of above table, the significance level of intercepts coefficient was 0.00 and less than 0.05. Also, the significance level of uniformity of workplace was equal to 0.00 and less than 0.05 that according to

the estimated coefficient of -0.089, it can be said that uniformity of workplace has negative and significant relationship with the early retirement of employees and the regression equation was as follows:

Early retirement of employees=30.399- 0.089 uniformity work

## Conclusion

There is a significant relationship between dissatisfaction from economic reward and paying salary and benefits and early retirement of employees. Social security and retirement funds are one of important and strong lever of governments by providing assistance as diverse as pensions or retirement, disability, survivor and salary earners task that lead to society towards prosperity.

The loss of the status (social status), understanding, income, physical aging, and emotional stress that are withdrawal symptoms and it seems disappointing to work and lack of supporting organizational culture and social pressures intensify their despair. It can be considered that leaving is very difficult especially for some managers who are interested in their post.

Preparedness is essential in the context of the work environment in the transition to retirement. Preparing for retirement is an important factor in the transition to retirement. Less information in retirement is associated with strange shock and disbelief in their transition to retirement and is essential.

It is recommended to explain to each employee each job description and job positions during the process of re-engineering, modification and the staff become familiar with their duties accurately. After this standard phase, each work is set out.

In this way, the efficiency of individuals can be measured with the rate of output to the work standard. In the meantime, in works that can be done collectively as a group, their performance can evaluate collectively, and thereby, also considered working groups within the organization.

On the other hand, it should be measured personal characteristics such as level of education, relevant work experience, knowledge and skills in the labor and make value for each of these factors. With this action, labor productivity (each employee), a group performance and features and personal characteristics of each will be evaluation criterion. Appointment of staff in higher authorities should be made based on the assessment results. Even according to the results of the evaluation, these people led to the training of organization human resources if it is determined employees need special education.

Regard to the rewards and incentives, it is suggested to be developed carefully factors and issues could be led to encourage and reward of employees, and if any of the staff fulfill properly factors, are encouraged and it should be avoided strictly discrimination between employees.

It is offered to all employees at all levels of organizational posts to continue studies at a higher level, without any discrimination and special quotas in universities and higher education institutions should dedicate to it. License of leaving and pay a full scholarship and educational mission as well as those employees who have been accepted in universities are to be established.

It should given freedom to employees in doing their affaires. The mean of freedom is thinking and acting in their area of work. In this case, employees are satisfied and are happy with their extra motivation from their work.

Another suggestion is to respect the principle of meritocracy. Merit selection can be defined as the best choice in the most appropriate place. The organization should be logical and scientific criteria followed worthy and deserving of impressments, and will provide good breeding.

### Conflict of interest
The authors declare no conflict of interest

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