

# PUBLIC POLICY RESEARCH FUNDING SCHEME

## 公共政策研究資助計劃

**Project Number :**

項目編號：

2013.A3.002.13A

**Project Title :**

項目名稱：

**A Study on the Preferences and Feasibility of Optional Retirement in Hong Kong: A Human Resources Management Perspective**

從人力資源管理看香港推行彈性退休偏好及可行性研究

**Principal Investigator :**

首席研究員：

**Professor CHAN Cheung Ming Alfred**

陳章明教授

**Institution/Think Tank :**

院校／智庫：

**Lingnan University**

嶺南大學

**Project Duration (Month):**

推行期(月)：

9

**Funding (HK\$) :**

總金額(HK\$)：

544,255.00

This research report is uploaded onto the webpage of the Public Policy Research Funding Scheme and Strategic Public Policy Research Funding Scheme for public reference. The views expressed in this report are those of the Research Team of this project and do not represent the views of the Government and/or the Assessment Panel. The Government and/or the Assessment Panel do not guarantee the accuracy of the data included in this report.

Please observe the “Intellectual Property Rights & Use of Project Data” as stipulated in the Guidance Notes of the Public Policy Research Funding Scheme and Strategic Public Policy Research Funding Scheme.

A suitable acknowledgement of the funding from the Government should be included in any publication/publicity arising from the work done on a research project funded in whole or in part by the Government.

The English version shall prevail whenever there is any discrepancy between the English and Chinese versions.

此研究報告已上載至公共政策研究資助計劃及策略性公共政策研究資助計劃的網頁，供公眾查閱。報告內所表達的意見純屬本項目研究團隊的意見，並不代表政府及／或評審委員會的意見。政府及／或評審委員會不保證報告所載的資料準確無誤。

請遵守公共政策研究資助計劃及策略性公共政策研究資助計劃申請須知內關於「知識產權及項目數據的使用」的規定。

接受政府全數或部分資助的研究項目如因研究工作須出版任何刊物／作任何宣傳，均須在其中加入適當鳴謝，註明獲政府資助。

中英文版本如有任何歧異，概以英文版本為準。

A Study on the Preferences and Feasibility of Optional  
Retirement in Hong Kong: A Human Resources  
Management Perspective

從人力資源管理看香港推行彈性退休偏好及可行性研究

(Project No. 2013.A3.002.13A)

---

Final Report

Asia-Pacific Institute of Ageing Studies  
Lingnan University  
Tuen Mun  
Hong Kong

28 February 2015

This study is commissioned by the Central Policy Unit, Hong Kong  
SAR Government

## **Research Team**

Prof. CHAN Cheung Ming Alfred

Dr. NG Wai Yi Annie

Mr. FOK Chun Yin Edwin

Mr. CHUN Wai Sun Derek

Dr. CAO Ting

Mr. CHAN Wing Chung David

Ms. LI Wing Yin

Ms. LAU Wing No Helen

Director & Principal Investigator

Senior Project Officer

Project Officer

Project Officer

Project Officer

Project Assistant

Project Assistant

Project Officer

## **Abstract**

Title of Project:

A Study on the Preferences and Feasibility of Optional Retirement in Hong Kong: A Human Resources Management Perspective

The population in Hong Kong is ageing at an unprecedented speed, with a projection in 2041 that the population of 65-years-old or over will increase to over two million, along with workforce graying, bringing about the diminishing of workforce and thus increasing the dependency ratio, which may severely dissolve the city's productivity as well as economically and socially impact the city.

Many organizations have set the retirement age for their employees at 60, which wastes precious skills and manpower unnecessarily, however, previous studies have shown that Hong Kong employees have the willingness to work beyond the current retirement age. In addition, there is insufficient pension generated during a working life that spans at least 40 years. With the ever-growing life expectancy, this leads to a tremendous rise in the economic cost of retirement; a retirement reform is undoubtedly necessary.

Optional Retirement is one of solutions which have been implemented to tackle problems brought by the rigidity of mandatory retirement age worldwide. The reform is expected to provide a solution to retirees' financial security, promote social participation in old age and simultaneously help to retain and pass on important skills and knowledge.

This study aims to examine the preferences and feasibility of optional retirement implementation in Hong Kong from a human resources management perspective. Examples from other countries will be reviewed in order to summarize feasible and flexible options. Qualitative in-depth interviews and focus group interviews will be conducted with retirees, soon-to-be retired employees, and employers to investigate incentives and disincentives to retire and the preferences in retirement arrangement. A localized model of optional retirement will be constructed, in order to provide evidence and suggestions on the future retirement policy planning, in addition to organizational implementation.

## 摘要

項目名稱：

從人力資源管理看香港推行彈性退休偏好及可行性研究

香港人口老化正史無前例快速增長，預計 2041 年 65 歲或以上的人口數目將突破 200 萬。隨之以來衍生的勞動力退化問題，不但降低整體勞動力及增加倚賴人口的數目，亦會嚴重削弱香港的勞動生產力，對經濟及社會帶來影響。

許多機構現時均設定退休年齡為 60 歲，惟有關措施將浪費資深員工珍貴的技能及影響人力資源的長遠發展。過往有研究指出，香港僱員樂意於超過退休年齡後繼續工作。面對人均年齡持續增長，大概 40 年的就業期間所累積的養老金預期並不足夠應付日後退休的生活。這可能會導致一個巨大的退休的經濟成本，因此退休改革無疑是必要的。

彈性退休是其中一項世界各地採用的措施，用作解決強制退休帶來的問題。有關的改革是希望維持退休人士財政健康狀況的同時，亦能推廣老年的社會參與，協助退休人士保存及承傳其重要的技能和知識。

是次研究的主要目的是從人力資源管理看香港推行彈性退休偏好及可行性。當中將主要採用質性研究的方式，收集有關彈性退休的意見。除參考其他國家的執行情況，提出適用於香港推行彈性退休的選項外，還會透過向僱主進行個人深入訪談，以及為準退休人士和已退休人士進行焦點小組討論，探究市民考慮退休時的誘因和實行障礙，以及退休安排的喜好，藉此建構出適用於香港的彈性退休模式。從而未來推行彈性退休時，有關政策內容規劃會得到充份的理據。

# Table of Contents

	Page
Research Team	I
Abstract	II
Chapter 1      Background of the Study	1
1.1            Introduction	1
1.2            Objectives	2
Chapter 2      Literature Review	3
2.1            Work and retirement	3
2.1.1        Population ageing and retirement: the need for change	3
2.1.2        Shifting patterns of older people's employment	5
2.1.3        Retirement and challenges in Hong Kong	6
2.2            Regional experience on retirement arrangement for older people	7
2.2.1        European Union	8
2.2.2        Finland	10
2.2.3        United Kingdom	12
2.2.4        Australia	14
2.2.5        Singapore	15
2.2.6        United States	17
2.3            Hong Kong's retirement policy and practice: what is needed to change for the future?	18
2.3.1        Practice in Public Sector	19
2.3.2        Practice in Private Sector	20
2.4            Feasible model of retirement: negotiated options for both employees and employers	21
Chapter 3      Methodology	23
3.1            In-depth interviews with employers	23
3.2            Focus group discussions with pre-retirees and retirees	23
3.3            Data analysis and synthesis	24
Chapter 4      In-depth Interviews with Employers	25
4.1            Sample profile	25
4.2            Existing retirement arrangements	25
4.3            Possibility of retirement age extension	26

4.4	Perspective towards employing older employees	26
4.5	Special training and working environment for older employees	27
4.6	Different flexible working arrangements for older employees	27
4.7	Perspective towards optional retirement	31
4.8	Challenges and difficulties of implementing optional retirement	32
Chapter 5	Focus Group Discussions with Pre-retirees and Retirees	34
5.1	Sample profile	34
5.2	Intention of post-retirement work	34
5.2.1	Making contribution to the society	34
5.2.2	Work eagerness and pursuing better personal development	35
5.2.3	Keeping active in the society	35
5.2.4	Skill inheritance	36
5.2.5	Job nature	36
5.2.6	Health and economic conditions	36
5.2.7	Enjoying full relaxation after retirement	37
5.2.8	Promotion of upward social mobility	37
5.2.9	Fear of job stress and adaptation	38
5.2.10	Remuneration	38
5.3	Conditions of post-retirement work	39
5.3.1	Remuneration package before and after retirement	39
5.3.2	Job satisfaction and retirement quality	39
5.3.3	Respect of employees' personal choices	39
5.3.4	Competence towards post-retirement work	40
5.3.5	Mentoring role	40
5.4	Retirement satisfaction and expectation	41
5.4.1	Voluntary work participation	41
5.4.2	Retirement planning	41
5.4.3	Financial condition stability	42
5.4.4	Rearing children during old age	42
5.4.5	Retirement arrangement	43
5.5	Views on different flexible working arrangements	43
5.6	Challenges and difficulties of implementing optional retirement	47
5.6.1	Shortcomings on current retirement protection arrangement	47
5.6.2	An unequal position between employers and employees	49
5.6.3	Nature of industry and workers' compensation insurance	50
5.6.4	Social acceptances and attitudes	50

5.6.5	Market demand and supply situation	52
5.6.6	Foreign experience of optional retirement implementation	53
Chapter 6	Discussion	55
6.1	Summary of findings	55
6.2	Framework of the localized model of optional retirement	55
6.3	Policy implications and recommendations	58
6.3.1	Reform of retirement protection scheme	58
6.3.2	Regulating retirement age	59
6.3.3	Anti-age discrimination against older workers	60
6.3.4	Enhancing employees' bargaining power	61
6.3.5	Expediency of labor force engagement	61
6.3.6	Improving employees' understanding of retirement policies	62
6.3.7	Setting up industry-specific retirement policy and regulation	63
Chapter 7	Conclusion	64
References		66
Appendix 1	Consent Form	72
Appendix 2	Demographic Data Form	73
Appendix 3	Focus Group Guide for Retirees	75
Appendix 4	Focus Group Guide for Pre-retirees	79
Appendix 5	In-depth Interview Guide for Employers, Administrators and Human Resources Directors	83



# Chapter 1 Background of the Study

## 1.1 Introduction

The population in Hong Kong is ageing at an unprecedented speed. In the past 20 years, the proportion of older people aged 65 and over in the population has increased tremendously, from 8.7% in 1991 to 11.2% in 2001 and 13.3% in 2011, and are projected to increase to 2.6 million in 2041 (Census and Statistics Department, 2012a,b,c,d,e). Alongside with rapid growth of elderly population is the rising old-age dependency ratio. In 1981, the elderly dependency ratio<sup>1</sup> was 97. By 2011, the corresponding figures increased to 177, indicating the shrinking percentage of young people and the need for supporting an ever-aging population.

With more and more people entering into old age, there are increasing for them to lead a meaningful and enjoyable life after retirement. Most organizations in Hong Kong have a mandatory retirement age of 60 for their employees, which prevents older employees continued participation in the workforce, thus precious skills and manpower are wasted. The situation is complicated by the insufficient pension generated during working life of about 40 years for an ever-growing old-age-life-expectancy, averaging at 86-years-old. When the treasury has an increasing burden to meet welfare needs of those retired persons failing to support themselves, the economic cost arising from retirement, coupled with a shrinking labor force context is tremendous, and reform is necessary.

Governments worldwide have taken optional retirement as a solution to tackle the problems brought by the rigidity of mandatory retirement age. The elongation of employment duration of an older person not only provides a solution to his or her economy, but it can also promote social participation, and retain and pass on important skills and knowledge.

Previous research has shown that Hong Kong employees have the willingness to work beyond the current retirement age, but there lacks data of the preferred and feasible modes of retirement from the perspectives of both the employees and the employers. In the light of these, this research study adopted qualitative research methods to collect information. It aimed to acquire empirical evidence and justification of optional retirement from individual and organization's perspectives. By interviewing

---

<sup>1</sup> Elderly dependency ratio is calculated as the number of persons aged 65 and over per 1000 persons aged between 15 and 64.

employees and managerial staffs, this study (i) investigated incentives and disincentives to retire, (ii) explored the preferences in retirement arrangement, and (iii) constructed a localized model of optional retirement. For the sake of implementation, the research should also provide employers with feasible and operable suggestions for their adoption of flexible human resources policies in which the working arrangements are mutually beneficial to both the employees and the organizations.

## 1.2 Objectives

In order to optimize the understanding of the feasibility of optional retirement and the perceptions of individuals in Hong Kong, this research study had several objectives, including:

- i. To investigate current situations of older people, including soon-to-be retired and retired staff in Hong Kong with reference to their capacity and willingness to work after a set retirement age;
- ii. To examine older people's perceptions on work and retirement, and identify the gaps between ideal and current retirement arrangement;
- iii. To review work-retirement policy and practices for older workers in developed countries and reference their applicability in Hong Kong;
- iv. To explore the difficulties and challenges for the implementation of optional retirement in business and non-business sectors from the perspectives of managers/human resources heads and older workers;
- v. To develop a feasible model of optional retirement for Hong Kong based on the findings from data analyses and make implications for the government to promote active participation of older people in society.

The findings of this research study have significant policy implications and recommendations for implementing optional retirement, as well as provide objective evidence for policy makers on the possibilities of adopting a more flexible retirement arrangement for people in Hong Kong.

## **Chapter 2 Literature Review**

### **2.1 Work and retirement**

Work and retirement are usually viewed as two opposite concepts. In the past, retirement was understood commonly as the life stage after a career, which signified the existence of a watershed in one's life course where by passing a point a person would be withdrawn from employment – i.e. retirement age. The adoption of retirement age was to dissect one's adulthood into two distinctively different blocks, which implies such a change between life stages would be abrupt, drastic, and irreversible.

The realities in recent decades obviously pointed to a rather different view where retirement is not considered as a prompt termination of work, but a continuous process from full-time employment to a more flexible arrangement. It is seen as an expected part of the life course, such as completing school, having a family, or working (Hooyman & Kiyak, 2002). Retirement, thus, represents a period during which people are no longer required to work full-time and have some freedom to choose the life that they want to live. As some scholars have pointed out, retirement means different things to different people, depending partly on what work had meant to them (Parker, 1982, Schlossberg, 2004). For some people whose work had been their important source of income, social contact and identity, there was a greater chance that they would like to remain in, or re-enter, the labor force after retirement, although in a reduced form. For others, retirement might mean the termination of a specific career or the receipt of a retirement pensions. They might want to relinquish their job for a life of greater freedom and leisure. In this sense, retirement is something that might affects individuals in many ways, as people have varying attitude to it and varying expectation on their retirement. Retirement policies thus have great impacts on people's choices to work in their later life.

#### **2.1.1 Population ageing and retirement: the need for change**

In an industrial (or what we call modern) society, waged labor has become the main source of income for a large proportion of people. Employment, after all, is to exchange labor or service for economical return to finance a person's living. Retirement will then indicate the stoppage of such an income generation process, which possesses an implication that one must have sufficient fiscal ability to support his or her non-working life. As a response from the society, social security, in particular pension, was viewed as a reward for their past economic contributions to

society and a way to support people financially. From the perspective of critical gerontology, retirement serves at least two institutional functions in our society (Hooyman & Kiyak, 2002): (1) to stimulate and reward worker loyalty and (2) to remove older workers (presumably more expensive) and create more job opportunities for younger employees.

However, as people living longer, retirement systems that previously seems reasonable and functions well is undesirable and creates many problems. Perhaps the reasons for the changes is that people are now having longer expected life after the typical retirement age and that the attitudes and behaviours related to work and retirement has changed considerably over the past half century. In 1950s after retiring at age 65, men were expected to live an average additional 13 years, and women an additional 15 years. Today, men live an average additional 17 years and women another 20 years beyond typical retirement age (National Institute on Ageing, 2007). As people live longer, accompanied by improvements in health and longevity, the labor force participation and the nature of work among older adults have changed significantly.

In most industrial countries, the retirement age denotes the eligibility to receive the accrued pension. When life expectancy continues to increase while the age of retirement frozen, the retirees have to face a situation that their amount of possible money saved from work is fixed by the rule of retirement age. However people will have to finance for more years of retirement than compared with in the past. Take Hong Kong for example; due to the low birth rate and improvement in living conditions, the life expectancy of people has increased dramatically over the past decades. The expectation of life at birth has increased from 67.8 years in 1971 to 80.5 years in 2011 for males and 75.3 years in 1971 to 86.7 years in 2011 for females; a total increase of 12.7 and 11.4 years respectively in 40 years (Census and Statistics Department, 2012d). If we take 60 years as the normal retirement age, the number of years in retirement has jumped to 20 to 26 years. This means nowadays retirees have to finance for 12 more years in average than the past.

Increased life expectancy combined with declined birth rates has also raised concerns about the cost of an ageing population. Because of the changing age structure, there has been a dramatic change in the age dependency ratios. In Hong Kong, from 1981 to 2011, the overall dependency ratio, which measures the number of older people as a share of those of working age, increased from 97 in 1981 to 177 in 2011 (Census and Statistics Department, 2012a). If the retirement age remains fixed, there will be

relatively more people receiving benefits and less people working and paying taxes. While decreasing in working population tends to bring many negative consequences of population aging, the higher elderly dependency ratio seems to place a higher burden on the shrinking working population.

As population ages, the working population will also be “grayed” due to the shift of demographic composition and the changes in workforce participation. In Hong Kong, the proportion of pre-retirement labor force ages 55-64 has increased significantly from 43.5% in 2001 to 49.5% in 2011 (Census and Statistics Department, 2012e). Accounting for nearly half of the work force, these baby-boomers will exit from their current employment in large batches, which is foreseen to bring impact to the supply of human resources in the market, that the working population will decline from 3.55 million in 2018 to 3.37 million in 2035 (Labour and Welfare Bureau, 2013).

Considering all these consequences mentioned above there is a need to change current retirement policy, attitudes and practices towards retirement. Much is needed to be done to enlarge the range of choices and develop human resource strategies which will facilitate people to choose whether they will or will not retain in the labor market.

### 2.1.2 Shifting patterns of older people's employment

Over the last two decades work and retirement patterns have undergone major changes. In the past, with surplus supply of labor, retirement is promoted as a way to assist industrial development through rejuvenating the workforce (Graebner, 1980). However since 1970s, many countries are experiencing the shrink of working population and the increasing person reaching retirement age. In comparison to earlier generation, these retired people are—on average—better educated, healthier, and financially better off (Chan et al., 2009). In a service-oriented and knowledge-based economy, human resources are considered essential. The previous practice of a fixed retirement age may lead to a waste of those valuable human resources. The study also revealed that early retirement is not an option for many employees, 67% interviewees who continued working indicated that they want to work as long as possible (HSBC, 2007). In addition, Nilsson et al. (2011) had conducted a questionnaire-based study on 55-64 years old workers to evaluate factors influencing their retirement decision and identified seven areas which may influence old employees' decision on retirement, , including (1) health status, for example physique, mental health and work ability; (2) personal finances and retirement incentives; (3) physical work environment and work conditions; (4) mental work conditions, work pressures and job control; (5) job satisfaction and meaningfulness; (6) work competence, such as education level and

possibility for skills development; and also (7) family and leisure time. Hence, there is a need to review current practice of employment policies and make modification on regulations that discourage older people to participate in labor market.

The change of population structure (or called demographic change) is also a challenge to the organization of work in general. As coming to the retirement, there will lead to a reduction of the total labor supply. For some countries, where the proportion of older employees will increase significantly in future years, the lower birth rates may cause that number of older employees to exceed that of younger ones. Yet, the current policies which are in favour of young employees exclude older worker in labor market and lead to their low rate of participation. It is for these reasons that the retirement age, as well as the integration of older people, needs to be adjusted and new policies need to be formulated at both governmental and organizational levels.

### 2.1.3 Retirement and challenges in Hong Kong

Like many developed societies, Hong Kong's population is ageing rapidly. Over the past 50 years, the number of elderly increased dramatically from 853,394 in 1961 to 941,312 in 2011, with the annual growth rate of 4.8% (Census and Statistics Department, 2012b). The fast growth of the ageing population will continue for the next 30 years, with increased projected ratios of persons aged 65 and above to those of working age (from 18 to 64). The demographic shifts and increasing longevity have affected the general supply of labor in Hong Kong. In the past 20 years, the average annual economic growth is 4%, in which 1% is contributed by the increase of working population (Legislative Council, 2013). Because of the decline in fertility, there will be a decline of predicted shortages of young labor market entrants. As a consequence, labor shortage or skill shortage will be apparent and challenge the economic growth of the city.

The development of the market economy also affects the labor force supply and the nature of work. As technology advances at an unprecedented pace, many skills will become obsolete in just a decade, so employees who would like to maintain his/her competitiveness need to engage in life-long learning to keep up with the market development (Chan et al., 2009). Yet employers prejudice older employees' reluctance or inability to acquire new skills and knowledge when compared with younger people (Millier & Shafto, 1994; Census and Statistics Department, 2009) and older employees have been given less opportunity to receive training (Walker & Taylor, 1991). This phenomenon indicates that our society has either ignored the values of elderly or prejudiced them as a population that is incapable to make contributions.

Besides economic concerns, another important issue with the employment is ageism. According a study by Hong Kong Ideas Centre (2014), the operation of age discrimination still exists in the labor market. People over 50 are regarded as non-productive and as nearing the end of their working lives. Many employers are not willing to recruit or retain older workers (including those have retired) for the concerns of their physical health declines. However, proven by many researches (Greenberg, 1961; Robertson & Tracy, 1998; Van Dalen et al., 2010), even by simple observation, older workers near this age line do not show drastic deterioration in performance, but rather the younger employees are subjected to instability of performance due to inexperience. The negative image towards older workers may influence the employers to take a rather passive attitude and behaviours, leading to age discrimination in employment. Thus there are calls for good human resource policy and practices that are based on justice and fairness.

According to an HSBC study (2013), in Hong Kong older workers expect to strive for their own independence, as well as keep active. For many people, semi-retirement that involves a reduction in working hours, but still gets some paid employment is preferred. For instance, nearly half (49%) of people expressed a desire to move from working full-time into semi-retired on average at age 59. However, only 32% were given the options to continue working part-time before retirement. It is partly because semi-retirement is currently not the normal practice, as most employers do not provide multiple options. In general, it has been found that even retired employees need to bridge an income shortfall or would not mind receiving lower pay, the chances to work are few. Therefore, the common retirement patterns contradict with the willingness of older employers to reduce working hours gradually.

## 2.2 Regional experience on retirement arrangement for older people

While people living longer represents a triumph of social, cultural, and economic advances, it also poses tremendous challenges to social entitlement programs, labor supply, tax revenues, individuals' financial security, pension system, and various public services. Many governments have begun to take active approaches to restrict current retirement policies so as to cope with the changing economy and to better utilize the human capital of its older workers. In the following paragraphs, brief details of the wide range of retirement policy and practices in selected countries will be reviewed.

### 2.2.1 European Union

Over the last two decades, national governments and supranational organizations such as the Organisation for Economic Co-operation and Development (OECD) and the European Union (EU) have implemented policies to encourage late retirement and the labor force participation of older workers. In response to population ageing and economic recession, many European countries have taken initiatives to prevent ageism and exclusion of older people from the job market.

With the understanding that older workers are often discriminated against in job recruitment, promotion and training (Walker, 1993), several European governments are reversing the public support that they previously gave to early exit from the labor force market and are promoting a more flexible employment practice. In 1995, the first political declaration at EU level was made and two key principles were set at the policy level (Walker, 1999):

- The need to redouble efforts to adapt professional training and conditions of work to older workers' needs;
- Measures should be taken to prevent the exclusion of older workers from the labor market and older workers should have sufficient financial resources.

In line with these two key principles, progressive retirement scheme has been introduced in European Union countries, including Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Spain and Sweden. The policy responses have concentrated mainly on two fronts: closing down early exit options and encouraging part-time employment instead of full retirement. Besides that, combating age barriers in the labor market and encouraging employers to recruit or retain older workers is also promoted in Europe's labor markets (Walker, 1999). In a study for the Europe Foundation, 160 examples of good practices in combining age barriers, which involved seven Member States with additional examples from Finland and Sweden, have been collected (Walker & Taylor, 1998). The good practices cover the five main dimensions of age management, including (1) job recruitment and exit, (2) training, development and promotion, (3) flexible working practice; (4) ergonomics and job design, (5) changing attitudes towards ageing workers.

In progressive retirement schemes, Member States are required to develop policies that aim to encourage older workers to remain in the labor force as long as possible. Positive measures include introducing a more flexible working arrangement and enhancing incentives for older workers. Employers also play as part of the social partners to adopt measure to retain valuable older employees within firm and to allow



for other forms of retirement arrangement. According to European Industrial Relations Observatory (EIRO), the introduction and the definition of progressive retirement arrangements in major Member States vary considerably. However, in general, there are three broad goals, as well as measures to encourage partial retirement (Pedersini, 2001):

- i. Promotion of partial retirement as a means to reduce the financial burden and to redress the imbalances induced by changing age structures
- ii. Provision of equal opportunities to allow partial retirement. Measures include considering the decrease in working time and to provide incentives to retain older people in the market.
- iii. Mitigation of labor shortage by prolonging of active life of workers with high levels of skill and qualifications.

Some features have been identified among the different progressive retirement schemes. First, measures that have been taken up by Member States may be designed by either law or collective bargaining. The government may introduce laws or some sort of government promotional initiatives, considering that the arrangement has been linked to welfare and pension system. Besides this, in many countries including Germany, Belgium, the Netherlands and Norway, the role of negotiations or what we call as collective agreement is emphasized. The second feature concerns about the measures of progressive retirement arrangement. For instance, in France, people are encouraged to continue to work, but on reduced hours after the retirement age of 60. In Spain, a flexible retirement system is introduced and pension is allowed to be increased after the normal retirement age (Pedersini, 2001).

Aside from progressive retirement scheme, recent debates on retirement have shifted the focus on pension reform and adequate social protection. Several EU governments are promoting the private or capitalization-based pension to increase economic security in old age and encouraging active participation of older workers (Holzmann et al. 2003, Bontout & Fischer, 2007). To respond to active ageing and solidarity between generations, the European Commission has launched a white paper on adequate, safe, and sustainable pensions in 2010 (European Commission, 2012). The white paper tackles the challenges that confront pension system and a wide range of initiatives have been put forward to create the right conditions for people who are able to continue working after normal retirement age. The aim is to ensure a “better balance between time in work and time in retirement”. Different from retirement policies in late 1990s, Europe has placed a great importance on retirement protections and the mechanism that secures diverse retirement options and arrangement. Not only

did the government ensure that pension promises are kept, but also people are encouraged to live a life that they expect in retirement.

According to the white paper, measures at European level will support retirement and pension reform from the following aspects (European Commission, 2012): (1) create opportunities, adapt work place and labor market for older workers; (2) develop complementary private retirement scheme and enhance safety and mobility of supplementary pension schemes; and (3) promote longer working lives by linking retirement age with life expectancy.

### 2.2.2 Finland

Finland is one of the countries where a flexible retirement age is implemented. The eligible retirement age set in Finland was 65 years old for a long time, but it has been lowered to 63 due to the earnings-related pension reform in 2005, hence, employees can now flexibly retire between 63 and 68 years old.

The ageing population increases public expenditure and hence extending working lives and increasing employment rate of elderly are expected to solve labor shortage, as well as to strengthen public-sector finances. Reforming of the old age pension schemes is common in European countries, such as France, England, Denmark Sweden, etc. The reformed pension scheme in 2005 in Finland had a clear goal to increase average effective retirement age by 2-3 years, and hence lead to a successfully implemented flexible retirement age.

Tuominen (2013) evaluated the Finnish flexible retirement scheme, and provided views from both employees and employers on the factors affecting retirement decision. People currently decide to retire at a higher age than past decade, and flexible retirement age had been implemented in mid-2000s. It is clear that extending working lives is socio-political goal and its implementation is highly dependent on working practices and atmosphere. Flexible retirement age is not new to Finnish employees and over 70% of interviewed employees had sufficient knowledge and concepts of flexible retirement age; and most employees aged 63, which meet the normal retirement age, are aware of such flexible arrangements, and nearly half of retired employees accept 68-years-old as age limit. In the points of views of employers, their idea on the retirement age is different depending on needs in the workplace. By summarizing diverse views of interviewed employers and employees, both of them lowered retirement age to 63-years-old, while some of them reflected that the upper retirement age should be limited.

With having a flexible retirement choice, most Finnish employers are willing to participate in retirement discussion when employees decide to prolong careers, and thus, the retirement decision should be related to labor needs of workplace. Hence, cooperation between employers and employees is essential in implementing flexible retirement.

In addition to employers' willingness to retain old employees, it is also worthy to examine the reasons behind unwillingness to continue working from employees. It is clear that how to make prolonged working life attractive and meaningful to old employees is a consequential challenge. As flexible retirement age offers freedom for employees to decide prolonging careers or not, nature of work and work conditions became significant factors in retirement decision, especially among those with lower education level. Other three mentioned factors are leisure time and hobbies, health, and family situation. Hence, the impacts of leisure time and hobbies, as well as the health factors, are relatively dependent on education level.

Nature of work and working conditions are significant factors in retirement decision, such conditions which affect people to decide not continuing working include pressure, work responsibilities, inflexible working hours, poor management and working atmosphere, meaningfulness of work, as well as uncertainty regarding the future. It is thus clear that sufficient support by employers, for example introducing flexible working hours and patterns and changing work responsibilities, are crucial in increasing old employees' desire to postpone retirement (Tuominen et al, 2010). Hence, Tuominen (2013) also stated that supports by employers for prolonging careers are common in private sector, especially in manufacturing, financial and insurance, as well as business services fields, where knowledge and experiences are relatively important, while education, public administration and social insurance have lesser support. In addition to these fields, there is also less support for those in hotel and restaurant, as well as farming, forestry and fishing industries, which handling operations manually are required.

It is thus concluded that employers in Finland mostly agreed that prolonged working life should be an important goal, in order to maintain productivity as well as sufficient workforce in the market, except those fields which physical ability and health is more important than employees' willingness.

### 2.2.3 United Kingdom

Regarding the problem of ageing population and thus labor shortage in future, and with 56% of respondents reflected that they may consider optional retirement, Centre for Diversity Policy Research and Practice (2011) has designed an optional retirement model and tried to indicate diverse options for extending working lives. The study used the higher education sector as an example as previous research showed a high number of applicants who would like to work past retirement age in United Kingdom higher education institutes.

Centre for Diversity Policy Research and Practice (2011) indicated that extending default retirement age is a significant cultural change as more options are provided to old employees nowadays. Different potential options should be discussed among employers and employees, and hence freely chosen by employees. Organizations should focus on how to motivate older employees to maintain their capabilities, and indeed, having pension scheme, delivery of pension should be further discussed and adjusted. Considering different approaches that can meet employees' preferences on retirement arrangements as well as meet employers' needs, four options for extending working lives had been devised.

#### *Option 1: Allow older employees continue working on the same contract*

This approach assumes that employees may want to continue their employment without any changes, and open discussions on short, medium and short planning are essential to ensure the availability. The open discussions help employer to identify training and development needs and plan future work requirement. The discussions can help employees to view their contribution to the organization and facilitate the retirement decision-making. To encourage retirement discussion and facilitate informed choice making, information about pension, opportunities to change working patterns and retirement arrangements should be provided to older employees.

#### *Option 2: Develop phased retirement arrangements*

Using high education institutes as an example, in terms of employment, institutes offered several types of flexibility, including (i) sideways move; (ii) participation in either teaching or research activities; (iii) reduced number of research and teaching hours; (iv) reduced responsibility; and (v) reduced working hours. Most of institutes prefer reducing working hours. Hence Centre for Diversity Policy Research and Practice (2011) provided diverse flexible working options including (1) part time working mode, which is the most common for those who aged over 60; (2) job share; (3) regular and occasional homeworking; (4) employment with fixed term contract; (5)

flexible working time; (6) compressed hours; (7) part-year working; (8) additional planned unpaid leave; (9) career break or unpaid leave; and (10) bridging jobs. In addition, Centre for Diversity Policy Research and Practice (2011) also mentioned that part-time working and occasional home working mode are the most usual forms for older employees.

Several advantages for both employers and employees had been identified, in order to support flexible working arrangements as possible options to prolong working lives. For employers, flexible working options can retain skills and knowledge as well as provide opportunities to employ experienced employees on particular projects, which may increase flexibility to fill short-term vacancies and facilitate knowledge transfer process, and indeed, such arrangements, especially changing working mode and reducing working hours, also reduce salary costs. For employees, project-based work could reduce pressure as well as responsibility and provide opportunities to choose the work based on their preferences and interests. It is thus concluded that a flexible working arrangement is one of essential operational aspects in extending retirement age and for the sake of such arrangement, it is better for employers to provide relevant information to older employees to understand their options.

#### *Option 3: Allow older employees to maintain a post-retirement contract*

There are diverse post-retirement provision offered by higher education institutes, including volunteering, part-time or project-based contract, newsletter writing, joining social events, guest speaking, and providing honorary contracts. Centre for Diversity Policy Research and Practice (2011) had showed that nearly 60% institutes had offered honorary contracts to older employees, and thus, it used the University of London's Institute of Education as a typical example of how retired staff can be retained in academia. The example showed that retired staff are welcomed to share their knowledge and expertise in workshops, coaching or assisting professional development. They can carry either paid or voluntary activities and they are allowed to have a working space and access to university resources (Lodge and Carnell, 2011).

#### *Option 4: Act as consultant or freelancer*

Considering that some employees may decide to permanently leave their current employment, institutes can retain their valuable experiences by recruiting them as consultant in the institutes. This arrangement is common in public sectors, especially among academic and professional employees. They may want to contribute in the civic or some voluntary activities, and they mostly become local councilors, school governors, members of an interest group, or etc. Ilmarinen (2001) thus indicated three

effective interventions (i) promoting a culture concerning the needs of older employees; (ii) reducing repetitive movements; and (iii) promoting occupational health and workplace health and safety.

#### 2.2.4 Australia

Because of the increasing life expectancy and reduced fertility rates, there will be nearly a quarter of the population aged over 65-years-old while the workforce is graying in 2050 in Australia (Australian Bureau of Statistics, 2005; Productivity Commission, 2005). It is expected to impact economic growth and simultaneously increase expenditures on social services and infrastructure for elderly.

Workplace Resources Pty Ltd (2008) showed that regarding older workers, there are differences between normal perception and the reality, and no conclusive relations between increased age and decline in performance. In fact, older employees still have abilities to perform well and most of them welcome training opportunities as well as adapting new technologies. Furthermore, older employers usually have lower absenteeism and turnover rates as well as strong work ethic. They are experienced with high dependability, and thus training and recruiting cost may be reduced.

As over 70% of older employees in most studies showed their preferences on working past retirement age (Lundberg and Mashallsay, 2007), series of incentives to retain older employees in the workforce has been identified, including (i) reasonable salary; (ii) work environment; (iii) motivation and recognition; and (iv) flexible working arrangements. Through study of employers in the South Australian Councils (Workplace Resources Pty Ltd, 2008), their opinions on optional retirement arrangements, expressed agreement in the importance of retaining skills, knowledge and experiences, and they are interested in offering optional arrangements as well as training and development opportunities to older employees. For those older employers in the Councils who have been interviewed, most of them, predominantly in the 55-69 and 60-64 age groups, will consider staying in workforce even when they meet the retirement age. Older employers are interested in different types of flexible working arrangement especially part-time working mode.

Consequently, several possible flexible arrangements are integrated. Employers can offer part-time employment to older employees, as older employees are more likely to be employed part time (Borland, 2005). This can retain employees' knowledge and skills by reducing their working hours or duties and responsibilities gradually.

Employers can allow more flexibility in working hours, such as seasonal work arrangement and annualized working hours.

Other possible arrangements include: “work as needed” and “work from home”. “Work as needed” is arrangement that employers can keep older employees in the workforce by offering casual or fixed-term employment. This arrangement is normally adopted in peak periods, on special projects or replacing employees on leave or as a mentor of less experienced employees. For “work from home”, employers can consider allowing jobs completed at home according to a home-based agreement, which is expected to improve productivity, morale and motivation, as well as enhance better work-life balance.

Furthermore, offering alternative job opportunities, for example reducing the workload and providing training and mentoring roles, is suggested in order to transfer their skills and experiences, which may reduce their job pressure as well as retaining their abilities. Beyond flexible job arrangements, flexible access to annual leave is also meaningful to motivate older employees, as they can easily balance their work and interests, as well as their life. It is also believed that offering fixed-term contract is possible to retain older employees, although it is a costly arrangement, it can enhance budget and workforce planning, as well as meet individual needs by offering them choices.

### 2.2.5 Singapore

Singapore has well-established retirement policies and regulations. Since 2012, Retirement and Re-employment Act (RRA) had published covering all employees who are Singapore Citizens and Permanent Residents.

Under the RRA, the statutory minimum age is 62 and employers are required to offer re-employment to eligible employees, who are assessed to have satisfactory work performance by employers and are medically healthy to continue working, up to the age of 65. The Act requires employers to offer at least 1 year contracts, renewable up to the age 65. Hence, to provide a greater certainty for employees, employers are normally advised to offer three-year contract until 65 (Ministry of Manpower, 2013).

Establishing RRA is expected to bring several benefits to employers. As the workforce is graying because of population ageing, the Act can effectively tackle labor shortage problem and employers may easily retain workforce with the right skills and experiences and hence reduce training and recruiting costs. In addition,

offering re-employment opportunities and adopting fair employment practices may increase employer branding as well as its attractiveness, and thus increase talent retention and loyalty (Age Management Resource Portal, 2013a).

Ensuring adequately implementation of re-employment practices, the Tripartite Implementation Workgroup (TIWG) had set several guidelines in Singapore (Age Management Resource Portal, 2013a). To plan and prepare for the re-employment, employers should (i) identify eligible employees by assessing medical fitness and reviewing past performance appraisals; (ii) make comprehensive planning and consultation on re-employment; (iii) plan for feasible job arrangements, especially job matching and thus (iv) offer re-employment contract to eligible employees which should include duration of the contract, adjustments to wages and benefits and termination notice.

Flexible work arrangements (FWAs) are essential elements in adopting re-employment. Such arrangements as well as any terms and contracts should be mutually agreed by both employers and employees, negotiations are essential for employers and employees to understand whole re-employment process. The Age Management Resource Portal thus suggested several ways for human resources and line managers to gather needs and views from employees, including (i) existing employee records, (ii) internal employee surveys, (iii) focus groups, (iv) management interviews, and (v) other channels such as exit interviews, staff feedback channels, etc. Flexi-Time and Flexi-Place are two major FWAs. For employers adopting the Flexi-Time approach, they may consider: (i) flexible working hours: employees are allowed to vary working hours each day as long as required working hours has been fulfilled; (ii) part-time working mode: normally a maximum weekly working hours will be set for employees; (iii) job sharing: employers may recruit two part-time employees to share a job, and they may work different hours or days; (iv) compressed workweeks: employees may work in traditional full-time workweek in less than five days. For employers adopting Flexi-Place approach, they may consider: (1) telecommuting: employees are allowed to work outside conventional office, either at home, branch offices or neighborhood work centers; and (2) mobile working: employees are allowed to work through technology rather than a fixed desk.

Enforcing FWAs, the Age Management Resource Portal thus identify several challenges that employers may face. First, employers should manage the issue of fairness through communication and negotiation with employees, in order to ensure all employees understand the reasons supporting such work arrangement and any



terms and conditions. Through communications, the needs of employees and employers can be clearly assessed and a cost-benefit analysis is required before implementing FWAs. Second, education on FWA as well as advantages of retaining older workers should be provided for managers and monitoring and communications are essential to ensure such arrangements will not be abused.

Re-employment and FWAs are common in private sector in Singapore, and many large scale organizations have implemented such approach (Age Management Resource Portal, 2013b). For instance, Nestle Singapore, one of the leading food companies, is a well-known age-friendly organization that has comprehensive retirement and re-employment plan for its employees. Nestle will provide pre-retirement counselling for retiring employees and will discuss new work arrangements and offer official re-employment to those eligible employees within six months. Jumbo Group of Restaurants is another chosen typical example of well-established FWA. The Group adopts flexible working options in their human resources policies and tailors different options for different type of employees, and there are over 10% of employees are part-time workers. The Group encourages flexible working arrangements and provides regular trainings for managers to ensure better operations of such arrangements. FWA can effectively increase motivation of employees and it is easier to hire suitable people.

#### 2.2.6 United States (U.S.)

Forecasting a rapid increase in number, from 14% in 2002 to 19% in 2012, of ageing workforce, optional retirement or phased retirement (commonly used in the U.S.), becomes important to retain workforce or indeed for organization to survive. Optional retirement is expected to allow employees to reduce working time, and thus retain “hard-to-replace”, experienced and skillful employees in the workforce (American Association of Retired Persons AARP, 2006). In addition, Office of Personnel Management (2014) of the U.S. mentioned that, in public sector, phased retirement acts as a tool to encourage employees to extend their contributions, and to ensure the continuity of operations and facilitate knowledge transfer.

AARP (2006) mentioned that the term “phased retirement” is broad and without a succinct definition, but can generally refer to flexible retirement arrangements, including informal practices and formal workplace policies, which allow employees to have a different capacity after retirement. In addition, work arrangements will be more flexible and tailored to individual cases when there is a formal written policy.

To have a better implementation of flexible retirement practices, comprehensive study of the market and organization, as well as relevant planning are essential to improve attractiveness to employees and help the business to identify demographic realities and organizational needs. Thus, organization should have reliable information on workforce demographics and identify potential skills shortages in the future, however, AARP (2006) pointed out that most employers have not considered their needs and have not planned for their labor shortages, and thus indicated four important considerations in flexible retirement planning: (1) eligible retirement age to participate retirement arrangement; (2) criteria to select suitable employees to offer flexible retirement arrangements; (3) knowledge and skills which are essential to retain; and (4) legal and compensation implications.

AARP (2002a) studies on workers aged 45 and older revealed that 76% of the interviewees reported that they would continue working at retirement age, and prefer to work on flexible arrangements, because of willingness to contribute the organization and society as well as self-fulfillment. AARP (2006) pointed out that, in previous studies, most employees prefer prolonging their career in current organization but only of flexible working times could be allowed. Hence, to implement phased retirement program, AARP (2006) identified seven flexible work arrangements for employers to consider: (1) job sharing; (2) telecommuting; (3) consulting/ contracting; (4) casual employment (e.g. employ on “needed” basis); (5) sabbaticals; (6) flexible working time, part-time working mode and seasonal work; and (7) reduced working days and weeks. Such flexible work arrangements will need to be consistent with current law and relevant training and education on the arrangements should be provided to those targeted employers. Hence, it is suggested that phased retirement program and flexible working arrangements can be successfully implemented through comprehensive communication plan to publicize the program.

### 2.3 Hong Kong’s retirement policy and practice: what is needed to change for the future?

With high proportion of the ageing workforce, longer life expectancy and higher elderly dependency ratio, population ageing is expected to bring multiple challenges to effective workforce. When the group of ageing workforce leaves the market in the future decades, the demands on social security and other expenses will be increased. However, there is no statutory retirement age in Hong Kong, retirement policies and regulations are depending on organizational practices. The following paragraph will review retirement practices in both public and private sectors, and such experiences

are expected to provide evidence and reasons to develop and implement localized optional retirement model.

### 2.3.1 Practice in public sector

In the public sector, governmental practice is always an indicator for private sectors. Although there is no compulsory retirement age in Hong Kong, most employees normally retire around 60 to 65-years-old. Civil servants are normally required to retire upon reaching normal retirement age. According to Civil Services Bureau (2013), existing pension legislation provides that the normal retirement age for civil servants appointed on pensionable terms is 55 under the Old Pension Scheme and 60 under the New Pension Scheme. The existing pension legislation also indicated that “the prescribed retirement age for disciplined services officers under the New Pension Scheme is 55 or 57. As for those staff covered by the Civil Service Provident Fund Scheme, the normal retirement age is 55 for disciplined services staff in general, 57 for certain prescribed disciplined ranks and 60 for all other staff”. This retirement regulation can facilitate circulation of new employees within the department and maintain career aspirations for junior staff. Suffering from ageing population, it is projected that nearly 6,000 civil servants will retire every year and the number will increase to 7,000 in 2022, while there are lacking new employees to fill vacancies, and therefore, labor shortage and increasing amount of workload will be resulted, indeed, the working atmosphere as well as quality will be affected, which may seriously influence the quality of public services. Thus, extending the retirement age and optional retirement has been discussed for long time.

Extending the retirement age is a complicated process, which may impact the society seriously, as it involves diverse factors, such as governances, human resources management, increasing amount of pension expenditure annually, labor force shortage, maintenance of career aspirations and etc. Hong Kong Government had proposed a framework of extension of the services of civil servant in April 2014. Recently, Hong Kong Institute of Asia Pacific Studies (2014) revealed that more than 50% interviewees agreed that civilian grade servants can extend retirement age to 65-years-old depending on needs of departments. Simultaneously, almost 70% of interviewees had positive view on extending retirement age while about 60% of interviewees expressed their concern on finding suitable jobs if they retire optionally. According to the Policy Address, the retirement age of new recruits joining the Civil Service from mid-2015 is raised from 60 to 65 for new civil servants and from 55 to 60 for disciplined services (Policy Address, 2015; Civil Service Bureau, 2015).

### 2.3.2 Practice in private sector

In Hong Kong, many organizations had their own human resources policies and regulations and most retirement related regulations will seldom be disclosed. In general practice, lots of private sectors make reference to government's policy on retirement arrangement. While ageing is one of the toughest social problems in the next few decades, the global trend of limiting at 65 will be the benchmark in the future in order to provide flexibility for the utility of human resources. According to the Census and Statistics Department (2013), 11.4% of pre-retirees planned to retire at the age of 65 years or above, and 31.2% expressed that they would continue to work until they were unable to work anymore. An industry study conducted by Hong Kong Institute of Human Resource Management found that most of the private enterprises have stipulated the retirement age and agreed for the retirement age extension (MingPao, 2013). It can be seen that both employers and employees have the same consensus about extending the retirement age. Since the government urged in 2012 to consider extending retirement age in the future to tackle the ageing challenges, and the local manpower aged 55 or above increases significantly from 452,800 in 2010 to 672,800 in 2018 at an average annual rate of 5.1% (Steering Committee on Population Policy, 2012), it is believed that promoting optional retirement which emphasizes on retirement flexibility would be one of the best ways to deal with the ageing challenges in the coming future in Hong Kong.

There are limited local studies about optional retirement and retirement age extension until recent years which have been deemed believably effective resolutions to overcome the challenges of ageing population as well as release labor force. Hong Kong Institute of Asia-Pacific Studies (2014) indicated 75% respondents have shown their intention on extending their working life, and the incentive is because of economic factor. This demonstrates while optional retirement may possibly be considered, the major supporting reason from pre-retirees will be earning more for better saving capacity. However, older respondents perceive age is the key obstacle of hunting for a job. Hong Kong Ideas Centre (2014) also conducted research on the elderly about retirement, and over 50% of interviewees said that their savings, assets, investments and social security are not enough to support their retired life, and they mostly prefer relying on themselves only when dealing with such insufficiencies. In addition, 67% of interviewed older employees agreed on the extending retirement to the age of 65 and many older employees thought that they are still healthy and can perform well work ability. They preferred prolonging careers to maintain income and reduce caring pressure on the family. Furthermore, it is worth noted that 21% of interviewees, decided to retire because of organizational policies on retirement,

especially due to statutory retirement age. Therefore, to implement optional retirement in Hong Kong, it is essential to put efforts on changing organizational practices as well as working culture towards older employees. The organizations may be also based on the job nature to set up different retirement age so that the retirement arrangement can be more flexible and applicable. Overall, the key of practicing optional retirement may therefore depend on the collaboration and consensus between employers and employees.

## 2.4 Feasible model of retirement: negotiated options for both employees and employers

The ways to implement optional retirement in different countries are similar, thus, a list of retirement options and several flexible arrangements can be summarized. For employees, there are mainly two paths regarding their retirement, fully retirement or prolonging their career. For those who decided to continue working, from examples and experiences, they may choose: (1) full-time working, working conditions remain unchanged and only retirement age is extended; (2) part-time/year working, employees keep working after retirement with a reduced working time; (3) job share, employees are encouraged to prolong their working lives by reducing their working time and sharing workload with others; (4) occasional homeworking, employees can work at home and enjoy high freedom of working time and place; (5) fixed term contract, a fixed term, mainly project-based contract will be issued to employees, the contract will clearly indicate the requirements and duration of the whole project; (6) flexi-time or compressed hours, employees can adjust or reduce working hours subject to personal needs and agreement with employers; (7) additional planned unpaid leave or career break, employees can request unpaid leave or career leave for relaxation or achieving a work-life balance life; (8) bridging jobs, employees are encouraged to change their role and position, as well as reduce working time through negotiation with employers; and (9) self-employment, employees are self-employed to support their expenses after retirement.

Optional retirement is possible for maintaining workforce and retaining employees' skills, knowledge and experiences. By allowing older employees to extend working life as well as change working patterns, this provides opportunities for organizations to retain specialized skills, experiences and knowledge of older employees as well as avoid searching, hiring and training costs due to replacement of retirees (Johnson, 2010). Extending working lives may enhance economic development, as if people prolong retirement age and stay in the labor market longer, productivity is expected to be increased and additional tax revenue can also be generated to fund different kind of

government services (Johnson, 2010). Butrica et al. (2007) had showed that, assuming workers work for more 5 years basing on current work patterns, the additional income and payroll taxes they pay will more than cover the Social Security Trust Fund deficit for the foreseeable future. Extension of working lives could achieve active ageing as well as make lives more meaningful (Calvo, 2006). American Association of Retired Persons (2006) found that nearly 40% of older workers are positive to optional retirement, and they prefer retiring gradually instead of leaving the labor force sharply at the normal retirement age.

However, implementing optional retirement, in some stance depends on how many efforts employers would like to pay. Johnson (2010) mentioned that currently only few employers have an actual optional retirement implementation plan and they are only willing to provide such arrangements for high level employees. Reynolds et al. (2005) showed that 71% of interviewed employers indicated older workers were more likely to be laid off and nearly 40% of interviewed employers would provide more opportunities to young employees. American Association of Retired Persons (2002a, b) also revealed that older employees would be the first priority when employers decide to cut the workforce. It is thus clear that changing traditional working concept among employers is crucial to implement optional retirement. The optional retirement approach is complicated as it influences policy decision-making, existing social welfare schemes as well as economic security for elderly, and also impacts working atmosphere and human resources management. Thus, the opinions on the aforementioned retirement modes will be collected through certain focus groups and in-depth interviews with soon-to-be retired and retired employees, employers and human resources managers or administrators in this study.

## **Chapter 3 Methodology**

This exploratory research study used multiple sources of evidence to triangulate data, thus making findings or conclusions more convincing and accurate (Bernard, 2002; Yin, 2009). It was not limited to any single type of evidence, but instead employed in-depth interviews and semi-structured focus group discussions for the collection of qualitative data on the preferences and feasibility of optional retirement in Hong Kong.

The recruitment of participants fell into two groups: 1) managers and administrators, especially those who are directly responsible for employment matters, and 2) workers including both pre-retirees and retirees. They were drawn from both business sector (profit-making enterprises) and non-business sector (non-profit and non-commercial organizations) in order to enhance the representative nature of the sample. Purposive and convenience sampling was adopted in participant selection and recruitment for this study which was exploratory in nature (Bernard, 2002).

### **3.1 In-depth interviews with employers**

A total of six human resources director, executive directors, and administrators from non-business sector and business sector were recruited to in-depth interviews. The purpose of the interviews was: 1) to understand the current policies and practices of recruitment, employment and retirement related to older employees in the organization/companies; and 2) to explore whether there are considerations in providing more options and assistance which allow employees to continue working under certain conditions or scenarios. The interviews were conducted between October 30, 2014 and November 30, 2014.

### **3.2 Focus group discussions with pre-retirees and retirees**

A total of 24 pre-retirees and 24 retirees aged 50 or above from non-business sector and business sector were recruited to share their views on work and retirement, ideal and current retirement arrangement, capacity and willingness to work after a set of retirement age, difficulties and challenges for the implementation of optional retirement through focus group interviews. Different considerations about retirement with regard to differences in socio-economic background and personal experience were also explored. The focus group discussions were conducted between September 22, 2014 and November 6, 2014. Participants were divided into 10 focus groups, each with three to seven people.

The in-depth interviews and focus group discussions were guided by protocols (see appendices 3 – 5) developed from desktop review on global practices on optional retirement, employment practices for older workers, and government policies and older workers' participation in labor forces after retirement. Both in-depth interviews and focus groups were conducted by two facilitators. Every interviewee had equal chance to express his or her views. All the content discussed in the in-depth interviews and focus group discussions was audio recorded.

### 3.3 Data analysis and synthesis

Data collected was subjected to content analysis – a widely used qualitative research technique which was specifically designated to interpret and analyze textual data. It consisted of three stages: 1) coding the data (reducing the data into meaningful segments), 2) combining codes (into broader categories or themes), and 3) showcasing and making comparisons.

In the first stage, complete transcriptions from audio to text were prepared for documentation. The transcripts were read several times until major organizing ideas (i.e. codes) were identified. In the second stage of combining codes, all the codes were recorded into several specific themes (e.g. existing retirement arrangement, views on different flexible working arrangements for older employees, and challenges and difficulties of implementing optional retirement), which allowed researchers to establish their own contexts of inquiry, thus providing evidence and explanations for the found ideal and practical optional retirement arrangements. Analysis in the final stage provided aggregate accounts of comparisons between employers and employees with respect to their own views of optional retirement and related flexible working arrangements in Hong Kong.



## **Chapter 4 In-depth Interviews with Employers**

### **4.1 Sample Profile**

A total of six (two males and four females) human resources director, executive directors, and administrators who are directly responsible for employment matters had been interviewed between October and November, 2014. Half of them are from non-business sector and half from business sector.

### **4.2 Existing retirement arrangements**

The results of in-depth interviews with employers reflected that most employees understand retirement practice of current companies and they seldom request any changes or new arrangements, but it lacks comprehensive retirement arrangements for soon-to-be retired employees. Presently, there are two main retirement arrangements. One is private agreement between employer and employees through negotiation. Employers hold regular meeting with pre-retirees or older employees to discuss on difficulties in retirement preparations and planning, as well as employees' problems and preferences. Another common practice in retirement is to arrange talks and workshops for pre-retirees; however, limited by resources, those activities are usually one-off and not inclusive enough. Besides, difficulties are usually encountered for small or medium-sized employers to arrange retirement-related activities as there are only few employees that retire every year; thus, retirement planning and preparations on retirement for most older employees are self-reliance, and may increase workload on administration, especially in small-medium enterprises.

Baby-boom retirement has already raised the awareness of employers and employees on retirement planning. Most employers aware the importance of knowledge, experiences and skills transfer of older employees. Some organizations have well-implemented knowledge and experience transfer scheme and regulations, and thus the retirement of older employees will not affect daily operations. Senior management generally also have well-organized human resource plans and predictions on turnover rate for coming years, and they will provide relative training and progression plan for suitable employees. Different industries, organizations, departments and nature of jobs may have various needs in human resources as well as different level of problem resulted from population greying, thus, retirement policy and regulations should be organization-specific.

### 4.3 Possibility of retirement age extension

The current retirement age of 60 seems too young for most pre-retirees as most of them are still healthy and productive. Generally, extension of the retirement age is possible, but it is essential to consider employees' and employers' needs. Young employees will rarely have concerns and reflections on retirement and retirement age; while most comments are raised by pre-retirees aged 40-50 when discussing about extension of retirement age, as it may affect arrangement of retirement benefits. For instance, if arrangements of retirement benefits remain unchanged while the retirement age is extended, pre-retirees may concern that they may need to wait for longer time to receive those benefits. Thus, although most employees are positive to the extension of retirement age, arrangements of retirement benefits are the most important considerations. Mandatory Provident Fund (MPF) acts as the key security for retirees. Some concerns on contribution mode of MPF are also reflected if employees continue working after retirement. However, presently, if employees work beyond 65, employers will not contribute to MPF anymore. Thus, some employers emphasized the necessity of setting up a referential retirement age, as the age may relate to many retirement benefits, regulations and arrangements; and re-employment should be separately negotiated by employers and employees.

There are several considerations along with the extension of retirement age, for instance, health status and financial needs of older employees, possibilities of the implementation in different industries, retirement benefits and security arrangements, and also career progression of junior staff. It is evinced that some organizations have already extended retirement age, and some existing employees are aged 65 indeed. Those older employees now work in either full-time or part-time; besides, part-time employees will not have any retirement age normally, as they are paid hourly and they can continue working until they want to completely retire. Those who would like to continue working have to submit medical check report, and eligible employees will be issued a new fixed-term contract and the contract will usually be renewed annually subject to health status and performance. It is noted that extension of retirement age might not be feasible for occupations which requires high physical intensity, responsive and immediate reaction (e.g. pilots, drivers and athletes), as biological decline is inevitable at a certain age.

### 4.4 Perspective towards employing older employees

Older employees are more passionate and have high loyalty to company with low turnover rate, and many elderly aged 65-75 are still healthy, productive and energetic. As many industries now are facing graying manpower as well as lacking new

employees, retaining older employees could be an alternative to reduce labor shortage. Many employers who are facing difficulties in recruitment, have shown their willingness to retain older employees, especially retaining those who have professional qualifications or have significant contributions. Retaining older employees can contribute to organization development, as well as knowledge and experiences transfer.

Requests for extending employment after retirement age is mostly raised by employees and employers will usually provide certain opportunities if they have needs, as many older employees are experienced. Many employers prefer retaining their current soon-to-be retired employees rather than external recruitment because of higher risks and expenditure in operations, working arrangements and resources re-allocation. Employers are also concerned that differences in working culture and attitude between younger and older employees may affect effectiveness and efficiency in organization management, productivity and development. However, employing older employees may not be applicable to all industries due to different market needs and nature of jobs (e.g. heavy manual handling works).

#### 4.5 Special training and working environment for older employees

Reemployed retirees usually continue their appointment in same department and same position, thus some employers do not prefer and do not have special work arrangements to accommodate these older employees. However, most employers show their sympathy for these older employees' needs. Employers are willing to arrange more on-job trainings, in addition to occupational safety and health programs to equip them with new skills and knowledge. These programs enhance older employees' abilities and competencies as well as provide support with flexible work arrangements. In addition, pre-employment medical check has been emphasized, and also, older employees in some organizations may have probation periods in order to ensure their suitability to the role, a formal contract will be signed after passing the probation. Furthermore, few companies have inclusive and comprehensive insurance scheme. Because of high costs for insuring older employees, usually only employees' compensation insurance is provided instead of medical insurance, thus, employees have to buy medical insurance on their own.

#### 4.6 Different flexible working arrangements for older employees

The employers' opinions on the ten post-retirement arrangements and work modes, including full retirement, full-time working, part-time working or part-year working, job share, occasional homeworking, fixed term contract, flex-time or compressed

hours, additional planned unpaid leave and career break, bridging jobs, and self-employment had been collected. All proposed options conceptually are workable. “Part-time or part-year working”, “flexi-time or compressed hours”, “bridging jobs” and “fixed term contract” are the most popular choices through the employers.

“Part-time working or part-year working” means that employees can continue working after retirement with a shorter working time or period. From employers’ perspective, this option is suitable for older employees who would like to continue working after retirement but limited to physical capacity and/or for those who want more leisure time.

“Flexi-time or compressed hours” is another common post-retirement arrangement and work mode that enables employees to adjust or reduce working hours with the agreement of employers. Most employers agreed on the concept of flexible work time, but negotiation and agreement between employers and employees are necessary in order to facilitate manpower deployment in advance. One employer mentioned that flexible working time had been implemented years ago in his organization in order to allow employee freedom on time arrangement. The effectiveness of flexible working time was not obvious, and also, it was difficult to monitor cases of misuse, thus this arrangement has ceased already.

“Bridging jobs” means that older employees could have opportunities to change role of responsibility and job duties, providing more freedom and choice for employees. It has already been implemented in many organizations. Many nursing care centers allow older care workers who cannot perform the role ‘lifting and transfer’ switching to other duties such as cleaning and escorting services. In top managerial level, managers can become a mentor after retirement to provide on-job training for junior staff and to enhance knowledge transfer in organizations. One employer deemed that bridging jobs could enhance older employees’ work ability and develop their talents. Another employer added that most employees would welcome to this post-retirement arrangement and work mode, as they can maintain their current jobs and switch from the jobs that they can no longer perform due to health and physical status, or even they do not like their positions. Currently, many older employees are willing to continue working, and experienced and skillful employees will be lost if they are forced to retire. Bridging jobs is a valuable alternative that allows older employees continue working by changing job nature. But from employers’ perspectives, they may need to provide additional resources for position replacement and training older employees to take up new tasks. Salary and benefit packages may also need to be

adjusted as job roles and duties are changed.

“Fixed term contract” is common, and has already been implemented in many local organizations. Based on specific projects or tasks, employers and employees could sign fixed term contract stipulating project requirements and duration, and the terms of employment will be nullified after the contract period. Thus employers may not need to maintain a pool of employees and can recruit talents subject to project requirements. One employer indicated that some post-retirement working modes such as full-time working, part-time or part-year, and bridging jobs can be combined and delivered through a fixed term contract. The other employers added that they are willing to offer a new fixed term contract for re-employment of soon-to-be retired employees who acquiring special experiences and skills, as well as possessing professional qualifications; and all the job duties, project requirements, new title, working time and adjusted salary and benefits will be stated clearly on the new issued contract.

“Job share” is an arrangement that allows more employees to take up certain amounts of workload and reduce working hours of each employee, thus leading to reduced pressure on work. This arrangement has already been implemented in some local sizable organizations, and is usually based on mutual negotiation between employers and employees without standard implementation guidelines and instructions. Two interviewed employers, with one accord, mentioned that existing job shares working mode is mainly offered to employees who are weakened due to health issues or declining physique or who provide informal care to family. Nevertheless, employers also mentioned that job shares may not be a most suitable post-retirement working mode for employers, because each job requires more human resources and thus operational costs will be increased.

“Additional planned unpaid leave and career break” provides opportunities for employees to acquire additional rest and leisure time by taking a period of unpaid short break during post-retirement working life. One of interviewed employers mentioned that unpaid leave and career break arrangement had been implemented without obvious increase in operational costs. The interviewee recalled that an employee with high potential and talent requested for taking unpaid leave while maintaining the current place of employment to learn Korean in South Korea for a year, and the newly learnt knowledge and skill would enhance professional competence in the organization. The organization finally offered one year’s unpaid leave to this employee and assigned a temporary staff to take up the duties. Generally,

the “additional planned unpaid leave and career break” arrangement is not a common practice because many employers concern about manpower planning and administration.

“Self-employment” means that employees take up freelance jobs and consultancy projects of their professionalism. From employers’ perspective, self-employment has its advantages as employees can have more leisure time and freedom of choice but such work arrangement may not be applicable to all industries.

“Occasional homeworking” is an arrangement that employees can enjoy the highest level of freedom on working time and location. Occasional homeworking had been implemented in some organizations during the outbreaks of SARS in 2003. Furthermore, employees with special needs, such as pregnant women and those whom have health issues, are encouraged to adopt this working mode. One of interviewed employer emphasized that occasional homeworking could potentially enhance work productivity, employees’ commitment and loyalty, as well as reduce daily travelling time.

“Full-time working” means that after specified retirement age employees continue full-time working, in some stance, it reflects an extension of retirement age. Employers have positive perspectives towards full time working after retirement, especially for those industries which are facing graying manpower and difficulties in recruitment. In addition, maintaining full-time employment for retired employees may cause the least impact to the manpower management and may reduce resources spending in recruitment and training.

“Full retirement” means that employees completely retire from current job and enjoy retirement. From the perspective of employers, it is no doubt that every employees want to retire and enjoy their life with family and friends. However, nowadays, the life expectancy is increased and people can be healthier, many of them would prefer prolonging the working life.

Additional post-retirement work options were raised among the interviews. Some employers indicated that “voluntary work” would be one of the feasible options for retired employees and soon-to-be retired employees. They explained that many older employees are loyal to their work and company, thus, if opportunities can be provided most of them are willing to provide voluntary support in terms of time, experiences and skills to the company (e.g. provision of training to junior staff and taking up

mentor role). Furthermore, one interviewed employers annotated that existing post-retirement work options as well as common discussion on optional retirement tend towards extension of retirement age and working life. In order to provide comprehensive choices to employers and employees, it would be essential to include an “early retirement” option.

In summary, all the ten proposed post-retirement arrangements and work modes are conceptually workable, but preferences of implementing such arrangements should be negotiated between employers and employees with consideration of market needs of each industry, nature of work, demand in manpower, as well as organizational needs. It is necessary to be aware of employers’ and employees’ preferences, and more inclusive post-retirement work options such as voluntary work and early retirement can be included subject to special needs.

#### 4.7 Perspective towards optional retirement

Through interviews of employers, a positive attitude towards optional retirement was resulted. From the perspectives of employers, “retirement” is defined as employees reaching retirement age and leaving the employment market. “Optional” means involving an option, not necessary though. “Optional retirement” is thus explored as older employees can choose their preferable retirement planning, arrangements and retirement, and can have choices to choose whether continue working or not.

Most of interviewed employers agreed that implementation of optional retirement in Hong Kong can be further discussed and considered, and optional retirement should offer more opportunity of choices in flexible working arrangements for those who would like to extend their working life. Those flexible working arrangements should be implemented subject to the nature of work, industry, organizational needs and resources allocation. The ultimate goal of re-employment is to enhance values and meaningfulness of older employees, in other words, to promote productive ageing at work. Meanwhile, the purpose of implementing optional retirement can also help release manpower of older people for tackling difficulties in recruitment in some industries, as many retirees aged 60-70 are still healthier. One of the interviewees further indicated that, optional retirement and related flexible working arrangements will be easier to be accepted and adopted by those who extend their working life to achieve self-actualization rather than economic consideration. Thus, optional retirement related policies, regulations and arrangements should be designed to enhance quality of life for older employees rather than enhancing economic development.

One of the interviewees pointed out that current discussions on optional retirement seem to be proposed to extend retirement age and working life, in order to tackle the graying working population and demand in manpower. The extension of retirement age for tackling difficulties in recruitment and economic development is rather “instrumental rationality”. Indeed, in some stance, extension of working life is enforced rather than freely chosen. Another interviewee indicated that currently optional retirement is unilateral subject to employers’ willingness only and employees have less bargaining power. Optional retirement should be according to employees’ personal choices, rather than employers’ management and resources considerations. Implementation of optional retirement should thus include process of negotiation and consensus between employees and employers, and accommodate employees’ needs and demands as much as possible.

Essentiality of setting up comprehensive guidelines, along with practical examples, for optional retirement implementation and related flexible working arrangements is thus emphasized, in order to protect the rights and interests of both employees and employers. Benefits and conditions of arrangements are important in re-employment and it is necessary to have consensus before employment and all the terms of conditions should be clearly stated on employment contracts.

#### 4.8 Challenges and difficulties of implementing optional retirement

From human resources and organization management perspectives, there are several challenges, difficulties, and concerns when implementing optional retirement and related flexible working arrangements.

Some interviewed employers raised concerns that there is obvious efficiency of productivity among older employees due to their decline in physical ability as well as health issues. One interviewee elaborated that it is quite difficult to define an employee is “healthy” or not, because many hidden health problems may not be easily reflected on medical check report. The employer perceived that the health issues of older employees are relative to the rate and severity of work accidents, and increasing rate of accidents may suffer reputation of organization and disapproval of older employee’s compensation insurance may be thus resulted.

From the perspectives of employers, it is quite difficult to implement optional retirement in same way in public and private sectors and for different sizes of companies. The implementation of optional retirement in private organizations



depends on negotiation and consensus between individual employee and employer. Sizable organizations normally consolidate comprehensive information of age distribution of all employees, and predict the retirement and turnover rate in coming future and design corresponding strategic plans for manpower deployment and recruitment for the whole company and organization.

In addition, the in-depth interviews pointed out that those employers with good management consciousness would never cater for a small group of employees, if organization policy and regulations only favor older employees, loyalty of junior and younger staff will be lowered. The implementation of optional retirement and related flexible working arrangements would influence work planning arrangement, recruitment, and career progression for junior and younger staff. The organizations should consider and balance division of labor as well as rights and benefits of all employees prudently.

Furthermore, one of the interviewed employers mentioned that a consensus towards retirement age is important under optional retirement and related flexible working arrangements. The referential retirement age would facilitate systematic and strategic manpower deployment and training resources arrangements for all employees in the organization, and minimize the wastage of training resources due to early or unexpected sudden retirement.

## **Chapter 5 Focus Group Discussions with Pre-retirees and Retirees**

### **5.1 Sample profile**

Totally 24 pre-retirees (5 males and 19 females) and 24 retirees (10 males and 14 females) aged 50 or above from business and non-business sectors had been interviewed from September to November, 2014. Most of the interviewees (61%) attained secondary education level, nearly 33% received tertiary education or above, and the remaining 6% had primary education or below.

### **5.2 Intention of post-retirement work**

In general, the focus group discussions found that pre-retirees and retirees are preferred to work after retirement because of their working prospects and better personal security without being dependent on their children and others. They also indicated their agreement on implementing optional retirement in Hong Kong, though a number of difficulties and challenges would be encountered. However, some pre-retiree and retirees are preferred to pay more attention to enjoying a full relaxing lifestyle after retirement, and to allow young people to have better opportunities on social mobility.

#### **5.2.1 Making contribution to the society**

Interviewees are eager to dedicate to the society. They mostly think that while they are still capable to contribute in work and support organization development, they should not be given up by society and employers. Post-retirement work not only allows retirees to maintain active lives during their retirement and continuously refresh their mind-set, but also facilitates the sustainability of the company and organization. Pre-retirees particularly have stronger orientation in post-retirement work, and they would continue working after retirement as they deem adequate in their savings. This is because pre-retirees are only soon-to-be retired and mostly aged in between 50 and 60, retirement seems too far away to them and makes them feel frustrated; retirement to them is a negative label and thus they are unwilling to be covered up by the society.

Furthermore, devoting to the society could also provide a sense of security to interviewees. When interviewees' capability could be identified, they could uphold the protection by themselves rather than through family and government support, and thus could effectively maintain their self-esteem on a higher level. Interviewees basically agree that being independent from other sources is a good sign to better perform during their retirement, and feel more secure psychologically. Work

contribution is parallel to retirement and helps retirees to keep active in the society.

### 5.2.2 Work eagerness and pursuing better personal development

When interviewees were asked about their post-retirement work eagerness, pre-retirees have relatively high willingness. Though retirement is consequential and inevitable, interviewees do not agree it is an end of their work life. Interviewees perceived that as they are still young enough, especially aged 60-63, it is not appropriate to urge them to retire. They are still experienced, capable and competitive in the labor market, and thus should not be ruled out in order to supplement the shortage of human resources in Hong Kong. Some interviewees are eager to work because they love their job so much, and are able to gain satisfaction from it. They are familiar with the job tasks, and new adaptation would not be required, so it is attractive for them to carry on working after retirement. Furthermore, job satisfaction is another factor to be considered. One of interviewees said post-retirement work signifies the end of the work experiences and the sunset of life. So, the work should be favorable to the older workers' interests, and prevent them working reluctantly. If the work does not fit in this criterion, full retirement is a better option.

### 5.2.3 Keeping active to the society

Post-retirement work might encourage pre-retirees and retirees to sustainably understand social development and to deter expanding generation gap. Full retirement might undermine the connection to society as retirees are not required to keep themselves so active, hence, continuing working may encourage older people to update their social status more often. Moreover, post-retirement work could help retirees better understand how young generation thinks of them and the society, which are essential to facilitate the communication with their children and family as well as the relationship between the young generation and old generation.

However, both pre-retirees and retirees mentioned that it is difficult to judge whether post-retirement work would become popular in Hong Kong, and it is hard to estimate how the retirement would look like in the coming decade. They have no confidence on what can be done in the labor market and want to take a full rest after working for many years. If the timing fits their personal arrangement and they are capable to work, they are very pleased to work after retirement and carry on their contribution to society.

#### 5.2.4 Skill inheritance

Older employees possess enriching job experience, thus knowledge and skill transfer between older and younger employees is essential for the success of an industry and organization development as well as a win-win situation to resolve the immaturity of new employees. Presently, older employees leave the job because they reach the retirement age and/or according to mutual understanding with employers, and seldom employers would have a mentoring scheme offering to young workers. Thus, an interviewee suggested workers aged 60-65 as a mentor or trainer in the mentoring scheme to share their experiences, knowledge and skills to new and young employees for better adaptation, which would be favorable to the effective usage of human resources in an organization. Such arrangement not only regains the respect to older workers and let them demonstrate their capabilities, but also extends the working life of older workers to contribute to their current job and organization.

#### 5.2.5 Job nature

Results from the focus group discussions indicated that it is not a problem of whether pre-retirees and retirees want to carry on working after retirement but what kind of job they can work on, in particular for those who attained lower education level. The interviewees believed that their qualification would surely block their choice of job selection. For instance, personal care workers (PCWs) in elderly home could only continue to work on similar job natures, such as steward or cleaner, etc. after retirement. Because it is very difficult to allocate other suitable or tailor-made jobs vacancy to such low-skill older workers in the current labor market.

For retirees, they are more concerned of post-retirement job nature and personal arrangement, as they have already enjoyed their retirement for a period of time. The change of their current lifestyle would bring more uncertainty to them, and therefore they have different perceptions on post-retirement work. Mainly, if the job nature does not bring many burdens to retirees and the job nature is easy to handle, retirees are welcomed to work after retirement. Generally speaking, retirees would be able to enjoy post-retirement work pleasantly and gain satisfaction, if they could resume working while practicing their personal interest.

#### 5.2.6 Health and economic conditions

Health and economic factors are both practical to consider whether interviewees would take post-retirement work, which was mostly told by pre-retirees. Frankly, post-retirement work not only depends on the availability of vacancies in the employment market but also about the health and functional capability of older

workers. Therefore, concerning the health condition, interviewees emphasized that post-retirement work should be carried out earliest possible in retirement, ideally in aged 60-65. This would guarantee a higher opportunity for qualified and healthy older workers to carry on working in the market.

Economic factors are also critical in post-retirement work consideration for interviewees. According to low-income pre-retirees, even if they would like to retire, the reality forces them to give up this idea, and they could only continue to carry on working because of insufficient income for their retirement. One of the interviewees further indicated that with improved life expectancy, while 60 is still considered young, the ways of dealing with daily expenses after retirement are worrisome. If the society is more open-minded to post-retirement work, older people would have better self-actualization and financial security, and also enjoy a better retirement lifestyle.

#### 5.2.7 Enjoying full relaxation after retirement

Interviewees pointed out that the working hours in Hong Kong are too long, and a number of industries require more than 11-12 hours work days, which endangers them from suffering burnout. They queried whether older workers' health and spiritual conditions are manageable and controllable for extensive stress and long working hours daily, if they choose to work after retirement. Some interviewees feel too exhausted to work after retirement, and enjoying a life of full relaxation is their first priority. Instead, they suggested having preparative schedule to fulfill other personal retirement goals, for instance, travelling around the world in early retirement stage and spending more time on voluntary work.

#### 5.2.8 Promotion of upward social mobility

While upward social mobility of young people has been a controversial issue in recent years, it could not be skipped here while post-retirement work directly influences the opportunities of young people. Most interviewees stressed their concern about encouraging the upward mobility of young people, which has been one of the popular reasons to object post-retirement work. The interviewees mentioned if they carry on working, young people would have lesser chance to gain upward mobility. Particularly, while Hong Kong continues to special emphasis on tertiary sector of the economy, many uncompetitive and non-profit-oriented industries are weeded out. It is more beneficial to promote upward social mobility of young people so their sophistication will not be wasted. The interviewees further illustrated if they do not have financial burden of their retirement, they prefer releasing the vacancy to young people. Some senior managerial interviewees have also prepared a succession plan for

a successor, which not only prevents unsystematic handover, but also provides a better chance for young people to be upward their mobility.

#### 5.2.9 Fear of job stress and adaptation

For retiree interviewees, their worry of resuming work comes from job stress and challenges of adaptation to the working environment. They mentioned that when they were still a worker, coping with the job stress was a usual problem with a resolution. However, as retirement is expected to be relaxed and stress-free, a sense of responsibility to post-retirement work might bring a great psychological burden, and such contrastive nature with retirement would cause negative impact. Some managerial interviewees added that if post-retirement work does not ensure their original position before retirement, it is disrespectful to them, and it would bring unhealthy development to the current leadership as their role is hard to be identified in the organization.

#### 5.2.10 Remuneration

Most interviewees had been offered a post-retirement work, but very few of them took the offer because of lower remuneration i.e. salary cuts. They strongly considered that it is an unfair treatment if the remuneration change comes along with the retirement age, which is a kind of disregard to their previous contribution to the company. Remarkably, for some interviewees, post-retirement work, in a sense, means to spend their time more leisurely. If the remuneration has great differences and they are forced to face equal or more job stress than before, the interviewees would choose full retirement. However, some interviewees whose financial income and savings might not be able to sustain their prospective daily life after retirement indicated that they need to carry on working until incapable.

Furthermore, some interviewees claimed that no matter how hard-working they are, their retirement protection is still below satisfactory. Mandatory Provident Fund (MPF) acts as the key security for retirees in Hong Kong, and a comprehensive and successful retirement security has not been well implemented. Some soon-to-be retired interviewees indicated that while they have already worked for decades, they could not enjoy an appropriate pension. An interviewee added that post-retirement work would not be favorable for someone who would like to enjoy the sunset of life leisurely, and it is discouraging if Hong Kong people need to work after 65.

### 5.3 Conditions of post-retirement work

Few retirees in the focus group discussions have tried to work after retirement and possess different post-retirement work experiences. They carry on working by virtue of different reasons, but concretizing some conditions should be taken full account of, otherwise it would retain the promotion of post-retirement work in the society.

#### 5.3.1 Remuneration package before and after retirement

Interviewees genuinely mentioned that they were only seeking for a fair treatment in which the post-retirement remuneration package should be as similar as the original package. In their point of view, they would not stress on a better remuneration package and benefits in post-retirement work; however, as a kind of respectful action to their previous dedication, it would encourage them to continue working. They determined that it is still reasonable to ask for a similar remuneration package while they are invited to extend their retirement. Interviewees are mainly focused on whether remuneration package has more unreasonable differences than before retirement, which is one of the important factors to consider before taking any reemployment offer or not. An interviewee pointed out that according to the common practice in business sectors, pension would no longer be existed in post-retirement employment package.

#### 5.3.2 Job satisfaction and retirement quality

Some interviewees think that remuneration package should not be the core factor of post-retirement, in particular for those who have better planning on their retirement or adequate personal saving to sustain their retirement living. Instead, job satisfaction should be taken into consideration. During post-retirement employment, gaining job satisfaction could bring a positive image to older workers and a higher degree of their confidence in social participation after retirement, which help alleviate feelings of abandonment within society, as well as enhance the quality of the retirement. Several interviewees agreed with semi-retirement as one of the workable options of retirement, in which people could enjoy and maintain their quality of retirement. Whenever older people feel bored and would like to resume working, there should have a “revolving door” to meet the needs for these older workers. Post-retirement employment not only improves the retirement quality of older people, but also increases their social participation’s activeness.

#### 5.3.3 Respect of employees’ personal choices

Many interviewees emphasized that they are very likely and willing to extend their retirement for a little bit longer time, if respect on their personal choice on

post-retirement can be clearly shown by employers and companies. Interviewees further explained if anyone begins to feel toilsome on a current job and company, they would not extend their retirement; in contrary, anyone who would like to carry on working may not care too much on remuneration package, even with low salary. From the perspective of interviewees, respect in other words, manifests that employees are allowed to be flexible to make decision on post-retirement work.

#### 5.3.4 Competence towards post-retirement work

When interviewees were asked about competence towards post-retirement work, many of them consented to work before aged 65, it would not be too problematic. They said that their competence in post-retirement employment should depend on job nature and employee's health condition, while these two factors are closely related to age. Confidence towards post-retirement work is another major concern to determine whether older workers are competent enough. Interviewees are mostly confident that they can fulfill the duties of the post-retirement employment if the job nature does not require any physical labor. However, not every older worker can adapt the new duties and working environments. One interviewee especially emphasized if older employees continue working at the original position, their familiarity may give trust to employers and lessen post-retirement job related stress, because they would not have to readapt to the new situation. If older workers would like to carry on working but in a new position, they should understand the current labor market first so as to prevent any disappointment from post-retirement work, of which the purpose should be relaxation-oriented.

#### 5.3.5 Mentoring role

Noticeably, several interviewees are delighted to extend their retirement if they could act as a mentor within in the company and organization to help young employees develop. An interviewee highlighted that when older workers are without financial burden, they should help upward the mobility of young people. Basically, mentorship, in which a more experienced or more knowledgeable person helps to guide a less experienced or less knowledgeable person, is a win-win situation among employers, soon-to-be retired employees, and young employees' development. A mentoring role is a "special promotion" towards soon-to-be retired employees; in great extent, it not only simply utilizes the working experiences from older workers, but also shows respect the previous contributions that older workers made to the organization. Young employees are usually green recruits, and thus it is harsh and unreasonable if they have to be fully competent at once and perform as like a senior. Senior staff, in particular soon-to-be retired staff members, with certain areas of expertise and vast



working experiences, would definitely favor for the growth of young employees and could be a mentor or an advisor to provide guidance to new entrants. Older employees are invaluable assets in every company and organization, and could provide suitable mentorship through instruction and demonstration of work and technical skills etc. to new and young employees. It is believed that mentoring program would be part of a succession plan in many companies and organizations once becoming popular in the society.

#### 5.4 Retirement satisfaction and expectation

Focus group discussions showed that retirees are mostly satisfied with their retirement life, have low incentives to return to the labor market, and seldom encounter adaptation problem after retirement. For pre-retirees, retirement is a turning point and a major life transition. They almost always have high expectation for their prospective retirement life, and some of them would consider post-retirement employment as a kind of social participation.

##### 5.4.1 Voluntary work participation

Many interviewees deem voluntary work as a part of their daily life and already participate in voluntary work regularly. Volunteering can boost the self-esteem of retirees and provide a sense of satisfaction, moreover, empowers retirees to have better quality of retirement life. However, low-income interviewees claimed substantially that it is difficult for them to participate in voluntary work without solid financial security as they need to continue to go for working 11-12 hours per day. Consequently, when their retirement life has been effectively safeguarded, they would be able to actively participate in the society. One interviewee particularly proposed that in order to encourage more retirees participating in voluntary work, financial assistance (e.g. for a meal and travel to and from home) should be considered and provided; it is fairer to retirees because they primarily sustain their daily retirement living by personal savings.

##### 5.4.2 Retirement planning

Retirement planning in the last two decades has attained more importance because of cultivating the individual responsibility for retirement. Generally, many interviewees are aware of the importance of retirement planning in order to diminish the anxiety of prospective retirement, but some interviewees are unready as they think retirement is still far away from them, and long working hours blocks their ability to visualize retirement.

Retirement planning encourages people to look forward to building and achieving the goal of retirement. Since retirement is different from a full-time working life, figuring out a plan could determine a clear path of post-retirement. Some retiree interviewees added that without retirement goals and plans, it is little different than waiting for death. Furthermore, a number of interviewees emphasized that an exact retirement age would encourage pre-retirees to start preparing for their retirement life (e.g. how much should be spent after retirement, how much could be obtained from pension or MPF, what personal needs to be achieved in retirement, etc.). On the whole, interviewees believed that earlier retirement planning would enhance a better quality of retirement life.

#### 5.4.3 Financial condition stability

Undoubtedly, interviewees concentrated especially on post-retirement financial condition stability, and almost all interviewees agreed that retirement is directly correlated with financial management. The stability of post-retirement financial condition is important because when people have to suffer from financial burden, they cannot enjoy a full retirement and do not have room to pursue any retirement leisure activities. Therefore, it is proven that quality of retirement life depends on healthy financial condition.

For low-income pre-retirees, they further stated that retirement is no longer existed. Referring to their current situation, since their basic salary may only be able to eke out the barest of living, personal savings are totally impossible. They are forced to work until they are incapable, and retirement for them is just a vague concept. They have no time to manage retirement and no expectation in retirement, and they can only ask for support from government allowance if their basic needs could not be fulfilled. One interviewee strongly pointed out that an effective retirement protection scheme is critical to the quality of retirement, otherwise, some older people would have no choice to carry on working until they are incapable.

#### 5.4.4 Rearing children during older age

According to Chinese tradition, children must show filial obedience to older parents and are obliged to give financial support their parents' retirement, but now such tradition seems to have been vanished. One interviewee emphasized that the current cohort of older people is the last generation to support aging parents, and their children, in contrary, would be the first generation who do not support aging parents. The interviewee further said that older people can perceive the filial piety of their children, but the children have a heart without strength. Because of the present

scenarios, the monthly salary of their children may not be enough to sustain their own life. Most interviewees understood the toughness of their children, thus, as parents they do not ask for anything from them. Thus, some interviewees have never expected to be supported by their children, instead, what they expect is that children can support themselves and accomplish their personal goals without the needing to support their parents. The current cohort of older people has to be self-supporting in retirement.

#### 5.4.5 Retirement arrangement

In terms of retirees' views, retirement compensates for their personal regrets in which they ignored for a long time due to work, such as going for a long journey, accompanying family and returning to school, which have been their unachieved personal goals. Since their time should be more flexible after retirement when work engagement is not that much, they could arrange their activities easily. Yet, those personal goals may not be achieved due to some limitations. For example, farming in Hong Kong is not feasible because of the shortage of land supply, and social network is perhaps unlikely to build up in consequence of time coordination between friends.

Some interviewees accentuated that the perception of retirement would change across time. At the beginning of retirement, retirees often engage in full of relaxation as the work burden has been substantially decreased, yet retirees would perceive some anxiety because they would worry about their retirement savings and other expenses thereafter as time goes by. Some interviewees mentioned that they become less rushed and slowed down their process of retirement. They believed if psychological adjustments have been made, retirement adaptation would generate greater outcome satisfactorily. Hence, personal mentality would influence the retirement quality as well as expectation.

#### 5.5 Views on different flexible working arrangements

In previous sections, interviewees' perceptions on work and retirement have been discussed in details; everyone has their own expectation in their retirement life. Ten post-retirement work arrangements have thus been generalized to ask retirees and pre-retirees about their perceptions and considerations when optional retirement carries out. Simply speaking, the results showed that most of the interviewees would like to be fully retired. To continue to work would not be an option because they have already worked many years, and enjoy the rest of life should be especially encouraged. In the retirees group, most of the interviewees have selected "full retirement", and then "part-time working or part-year working", "occasional homeworking",

“flex-time or compressed hours” and “self-employment”. For pre-retirees group, “flex-time or compressed hours” are typically selected, “full retirement”, “part-time working or part-year working” and “occasional homeworking” are remaining. Overall, “part-time working or part-year working” and “flex-time or compressed hours” have been drawn major attention from both retirees and pre-retirees to become their best practice of flexible working arrangement.

Pre-retirees pick up “part-time working or part-year working” to avert social disconnectedness. When older people can keep working freely after retirement, it indicates they are still active in the society, verifying they are a part of society rather than needy of society. Personal activeness can make them apparently engaged and dedicated to the society, and become bored in retirement. Furthermore, part-time working or part-year working can provide refresh them and prevent mindset from degenerating, it not only allows them to explore more fully their retirement, but also pursue more different social participation activities. For retirees, such flexible work arrangement is the most popular option. Their explanation follows the conclusion that after working a long time, full-time work is very strenuous in terms of their age condition, and a relaxed and flexible nature would be more suitable. Depending on their economic and health condition, retirees want to continue to keep their standard of living while they are still capable, therefore such post-retirement work arrangement provides flexibility of their retirement selection.

“Flexi-time or compressed hours” is the second most selected option, and pre-retirees choose it as their most preferred option. In pre-retirees’ opinion, as they have already worked many years, if flexi-time or compressed hours can take place, they will have more freedom to manage their time for family caring and staying active in the society. If they have to extend their retirement, flexi-time or compressed hours work mode could help enjoy their job completely. Retirees also have similar views on flexi-time or compressed hours, such flexible working arrangement allows them to have more time to process personal affairs, and free selection of working hours could be a substantial factor. Retirees more likely want to merge business with pleasure, therefore flexi-time or compressed hours arrangement prevents them from working standard full-time hours, of which they have endured so long before retirement. In practice, under this working mode, older employees could only perform consultant task or set up an apprenticeship so their experiences could be sustainably spread. Nevertheless, a number of retirees have made a strong query on the practicality on this flexi-time or compressed hours arrangement. They normally said it is unrealistic in Hong Kong because seldom do employers allow employees to work occasionally

2-3 days per week, and it is impossible to request working on specific daytime, except for supervisor or management levels. Employees, in other words, do not possess strong bargaining power for negotiation, thus, they consider flexi-time or compressed hours as the most infeasible post-retirement work arrangements. When compared with other options in Hong Kong context, it is just an ideal.

“Occasional homeworking” has also been a favorable choice of retirement arrangement. Some retirees claimed that occasional homeworking can facilitate their connectedness with the society while they can keep working; it not only helps them maintain their personal skills, and also saves time and money, as transportation can be prevented. They further elaborated this working mode could make employers provide flexible arrangement on task assignments. Clerical work is most prevalent under this working mode. Pre-retirees share similar views on this flexible working arrangement, particularly as most of the tasks would be assigned through emails in current, thus occasional homeworking may already provide the same conditions to speed up the efficiency. Such arrangement allows the work-life balance as the tasks can be done at home, and thus employees could better manage their time with family life and enhance their enjoyment in the job. Pre-retirees believed after being released from the fetters of full-time job, post-retirement work should let them enjoy to a higher degree freedom while obtaining more job satisfaction. Therefore, occasional homeworking could be one of the feasible arrangements.

“Fixed term contract” is the most common practice of government when post-retirement jobs are offered, all the terms of conditions would be clearly stated in order to protect older workers. Pre-retirees considered this arrangement a protection as job duration is clearly designated, and employees and employers could also be facilitated in their mutual development within the contract period. For example, if a post-retirement fixed-term contract job lasts for three months, mutual agreement between employers and employees vanish after completion of the contract, and employers could further consider whether the job should be renewed and carried on if necessary. This arrangement can show mobility to new employees as well, especially young people. However, under a very short-term contract, a sense of belonging is difficult for older employees to create in the company, and the employees may not feel attractive enough to sustain their loyalty as they do not have long-term prospects; this may be harmful to company development. Retirees claimed that fixed term contract arrangement favors both employers and older employees. Detailed terms of conditions would assist employers to seek for an appropriate person to fill in the vacancy and undermine the possibility of older employees to be exploited, as both

sides should not violate the terms. An interviewee shared personal experience that post-retirement fixed-term contract arrangement is flexible and realistic, and when older workers have complied with the contract, they are able to clearly leave the job with no required follow up. Besides, this arrangement is also favorable to offering consultant positions for provision of professional or expert advice in-house in specialized fields on a temporary basis.

“Additional planned unpaid leave or career break” is a favorable measure to interviewees, and most of them agreed it is difficult to be implemented. In reality, pre-retirees said small and medium enterprises must not be allowing this arrangement as they cannot afford extra cost to find a replacement. Meanwhile, it is not practical for most employers to approve employees’ long vacation, which would greatly impact the operation. However, an interviewee pointed out that it is a good practice for pre-retirees to experiment with this option if they are not accommodating to their retirement. This policy permits pre-retirees resume their former position when they would like to return. Retirees take more initiatives on considering the job security of this flexible working arrangement, claiming that it is not applicable in every industry and occupation where particular skills are not specifically required, for example, cashier positions. Thus, additional planned unpaid leave or career leave should be job- and position-specific; otherwise workers may face higher risks of unemployment. The retirees also mentioned that the resistance from employers would make this flexible working arrangement unlikely in Hong Kong.

“Bridging jobs” is a less discussed option. Pre-retirees said that this flexible working arrangement helps them reduce the workload, and especially when employees are exhausted to the former position, they have another choice to continue their contribution. They believed that their experiences should be unproblematic to any new position, and such arrangement is also a kind of respect to their efforts made to the organization and society and upholds their competitiveness. Regarding for retirees’ opinion, bridging jobs can give them flexibility whether they carry on working, if they disagree on the new post-retirement work arrangement, they can decide to retire. Both pre-retirees and retirees also agreed that bridging jobs can let them become young employees’ mentor, providing specific skills and guidance to train up young workers’ ability to equip more sophisticated skills.

“Full-time working” and “job share” are also less discussed options. From retirees’ perspective, they are confident to be competent on these post-retirement work options because their precious experiences may help them tackle all the problems occurred

while taking these post-retirement employment opportunities. Yet an interviewee noted that if they have to practice full-time working, it is better to work at the former company in order to avoid adapting in a new working environment. Another interviewee expressed worries about demanding workloads, as well as job stress in full-time post-retirement work, as these sufferings are contradictory attitudes towards retirement. Job shares would be good for older workers because it may utilize manpower more effectively. The working ability of older workers would be retrogressive, therefore sharing job duties may better to balance the workload, and manpower arrangement becomes more flexible. But if there is an alternative, part-time working or part-year working and flexi-time or compressed hours are more preferable.

Regarding the aforesaid flexible working arrangement options, if interviewees may think inappropriate enough to their ideal retirement arrangement, they would choose “self-employment”. Some retirees shared their experiences that self-employment is the best way to enjoy full relaxation and to work freely at the same time. For instance, some were already assisting in a family business or cooperating with partners. It is their present working preference after retirement because they are fond of the work pattern. As it is personal-owned business, they would not have to be accountable for anyone. For pre-retirees, few picked up farming and voluntary work because these are their personal goals. Overall, both retirees and pre-retirees also acceded that self-employment gives the highest flexibility to achieve their ideal post-retirement life and working pattern.

## 5.6 Challenges and difficulties of implementing optional retirement

The pre-retirees’ and retirees’ perceptions to work and retirement show that optional retirement is a coveted model for post-retirement work arrangement as it provides flexibility of retirement arrangement for older people. Generally speaking, interviewees defined optional retirement as a policy that can be adopted once get retired, even mandatory retirement age is not yet legalized. Most of them agreed the concept of optional retirement because it could optimize the present ineffective retirement protection, though it has quite a lot of difficulties and challenges on final implementation in Hong Kong.

### 5.6.1 Shortcomings on current retirement protection arrangement.

Under the current arrangement, the Mandatory Provident Fund (MPF) is the only mandatory scheme to provide retirement protection. However, this scheme has received criticism, which may probably influence the implementation of optional

retirement. The major criticism is that MPF is regarded as a way to shirk government's responsibility on retirement protection. The government seems to substitute Universal Retirement Protection (URP) scheme by MPF, but MPF cannot guarantee the profits when people get retired. The role of government in MPF is evidently empty and does not well-promote the public to clearly understand MPF. Thus, the public lacks understanding regarding MPF and does not plan their MPF investment. Many interviewees found that Hong Kong has a strong need to set up a retirement protection system, not only because it is government's obligation, but also it can improve the quality of retirement life, and elderly would not have to worry about the living after retirement. Interviewees pointed out that without sufficient MPF benefits and other financial resources, retirees can only be given a hand from Comprehensive Social Security Assistance (CSSA), or retirees need to be self-supporting (e.g. post-retirement work) if they do not want to apply for CSSA scheme. Given that MPF scheme is ineffective, establishing URP scheme would help fill in the gap between current retirement and welfare protection and overcome the entire policy problem of retirement protection arrangement.

Another criticism to MPF is that the benefits cannot be withdrawn in advance. In present, early withdrawal of benefits i.e. before 65-years-old is only applicable in five specific circumstances, including early retirement, permanent departure from Hong Kong, total incapacity, small balance account and death. Interviewees stated that it is not fair if they cannot work after withdrawal of MPF benefits while all these benefits belong to them. They further stressed that MPF should provide flexible arrangement for pre-retirees so they could spend for contingency. For example, if someone needs a large sum of money for an emergency medical purpose, it is not a justified reason to withdraw since it does not fulfill the requirement of total incapacity, according to MPF ordinance. Interviewees opposed to this arrangement and questioned while all the MPF benefits would be fully returned, the time for the withdrawal of benefits cannot be decided by the employees. In addition, presently, if employees work beyond 65, employers will not contribute to MPF anymore. Less flexibility of the MPF arrangement would make it more difficult to implement optional retirement. It is critical because optional retirement may not require a mandatory retirement age subject to the common practice in different companies.

Many interviewees also criticized insufficient MPF benefits, which seemingly are unable to sustain their retirement life. They praised that the intention of establishing MPF is to force the public to foster a saving habit, yet low transparency, high administrative cost and poor operation may cause such retirement protection defective.



Few interviewees suggested that for those who are low-income employees, their contributions could be shifted by employers or government. When their retirement protection is not safeguarded, optional retirement is no longer possible as they need to continue working. If workers would not have to worry about retirement, optional retirement and other modes of social participation may therefore be workable. Furthermore, the offset of Long Service Payments (LSP) is also not favorable to employees as employers are not required to contribute in LSP instead of MPF, this measure definitely may not be fair to employees.

For some organizations that have already been running a Provident Fund Scheme (PFS), employers need to release the calculated pension with reckonable years of service of their employees. This type of employer would possibly be objecting to optional retirement and related post-retirement work arrangement, as retirement age is used for increasing the turnover to some “awaiting retirement’s employees” who employed under the condition of PFS. Thus the unknown number of PFS employees would also bring difficulty on implementing optional retirement.

#### 5.6.2 An unequal position between employers and employees

Employees’ labor protection is relatively weak in Hong Kong all the time, displaying the position between employers and employees had been never equalizing. Therefore, interviewees worried about optional retirement implementation would become another exploitative policy. According to interviewees’ opinion, the exact implementation should depend on their negotiation and consensus with employers to see if tacit agreement could be reached. Unfortunately, several interviewees expressed negotiation is no longer existed, the company’s management fosters top-down leadership, and employees’ position is detrimental. One of the interviewees mentioned that employers inform employees of their decision rather than negotiating with employees. The weak position of employees may bring about unfairness when optional retirement is launched. Thus, a good employee relation should be built under regular consultation, especially when retirement policy changes are related to employees, in order to signify the respect to employees. When optional retirement is a practice to be effective in employees, employees’ interest and aspiration should be taken account of. Unfortunately, the interviewees often said they lack autonomy in deciding their retirement status, and all arrangements were subject to employers’ approval. The concept of optional retirement is assumed to be the focus of the option, yet the present scenario shows it is non-optional.

### 5.6.3 Nature of industry and workers' compensation insurance

Commercial sectors have low intentions to implement optional retirement. These sectors are profit-oriented; cost increase is thus the main opposition optional retirement. When extending an older worker employment, rising cost is considered, while friendliness and loyalty are less important. Commercial sectors, most likely, reference the arrangement of the government on retirement; such practice should also be applied when launching optional retirement because companies could have a paradigmatic structure and practice to reference. With the government leading an active role, it may thus increase the feasibility of implementing optional retirement in Hong Kong.

The size of the company would also affect the feasibility of launching optional retirement. In small-scale company, retirement is not systematically arranged, and employers' intention is the obstacle to let optional retirement work out. Interviewees shared their observations that small-scale companies rarely establish any retirement protection scheme, no pension or so-called retirement arrangement would be provided instead of regular MPF contributions, and many of these employers regard MPF as a mercy to employees. Every company has their own arrangement on retirement, therefore optional retirement should integrate in the whole existing policy otherwise the launching would become unrealistic. Therefore, a number of interviewees suggested that the government should promote optional retirement.

Moreover, there is a higher relevance of occupational safety and health for older workers in the workforce, as compensation insurance is difficult to provide coverage for them. It is more difficult for older workers to take out compensation insurance policy, in which operation cost would be augmented. The difficulty of taking out compensation insurance would weaken the willingness on employing older workers. To improve the employability of older workers, interviewees proposed that the insurance industry should provide coverage endorsement to companies who have launched optional retirement.

### 5.6.4 Social acceptances and attitudes

It is important to gain the social support towards optional retirement implementation, while different stakeholders would also be involved. However, the social acceptances and attitudes do not support the adoption of optional retirement. The key problem is about age discrimination in Hong Kong, which older workers are no longer prone to seek for a job. Interviewees stressed that their position is passive; they are already biased to have lower qualifications, and their work experiences is considered

meaningless. Interviewees are not ambitious to be key staff, and what they want is to contribute whenever they can. They feel pessimistic and unaided; they relatively give up post-retirement work. An interviewee shared that retirement means an end of their work life: if retirees want to resume working, they are seldom called for an interview and would be challenged on the duration of their potential work span. It shows that the social acceptance the working elderly population has a long way to develop to be accepted in Hong Kong.

Employers would not be willing to take a high risk on hiring older workers. Unless older workers have specific or expertized skills, their employability would otherwise be consequentially crippled. As Hong Kong is facing ageing problem now, optional retirement may therefore be able to release the labor force flexibility. Besides, the vantage of employing older employees may stabilize the turnover rate, which older workers would more cherish the opportunity because of limited alternative. Although young people would be likely against to optional retirement, which they may think older employees are a stumbling stone to enhance upward their mobility, retirement truly is all about a personal choice. Therefore, everyone should have the rights to decide when it is the best to retire.

Regulating retirement age is another key issue in relation to the optional retirement implementation. Many interviewees reiterated that they are in the age gap of 60-65, which is the watershed of the entry to welfare protection or retirement. They stated that they are not old enough to be incapable for work, yet they are not young anymore to work as before. Most of the welfare policies are only eligible to the elderly aged 65 or above, interviewees claimed that these policies are not fair to encourage their social participation. For example, Public Transport Fare Concession (PTFC) Scheme or Old Age Living (OAL) Allowance are only eligible for aged 65 or above applicants, and MPF withdrawal as well. They complained that if the elderly does not have adequate personal saving, their retirement life before aged 65 would be very tough. The government is requested to review the current policy so that more elderly can be the beneficiaries. There are even some views that soon-to-be retirees should have basic savings to sustain their life after retirement until they can apply for any welfare protection scheme. Under these circumstances, the retirement age should be regulated. The retirement age urges employers' and retirees' in accordance to the regulation and to arrange their future planning so as to facilitate the retirement flexibility. However, the views of the mandatory retirement age are varied: aged 55-70 has also been raised, but the most important thing is that the retirement age should be flexibly set in different industries. In sum, the maximum is 68, while the ideal is approximately aged

63-65, which fits in the present situation. A number of interviewees pointed out that since early retirement has not been a common practice, and early retirement is currently difficult due to great social changes. The results are that an early retirement is hard to achieve. Therefore, the retirement age should not be an untimely followed previous practice. A consensus should be met prior to facilitate the launching of optional retirement.

#### 5.6.5 Market demand and supply situation

Optional retirement implementation might explicitly depend upon the market demand. While the labor market indicates the demand is no longer apparent, it would become one of the key difficulties to launch optional retirement. Many interviewees emphasized that there are restrained alternatives in which types of jobs are less suitable for older workers. For low-income interviewees, they mentioned that the types of job are constrained, and only few jobs can be appropriately shortlisted, such as clerical clerks, cleaners, health workers and security guards etc., and the older worker market has not been maturely developed. Unless employees continue to work for the former employer, more or less, retirement would be the only way to go. For middle- and high- income interviewees, they said that for older workers, when some work skills are specific that not simply being replaced, these skill sets would be contributory for higher competitiveness in the labor market. Consulting is mentioned to be the most common post-retirement work arrangement amongst these interviewees. The duties of consultant are to provide specific professional knowledge or techniques in specialized field for succession development in any company. Young employees are temporarily unavailable to substitute the older workers' status, as older workers are more possible to be managerial staff; optional retirement is therefore easy to appear in senior position. One of the examples is that senior nurses are recruited by nursing home to be professional instructors and impart their sophistication after retirement. Their role includes professional advice provision, professional mentoring and managerial decision-making, etc.

To a great extent, the essentiality of optional retirement is how the employees flexibly arrange their jobs. But the current development of Hong Kong may strangle the promotion of optional retirement, when labor-intensive industry is in decay, it is quite difficult to sufficiently provide vacancy to incorporate the labor force of older workers. At present, older workers encounter keen competition and elderly-appropriate jobs are few, which might be due to employers' preference in hiring young employees for replacement. For example, average age of security guards has been lowering, interviewees mentioned. Older workers' capability is unavoidably

depreciated. Luckily if older workers have been employed, they possess less bargaining power to reject the offer. A number of interviewees pointed out that the uncertainty of older workers' health condition is estimated, and such great uncertainty of older workers is harmful to their competitiveness and would undermine their employability. Low education background and weak skill proficiency have also narrowed their chance to find different jobs.

The most important factor is launching optional retirement must be industry-specific or job-specific, because it is not applicable in some industries, such as physical labor work. Since physical labor work is not suitable for aged people, the risks of employees taking a particular job may threaten the operation of optional retirement probably. Flexible arrangement should thus be provided when some jobs are too heavy for older workers to handle. Although in some cases older employees, who over aged 60, their occupational safety and health may be drawn highest attention, and would be assigned to a less labor-intensive job. However, not many employers give consideration for their occupational safety and health. In short, launching optional retirement should be more likely influenced by the job nature as well as the worker's competitiveness.

#### 5.6.6 Foreign experience of optional retirement implementation

Some interviewees are returnees who migrated to another country to live an extended period of time in their adopted home, and then subsequently moved back to Hong Kong. They shared some experiences on how optional retirement is adopted in other countries, which perhaps could be a good example to reference if one day it would be implemented in Hong Kong.

The first example is from U.S., a country well-known for its retirement protection scheme, which has been long-established and is running smoothly. Every employee has the core benefits stating they have 14 days of annual leave, as well as specified sick leave. Also, there is a special arrangement that 5% of salary would be cut as a bonus point, employees can be able to freely arrange this 5% salary offset to annual leaves increase, better return of medical insurance or invest on company's stock. The total pension contribution is 15% of the salary, when the employers are required to contribute 3%; the remaining would be flexibly withdrawn for other investments. The personnel department helps to monitor the investment performance, and would change another competitive investment firm once the pension benefits are not satisfactory. An interviewee highlighted such practice is better than in Hong Kong, as no employers monitor the benefits performance.

The pension arrangement is another key of the retirement protection scheme in U.S. Elderly are welcomed to work after retirement and there is no mandatory retirement age. But when a worker has already withdrawn pension, the taxation regulation is different with a worker who has been keeping the pension contribution. Pension is divided into public pension as well as private pension, and only private pension would require special procedure as it has not formally notified to be calculated in the tax payment. Older employees have to pay the tax---which they did not previously pay in the calculation of the private pension--and then there would be a ceiling to limit how much they could be permissively gained. Exceeding the ceiling would rule out their qualification of sharing the tax-exemption, which the remaining earn from post-retirement work should be calculated in normal income tax rate. For example, if an older employee's monthly income is 30,000 US dollars, the continuing gains must declare whether it is for pension contribution or normal income, the tax rate would be calculated in different formulas. This arrangement may facilitate the launching of optional retirement, the tax return would control the intention of post-retirement work, and it provides flexibility to let employees decide if retirement work is still necessary for them by the differences of tax return.

Another example comes from a north European country. There is an existing policy about optional retirement on building up a retirees' labor force database that aims to classify retirees into different categories and becomes a matching system for employers to find appropriate workers. It favors those in labor intensive jobs, while employing older workers are risky, employers have a new platform to search for a senior but still capable worker. When some places have shortage of labor force, the database matches the applicant to vacancies. For instance, a kindergarten is searching for a teacher, who is skillful at singing and playing piano. The database would find an older worker to match with the kindergarten teacher opening. The database is useful for spreading the type of post-retirement job selection, and both employers and employees have flexibility to match their needs. Since optional retirement weighs on flexibility, setting up an older workers' database should be necessary.

## **Chapter 6 Discussion**

### **6.1 Summary of findings**

Generally, employers refuse to have changes in existing retirement arrangement and most of them think that current human resources management practices within the organizations are effective and efficient enough; and the implementation of optional retirement and related flexible work arrangements would largely increase in administrative workload. It is also emphasized that employers have the most power in making decisions on retirement regulations and arrangements, and thus the system lacks the process of negotiation and consensus between employees and employers, and therefore, implementing optional retirement and related flexible working arrangements would be difficult.

Retirees and pre-retirees have contrastive views about existing retirement arrangements. Most of them had inadequate understanding of their company's arrangement, and they are in a disadvantaged status to possess bargaining power for better retirement protection. Therefore, they strongly requested to establish a new negotiation mechanism to improve the existing weaknesses. Besides, they do not have significantly different considerations while planning for retirement, although everyone has their own decisions about retirement. The difference between them is the socio-economic status, in which low-income pre-retirees are more unlikely to consider retirement when they cannot sustain their daily expenses after retirement. For retirees who have had not stable pension for their retirement, flexible working arrangements encourage them to resume working. They cherish earning at least for a basic living, rather than asking a hand from government subsidy, so they also agree to launch optional retirement in Hong Kong.

### **6.2 Framework of the localized model of optional retirement**

According to the literature review and findings from in-depth interviews and focus group discussions, a localized model of optional retirement for Hong Kong can be proposed and constructed, and emphasized on three key issues: (1) employees' intention in continued work; (2) employers' and industries' needs; (3) work environment preparations. In a broader view, implementation of optional retirement should be flexible and provide freedom of choices to employees. Thus, comprehensive optional retirement model should allow employees to freely choose their preferred retirement options, and three major retirement streams could be categorized: (i) normal retirement, employees will fully retire from current jobs when

they meet a common retirement age; (ii) an early retirement, employees will retire before meeting common retirement age; and (iii) extending working life or re-employment, employees will continue working after normal retirement age or decide to come back to workforce after retired. Because of population ageing and the ongoing graying of the workforce, it is more considerable to focus on extending working life and re-employment after retirement. Nevertheless, extending working life and re-employment would be mainly subject to the needs of manpower, labor market, employers and employees. Through the findings, the importance of negotiation and consensus between employees and employers is emphasized. From the perspectives of stakeholders, optional retirement should not only be according to employers' management and resources considerations, but also employees' personal choices. A negotiation mechanism is essential for employers and employees to understand mutual agreement on the whole retirement related arrangement. And, the needs of employees and employers can be clearly assessed through communication. Thus, when employees meet the normal retirement age, they can have a common platform to discuss the possibility of extending working life as well as certain flexible work arrangements with employers. For those who prefer to retire early and want to return to workforce in the future, they can initiate and communicate with employers as well. Figure 1 illustrates the proposed localized model of optional retirement.

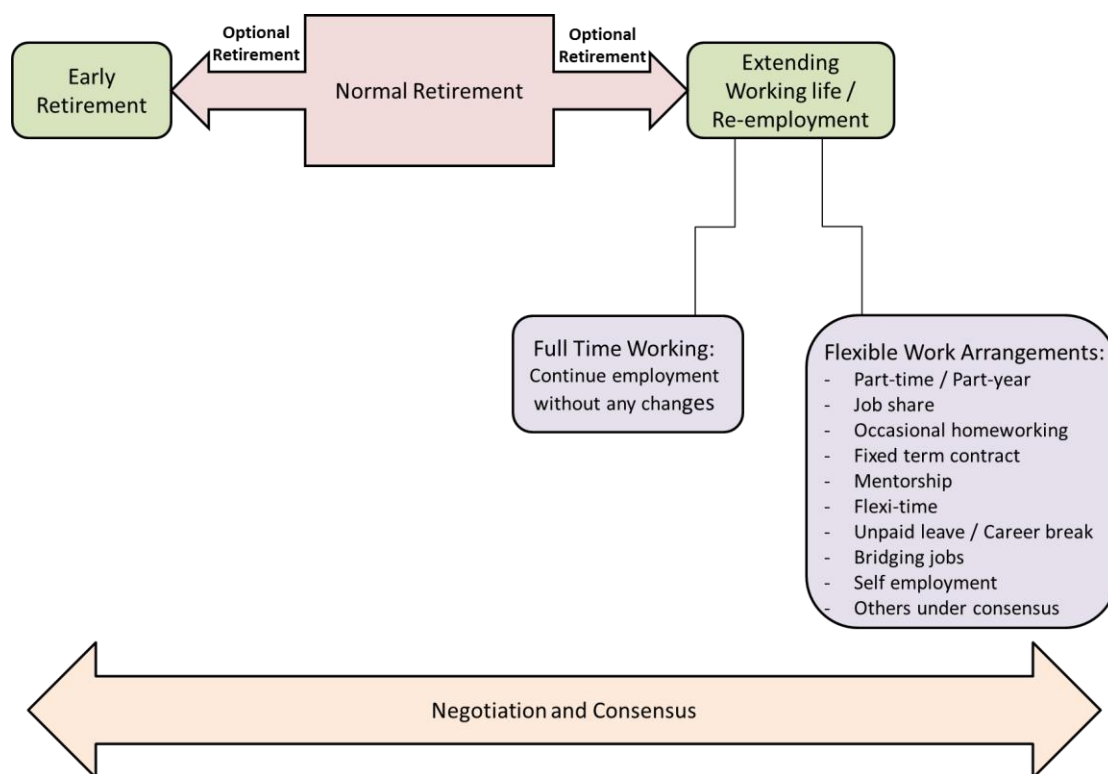


Figure 1. Proposed localized model of optional retirement



There are two major retirement options for extending working life or re-employment: (1) simple continuation of current working life and (2) flexible working arrangements. For continuation of working life, simply, employees will extend their existing employment without any changes. Regarding the flexible working arrangements, according to preferences of pre-retirees, retirees, and employers and feasibilities of organization, totally nine post-retirement work modes are identified, including part-time working or part-year working, job share, occasional homeworking, fixed term contract, mentorship, flexi-time or compressed hours, additional planned unpaid leave or career break, bridging job, and self-employment. These post-retirement work arrangements aim to provide work-life balance to older employees, reduce their job duties, working time, work pressure and job stress. Therefore, older employees can work productively and enjoy retirement life simultaneously.

Optional retirement is a new practice of retirement model in Hong Kong, deficiency of its implementation may thus inevitably appear. In particular, some employees and employers pointed out various challenges and difficulties of the implementation of optional retirement, and confusion of the concept obstructs the operation of optional retirement. When the operation can still focus on the flexibility nature, optional retirement can be regarded as a stepping stone to the reform of the retirement protection scheme. Business and non-business sectors generally make reference to the arrangement of the government on retirement. Government has thus the responsibility to take up a leading role to develop comprehensive retirement policies and regulations and to implement optional retirement, so that a paradigmatic structure and practice could be made reference to in the companies and organizations. Influencing by ageing population, extending working life and related flexible work arrangements are encouraged. The following issues should be noted, according to the perspectives of employees and employers, in launching optional retirement.

- Issue 1: it is necessary to categorize labor-intensive and non-labor-intensive industries subject to nature of jobs and occupations, as age has been the core factor to identify the benchmark of retirement at present, and retirement ages are different for these two industries due to physical and functioning capability requirement of employees.
- Issue 2: optional retirement means that employees possess freedom of choice of their preferred retirement arrangement. Currently retirement regulations and arrangements are subject to employers' willingness and employees do not have bargaining power for negotiation. Implementation of optional retirement and related flexible work arrangements should include process of negotiation and

consensus between employees and employers, in order to accommodate both needs and demands as much as possible.

- Issue 3: it is relatively important to implement optional retirement with provision of flexible arrangements and deliveries of retirement benefits. Mandatory Provident Fund (MPF) is the only mandatory scheme to provide retirement protection for employees. Currently, early withdrawal of benefits i.e. before 65-years-old is merely allowable in several circumstances, and people cannot return to workforce anymore after withdrawal. If employees continue working after 65, both employers and employees are not needed to contribute to MPF.
- Issue 4: it is indispensable to conduct further research to explore preferred post-retirement work options in particular industry, as each industry or job function has special needs of retirement arrangements.
- Issue 5: it is essential to conduct comprehensive assessments on the preferences and feasibility of optional retirement and related flexible work arrangements for each specific industry in both leading and small-medium organizations, in order to develop a most feasible and industry-adoptable optional retirement arrangements.
- Issue 6: when implementing optional retirement, it is relatively important to encourage retirement planning for soon-to-be retired employees, so that they could have a better planning and arrangement for their preferable retirement choices.

### 6.3 Policy implications and recommendations

This research study optimized the understanding of the preferences and feasibility of optional retirement and related post-retirement flexible work arrangements from different stakeholders, including employers, soon-to-be retired employees, and retirees. Some significant policy implications and recommendations are made for government and policy makers in the light of the findings.

#### 6.3.1 Reform of retirement protection scheme

The complicity of making retirement policies or the retirement preferences for employees, in large stances, is always related to retirement benefits. Currently, retirement benefits and security are mainly covered by the Mandatory Provident Fund (MPF). However, there were many criticisms and arguments on MPF, regarding its mode of contribution, withdrawal arrangement and insufficient benefits. Both pre-retirees and retirees emphasized that the arrangements of receiving MPF is not feasible enough, as they are only eligible to withdraw the benefits at the age of 65 unless permanent departure from Hong Kong, total incapacity, death or early retirement without going back to work anymore. Thus, when workers retire at 60, they

have to rely on their own savings until they are able to withdraw all the retirement benefits at age 65. It is relatively important to implement optional retirement with provision of flexible arrangements and deliveries of MPF.

In addition, it is also raised that the amounts of MPF benefits will no longer be enough as the life expectancy is rapidly increased. Since MPF is not sufficient to provide retirees enough retirement protection, government may review the existing retirement protection arrangements from regional experiences and establish other comprehensive retirement schemes. Retirement security and pension scheme has already implemented in many countries, one of the examples is from US, where the retirement protection system is well-established. Here, many interviewees agreed to set up universal retirement security system, which should be a universal old age living protection rather than income-linked protection.

#### 6.3.2 Regulating retirement age

It is quite difficult to define a retirement age for all industry sectors to implement optional retirement, as well as certain flexible work arrangements. From a human resources perspective, it is necessary to set an occupation-specific or industry-specific retirement age, as the retirement age can be a reference for organizations to have better human resources estimation and to implement certain retirement arrangements. Referencing to other western countries, it is considered to determine a universal age for retirement benefits and then discuss with business and non-business units to explore the possibilities of setting additional occupation-specific or industry-specific retirement age. In employees' perspective, a regulated retirement age is their ultimate goal so as to better prepare for their retirement life.

No matter how the flexibility of optional retirement is launched, a rigid retirement age should be prevented. The consensus of the retirement age should be subject to company's policy, while every company has different job natures. It is most ideal that even when a set retirement age has been identified, employees can still have high autonomy to decide when they would like to be relieved from work. Some interviewees stressed that it is necessary to clearly define retirement age and the age that is eligible to receive retirement benefits. Retirement should be better to link with retirement welfare, otherwise influences employees' retirement protection. For example, it is undesirable that when workers retire at 60, but MPF benefits can only be withdrawn in 65. The impact of the retirement age to optional retirement is varied. Therefore, regulating retirement age is suggested to facilitate the operation of optional retirement. Although the government is prolonging retirement age to 65, still it is only

a short-term policy to settle the graying workforce concern.

### 6.3.3 Anti-age discrimination against older workers

As shown in our findings, older employees stressed that they are always biasedly perceived to be lower qualification, as well as poor health and functional capability. In fact, older employees are invaluable assets and energetic, as well as possess enriching work experience, knowledge and technical skills, and certain areas of expertise. Such age discrimination against older workers undoubtedly increases difficulties in the implementation of optional retirement, in addition to reducing opportunities of impact post-retirement employment. To promote extension of the retirement age, as well as to implement optional retirement and related flexible work arrangements, it is necessary to effectively eliminate age discrimination in the labor market.

According to a major multi-country review of ageing and employment policies entitled “Live Longer, Work Longer”, three main policy actions are recommended to address ageism in labor market: (i) strengthening financial incentives to carry on working; (ii) tackling employment barriers on the side of employers; and (iii) improving the employability of older workers (OECD, 2006). Regarding ageism in workforce, of one accord, Australia, United States, United Kingdom and Finland agreed anti-age discrimination legislation and all of them had implemented certain actions towards the legislation and protections. To tackle ageism in the labor market, their strategies are as follows: (i) increase public awareness on anti-ageism, (ii) enhance the rights and status of older workers in labor market, (iii) develop age-friendly labor market, including opportunities of recruitment, career progression, equal pay and training opportunities, fair labor arrangements and conditions (OECD, 2014).

Presently, age discrimination in Hong Kong mainly relies on the obligations of employers, and government only has guidelines on workplace ageism for employers and employees to take references. It is recommended to review current age discrimination cases and legislations from local and regional countries and consider strengthening measures to prevent age discrimination in workplace. In addition, it is essential to re-educate employers and employees, in order to promote age diversity in workplace through dynamic array of programs, exhibitions and workshops, so as to facilitate the launching of optional retirement and certain post-retirement work arrangements.

#### 6.3.4 Enhancing employees' bargaining power

To promote anti-age discrimination in workplace, except promoting the status of older employees and emphasizing their productivity, in a long run, it is necessary to enhance employees' bargaining power. It is suggested that, government should hold a leading role to ensure fair negotiation and discussion on retirement-related arrangements between employers and employees. For example, labor unions or committees can be set up in order to negotiate with employers' representative and strive for the utmost retirement benefits and arrangements for employees. Furthermore, according to the policies from regional countries, it is also essential to enhance the employability of older people mainly by encouraging life-long learning, improving workplace skills and strengthening provision of career guidance. For example, the government can consider providing job seeker assistance program for prospective older workers to develop new skills and join job-specific training.

In addition, it is relatively important to encourage and assist employers to adapt optional retirement and flexible working arrangements to the needs of older employees. Taking references to other countries, it is suggested to promote the importance of being age-friendly employers, for example, evaluation tools are designed for older employees to rank the performance of employers and an annual award will be issued to employers who implemented the best age-friendly employment practices. As understood that age-friendly employment practices and regulations are new to local industry sectors, government may consider co-operating with interested organizations as a pilot and demonstration for an illustration of best practices in provision of post-retirement employment for older employees. Indubitably, it is agreed that many organizations are facing serious "graying" in workforce, and simultaneously suffering from high costs in retaining older employees, wage or labor insurance subsidy can be provided to those organizations which are willing to recruit older people. Certain amount of subsidy for each older employee is expected to increase the willingness of employers to retain existing and recruit older employees.

#### 6.3.5 Expediency of labor force engagement

Extending the retirement age has been a major objective of many retirement discussions, as a graying workforce has resulted from baby-boom retirement. Prolonging working life is merely a temporary expedient for the graying workforce. It is essential to consider balancing the demand and supply of the labor force, especially for particular industries. Thus, it is necessary to develop certain regulations or schemes to attract new workers. Prolonging life expectancy may facilitate the needs of launching optional retirement. Under current labor generation, working over at

least aged 65 has become normal, as good health conditions and working capability are justified. Nevertheless, the execution of optional retirement is recommended to be subject to employees' interest when they are forced to extend retirement, the nature is no longer optional instead of retirement age extension. Referencing interviewees' foreign experience of optional retirement implementation, there is already a retirees' labor force database to enhance job matching in a north European country. The database is a platform for matching suitable retirees with relevant vacancies and for listing out possible types of jobs for retired people; both employers and prospective older employees would have flexibility to fulfill their needs. The government may consider setting up an older workers' database when implementing optional retirement and related post-retirement work arrangement.

#### 6.3.6 Improving employees' understanding of retirement policies

Retirement policies are always hard to draw employees' attention, because retirement is an abstract concept. Many interviewees said that employers do not have any retirement policies to protect their retirement welfares besides from MPF contributions, which has already been deemed a responsible duty to employees. Even if employees are working in an organization in which the retirement age and arrangement has been clearly identified, the understanding towards retirement policies of their companies are still below satisfactory. Hence, employers should be obliged to regularly organize a consultation session to collect employees' opinions on retirement, as well as explain the current retirement practices and arrangements in the companies, so as to increase mutual understanding of each other. It is important for employees to know their companies' retirement policies better as it is all about their retirement protection, so as to obtain their sense of belonging and pride in their working organization.

As many private organizations have imperfect retirement arrangements at present, there is a strong need to reform the scenario. While, Hong Kong's employers lack momentum to arrange comprehensive retirement protection, as they consider cash compensation has already been the best action, but furthermore, society has a low awareness and understanding of the retirement protection concept. Therefore, one of the suggestions is to urge a widespread understanding on retirement protection from general socialization, the purpose is to change the intrinsic mindset of the employers so they may not only equalize retirement protection to cash compensation. Moreover, government should provide pre-retirement trainings or workshops to let both employers and employees deepen their awareness on retirement planning and arrangement. Since everyone has their own retirement expectations, providing relevant trainings and workshops would help employees identify retirement goals, and

further alleviate the burden that employers may take on while arranging retirement for their employees.

#### 6.3.7 Setting up industry-specific retirement policy and regulation

There would be differences in the preferences and feasibility of implementation of optional retirement and related post-retirement work options due to various needs of organizations and employers across job natures and industries. It is essential to explore the possibility of setting up industry-specific optional retirement policies and regulations, and to conduct industry-specific needs analysis to identify employees' and employers' preferences. Moreover, industry-specific labor committees or unions should be set up in order to monitor the optional retirement implementation in their own industry and to regularly evaluate effectiveness and feasibility of the overall execution. To cooperate with interested leading organizations to implement optional retirement and related flexible work arrangements in particular industry as a pilot and demonstration can better identify the difficulties and challenges in real practices, enhance feasibility of operation and provide guidance on appropriate implementation in the future.

As optional retirement may sweepingly influence the labor force development, and would undermine the possibility of social mobility for young people, who may object to optional retirement schemes. Meanwhile, retirement welfare benefits, such as pension contribution and withdrawal arrangement would be reformed because the beneficiaries are adjusted. It is suggested that any retirement policy measures should be meticulously discussed and planned in the society. Under this circumstance, the motive of policy and regulation should be clearly stated, as it would affect the whole society. A well-planned policy measures may facilitate in the implementation of optional retirement, while different stakeholders' opinions have been also consulted and reflected.

## **Chapter 7 Conclusion**

Hong Kong is suffering from a rapid ageing population, and the tide of baby-boomers looking to retire has risen. With most organizations having mandatory retirement age to terminate employees' participation in workforce, experienced and skillful manpower are completely wasted, which severely dissolves the city's productivity under the diminishing of workforce. The labor shortage will become common in the future years in particular industry. Indeed, considering the ageing population and graying workforce, extension of the retirement age and re-employment of older people should be given greater awareness.

Governments worldwide have already implemented optional retirement as a solution to maintain sufficient workforce and retain older employees. To study the preferences and feasibility of implementing optional retirement in Hong Kong, focus groups and in-depth interviews have been conducted to collect information from employers, soon-to-be retired employees and retirees from business and non-business sectors. Generally, interviewees agreed that launching optional retirement and related post-retirement work arrangements are necessary and realistic in Hong Kong. The most important concern of optional retirement is that the regulations and arrangements should be flexible enough and could provide respect to employees' personal choices of post-retirement life.

Several essential issues that could facilitate or obstruct the implementation of optional retirement are identified. First of all, age discrimination should be prevented in the work environment, and negative stereotypes of the elderly should be changed as life expectancy has increased and most people aged 60-65 are still healthy, productive and efficient. In addition, the status and bargaining power of older employees should be promoted, because currently, employees do not have freedom of choices and in some cases, they are forced to adopt retirement regulations and arrangements. Negotiation and consensus between employers and employees for any retirement regulations and arrangements are important to fulfill both needs. Furthermore, the less flexibility of the Mandatory Provident Fund (MPF) regulations and practices such as mode of contribution and benefits withdrawal which based on a designated retirement age would significantly influence the execution of optional retirement and relevant policy measures, as optional retirement may not require a mandatory age of retirement.



To conclude, optional retirement is a trend in the worldwide and is one possible and reasonable solution to tackle labor shortage, maintain precious skills and manpower, pass on important skills and knowledge, promote social participation in old age, and provide a solution to retirees' financial security. As different industries may have specific needs and considerations on retirement arrangement, to enhance the feasibility, as well as the utmost benefits for various stakeholders, the implementation of optional retirement should provide diverse alternatives and should be industry- or occupation-specific.

## References

- Age Management Resource Portal (2013a). *Age Management Toolkit*. Singapore National Employers Federations. Retrieved from <http://www.re-employment.sg/web/Contents/Contents.aspx?Id=116>
- Age Management Resource Portal (2013b). *Wholesale and Retail Trade: Nestle Singapore*. Singapore National Employers Federations. Retrieved from <http://www.re-employment.sg/web/contents/Contents.aspx?ContId=298>
- American Association of Retired Persons (2002a). *Staying Ahead of the Curve: The AARP Work and Career Study*. Washington, DC: AARP
- American Association of Retired Persons (2002b). *Attitude of Individuals 50 and Older toward Phased Retirement*. Washington, DC: AARP
- American Association of Retired Persons (2006). *Phased Retirement and Flexible Retirement Arrangements: Strategies for Retaining Skilled Workers*. Washington, DC: AARP
- Australian Bureau of Statistics (2005). *Australia in 2051: Almost Half the Population Older than 50 years*. Media Release. Retrieved from <http://www.abs.gov.au/ausstats/abs@.nsf/mmediareleasesbytitle/7BC2291979320950CA2570C7007DA2D7?OpenDocument>
- Bernard, H.R. (2002). *Research Methods in Anthropology: Qualitative and Quantitative Methods*. 3<sup>rd</sup> ed. California: AltaMira Press.
- Bontout, O and Fischer, G. (2007). *Trends in European Pension Reforms*. Retrieved August 2014, from <http://www.mrrc.isr.umich.edu/news/events/docs/2007RRC/papers/F1p.pdf>
- Borland, J. (2005). Transitions to retirement- a review. Working paper No. 3/05. Melbourne Institute of Applied Economic and Social Research.
- Butrica B., Smith K. and Steuerle E. (2007). Working for a Good Retirement. In: Papadimitriou DB. (Ed.) *Government Spending on the Elderly*. New York: Palgrave

Macmillan. Pp. 141-174

Calvo E. (2006). *Does Working Longer Make People Healthier and happier*. Work Opportunities for Older American Series 2. Chestnut Hill, MA: Center for Retirement Research at Boston College.

Census and Statistics Department (2009). *Thematic Household Survey Report No. 42: Importance of Age Factor in Employment*. Hong Kong: Census and Statistics Department.

Census and Statistics Department (2012a). *Demographic Trends in Hong Kong 1981-2011*. Retrieved October 2013, from <http://www.statistics.gov.hk/pub/B1120017032012XXXXB0100.pdf>

Census and Statistics Department (2012b). *2011 Population Census- Thematic Report: Older Persons*. Retrieved June 2014, from <http://www.census2011.gov.hk/pdf/older-persons.pdf>

Census and Statistics Department (2012c). *Hong Kong Population Projections 2012-2041*. Retrieved June 2014, from <http://www.statistics.gov.hk/pub/B71208FB2012XXXXB0100.pdf>

Census and Statistics Department (2012d). *Hong Kong Life Tables: 2006-2041*. Retrieved June 2014, from <http://www.statistics.gov.hk/pub/B1120016052012XXXXB0100.pdf>

Census and Statistics Department (2012e). *2011 Population Census Main Report: Volume I*. Retrieved June 2014, from <http://www.census2011.gov.hk/pdf/main-report-volume-I.pdf>

Census and Statistics Department (2013). *Retirement Planning and the Financial Situation in Old Age*. Retrieved from <http://www.statistics.gov.hk/pub/B11302522013XXXXB0100.pdf>

Centre for Diversity Policy Research and Practice (2011). *Managing Flexible Retirement and Extended Working Lives*. Oxford Brookes University. Retrieved from <http://www.ecu.ac.uk/wp-content/uploads/external/managing-flexible-retirement-resource-guide.pdf>

Chan, A., Ma, C., Lu., J. and Lau, H. (2009). *Optional Retirement: Better Choice*. Hong Kong: Bauhinia Foundation Research Centre.

Civil Services Bureau (2013). *Retirement*. Retrieved from <http://www.csb.gov.hk/english/admin/retirement/183.html>

Civil Services Bureau (2015). Extension of the Service of Civil Servants. Retrieved January 2015, from <http://www.csb.gov.hk/english/letter/2612.html>

Equal Opportunities Commission (2014). *Study on Discrimination in the Hong Kong Workplace*. Retrieved November 2014, from <http://www.eoc.org.hk/EOC/Upload/ResearchReport/WorkplaceDiscrimination/eReport.pdf>

European Commission (2012). *White paper: an agenda for adequate, safe and sustainable pensions*. Retrieved July 2014, from <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0055:FIN:EN:PDF>

Graebner, W. (1980). *A History of Retirement: the meaning and function of an American institution, 1885–1978*, New Haven: Yale University Press.

Greenberg, L. (1961). *Productivity of Older Workers*. *The Gerontologist*, 1(1): 38-41.

Holzmann, R. Orenstein, M, and Rutkowski, M. (2003). Pension Reform in Europe: Process and Progress. Retrieved August 2014, from <http://documents.worldbank.org/curated/en/2003/02/2432540/pension-reform-europe-process-progress>  
Hong Kong Economy (2013) *Third Quarter Economic Report 2013*. HKSAR.

Hong Kong Ideas Centre (2014). Study on Young Elderly in Hong Kong. Retrieved from <http://www.ideascentre.hk/wordpress/wp-content/uploads/2009/02/Elderly-Main-Report-Final.pdf>

Hong Kong Institute of Asia-Pacific Studies (2014). *Survey Findings on Views about Extension of Retirement Age*. CUHK.

Hooyman, N and Kiyak, H. A. (2002). *Social Gerontology: A Multidisciplinary Perspective* (6th ed). Boston: Allyn & Bacon.

HSBC (2007). *The Future of Retirement: The New Old Age*. HSBC Insurance.

HSBC (2013). *Life after Work?*. HSBC Insurance.

Ilmarinen J.E. (2001). *Ageing Workers*. Occupational and Environmental Medicine 58, pp. 546-552.

Johnson R.W. (2010). *Phased Retirement and Workplace Flexibility for Older Adults: Opportunities and Challenges*. The Urban Institute.

Labour and Welfare Bureau (2013). *Report on Manpower Projection to 2018*. Retrieved August 2013, from [http://www.lwb.gov.hk/report/mp2018\\_en.pdf](http://www.lwb.gov.hk/report/mp2018_en.pdf)

Legislative Council (2013). *Chief Secretary closing remark for the motion of "formulating population policy"* (政務司司長就「制訂人口政策」議案總結發言). Retrieved August 2013, from <http://www.info.gov.hk/gia/general/201307/04/P201307040032.htm>

Lodge C. and Carnell E. (2011). *Retired but still a Physicist*. Institute of Physics. Retrieved from [www.iop.org/careers/workinglife/articles/page\\_48270.html](http://www.iop.org/careers/workinglife/articles/page_48270.html)

Lundberg D. and Marshallsay Z. (2007). *Older Workers' Perspectives on Training and Retention of Older Workers*. A National Vocational Education and Training Research and Evaluation Program Report. Australian Government

Mallier, T. and Shafto, T. (1994). *Flexible Retirement and the Third Age*. International Journal of Manpower, 15(1): 38-54.

MingPao 明報 (2013). 蔡傳威&梁杏怡. 七成企業撐延退休年齡 60 歲以上打工仔 10 年增逾倍, 1 月 10 日, [http://www.mpfinance.com/htm/finance/20130110/news/ec\\_got1.htm](http://www.mpfinance.com/htm/finance/20130110/news/ec_got1.htm)

Ministry of Manpower (2013). *Retirement and Re-employment Act*. Retrieved from [http://www.mom.gov.sg/employment-practices/employment-rights-conditions/retirement/Pages/retirement.aspx#Re-employment Terms](http://www.mom.gov.sg/employment-practices/employment-rights-conditions/retirement/Pages/retirement.aspx#Re-employment%20Terms).

National Institute on Ageing (2007). *Growing Older in America: The Health and Retirement Study*. Retrieved July 2014, from <http://www.nia.nih.gov/health/publication/growing-older-america-health-and-retirement-study/preface>.

Nilsson K., Hydbom AR. and Rylander L. (2011). *Factors Influencing the Decision to Extend Working Life or Retire*. Scand J Work Environ Health 37(6), pp. 473-480

OECD (2006). *Live Longer, Work Longer: A Synthesis Report*. Retrieved February 2015, from <http://www.oecd.org/employment/livelongerworklonger.htm>

OECD (2014) *Ageing and Employment Policies (Information of Australia, United States, United Kingdom and Finland)*. Retrieved February 2015, from <http://www.oecd.org/els/emp/ageingandemploymentpolicies.htm#Review>

Office of Personnel Management (2014). *OPM Issues Final Rule on Phased Retirement*. News Release, Retrieved from <http://www.opm.gov/news/releases/2014/08/opm-issues-final-rule-on-phased-retirement/>

Parker, S. (1982). *Work and Retirement*. George Allen & Unwin Publisher.

Pedersini, R. (2001). *Progressive retirement in Europe*. Retrieved July 2014, from <http://www.eurofound.europa.eu/eiro/2001/09/study/tn0109184s.htm>

Policy Address (2015). *Unleashing the Potential of Local Labour Force*. Retrieved January 2015, from <http://www.policyaddress.gov.hk/2015/eng/p135.html>

Productivity Commission (2005) *Economic Implications of an Ageing Australia*. Productivity Commission Research Report

Reynolds S., Ridlet N. and Van Horn C.E. (2005). *A Work-Filled Retirement: Workers' Changing Views on Employment and Leisure*. Worktrends 8.1. New Brunswick, NJ: John J. Heldrich Center for Workforce Development, Rutgers University.

Robertson, A. and Tracy, C.S. (1998). *Health and Productivity of Older Workers*. Scandinavian Journal of Work, Environment and Health, 24(2), 85-91.

Scholossberg, N.K. (2004). *Retire Smart, Retire Happy: Finding Your True Path in Life*. American Psychological Association.

Steering Committee on Population Policy (2012). *Steering Committee on Population Policy Progress Report (2012)* Hong Kong: *Government Logistics Department*. Retrieved September 2014, from <http://www.admwing.gov.hk/pdf/SCPP%20Progress%20Report%202012%20%28Eng%29.pdf>

Tuominen E. (2013). *Flexible Retirement Age in Finland: The Evaluation of the Finnish Flexible Retirement Scheme in Light of Employer and Employees Surveys*. Finnish Centre for Pensions, Working Papers 2013:3

Tuominen E., Takala M., Ahonen K. and Karisalmi S. (2010). Retirement Intentions of Employees in the 21<sup>st</sup> Century. In: Tuominen E., Takala M. and Forma P. (Eds.) *Working Conditions and Continuing at Work*. Finnish Centre for Pension, 2010: 2, pp. 91-132

Van Dalen, H.P., Henkens, K. and Schippers, J. (2010). *Productivity of Older Workers: Perceptions of Employers and Employees*. Population and Development Review, 36(2): 309-30.

Walker, A. (1993). *Age and Attitudes*. Brussels: EC Commission.

Walker, A. (1999). *The Future of Pensions and Retirement in Europe: Towards Productive Ageing*. The Geneva Papers on Risk and Insurance. 24(4): 448-460

Walker, A. and Taylor, P. (1991). *Ageism versus Productive Ageing*. Sheffield: University of Sheffield.

Walker, A and Taylor, P. (1998). *Combating Age Barriers in Employment— A European Portfolio of Good Practice*. Luxembourg: Office for the Official Publications of the European Communities.

Workplace Resources Pty Ltd (2008). *Transitional Arrangements for Retirement Aged Employees within Local Government, South Australia*.

Yin, R.K. (2009). *Case Study Research: Design and Methods*. 4<sup>th</sup> ed. Thousand Oaks: Sage Publications.

## Appendix 1 Consent Form

### 參與焦點小組同意書

#### Consent form

本人謹此同意參與由嶺南大學亞太老年學研究中心陳章明教授負責的「從人力資源管理看香港推行彈性退休偏好及可行性研究」。本人明白所提供的資料將會作研究及出版用途，個人資料將會絕對保密，並不會公開。有關研究內容和程序在研究開始前已經充分解釋，本人明白當中涉及的利益及風險，並自願參與是次研究。焦點小組開始時，本人知悉有權對研究的程序和內容進行提問，以及可以隨時退出訪談。

I hereby consent to participate in “A Study On The Preferences and Feasibility of Optional Retirement in Hong Kong: A Human Resources Management Perspective” conducted by Professor Alfred Chan, Director of Asia-Pacific Institute of Ageing studies of Lingnan University. I understand information provided will be used only for research and publication purpose, and personal data will be kept strictly confidential and will not be disclosed to the public. The study contents and procedures have been fully explained before starting the interview. I understand all the benefits and risks involved of the study and voluntarily participate in this study. During the focus group interview, I realize I can ask about the study procedures and contents, and quit at any time I want.

參加者姓名 Name : \_\_\_\_\_

參加者簽名 Signature : \_\_\_\_\_

### 錄音同意書

#### Consent for audio recording

本人亦謹此同意為以下焦點小組的內容進行錄音，錄音的資料只會為嶺南大學亞太老年學研究中心作學術研究及出版用途，研究完成後六個月內會全部刪除。本人明白個人資料將會保密，並不會公開，以及可以隨時拒絕進行錄音。

I hereby consent to the audio recording of my participation in the focus group interview. All audio information will be used by Asia-Pacific Institute of Ageing studies of Lingnan University for academic and publication purpose only, and all data will be discarded after 6 months of the completion of the study. I understand personal data will be kept strictly confidential and will not be disclosed to the public, and I can refuse to be recorded at any time during the interview.

參加者簽名 Signature : \_\_\_\_\_

研究人員姓名 Researcher name : \_\_\_\_\_

研究人員簽名 Researcher signature : \_\_\_\_\_

日期 Date : \_\_\_\_\_



## Appendix 2 Demographic Data Form

### 個人資料表格 Personal information sheet

1. 姓名 Name : \_\_\_\_\_

2. 性別 Sex : ☐ 男 M ☐ 女 F

3. 年齡 Age : \_\_\_\_\_

4. 教育程度 Education level

☐ 從未接受教育  
Never educated

☐ 小學或以下  
Primary school or below

☐ 初中 (中一至中三)  
Junior secondary (F.1-F.3)

☐ 高中 (中四至中六)  
Senior secondary (F.4-F.6)

☐ 大學  
Undergraduate or above

☐ 其他，請註明: \_\_\_\_\_  
Others, please specify

5. 是否已退休? Have you retired?

☐ 是，已退休 \_\_\_\_\_ 個月 ☐ 否  
Yes, retired for \_\_\_\_\_ months No

6. 現時/退休前工作狀態 Current/ Pre-retiring working condition

☐ 兼職  
Part time

☐ 全職  
Full time

☐ 其他，請註明 \_\_\_\_\_  
Others, please specify

7. 現時/退休前職業 Current/Previous occupation

\_\_\_\_\_

8. 現時/退休前就職公司名稱

Current/Previous company name

\_\_\_\_\_

9. 現時個人每月收入為      Your current personal monthly income

☐ < \$5000      ☐ \$5000-\$9999      ☐ \$10000-\$19999      ☐ \$20000-\$29999

☐ \$30000-\$39999      ☐ \$40000-\$49999      ☐ \$50000-\$59999      ☐ ≥ \$60000

☐ 無收入      ☐ 其他，請註明\_\_\_\_\_

No income

Others, please specify

10. 現時有否參與義工服務      Do you participate in voluntary work now?

☐ 無      ☐ 有，請註明\_\_\_\_\_

No

Yes, please specify

## Appendix 3 Focus Group Guide for Retirees

### 退休人士焦點小組訪談大綱

#### Retirees' interview guide

嶺南大學亞太老年學研究中心現正進行「從人力資源管理看香港推行彈性退休偏好及可行性研究」的研究調查，從而了解香港推行彈性退休的可行性，以及潛在的挑戰及困難。您所提供的資料有助我們建立一個適合香港「彈性退休」的模式，提交意見予政府作參考和長遠考慮，因此您的意見非常寶貴。

Asia-Pacific Institute of Ageing studies of Lingnan University is now conducting “A Study On The Preferences and Feasibility of Optional Retirement in Hong Kong: A Human Resources Management Perspective”. The research aims to understand the feasibility of the practice of optional retirement in Hong Kong, and its underlying challenges as well as difficulties. Your information provided would be helpful for us to formulate an appropriate optional retirement for Hong Kong context, and share with the government for further reference and consideration. Therefore, your opinions are very treasurable.

#### 退休生活的目標與展望

##### *Goals and prospects of retirement life*

1a.) 你幾時退休的？

When did you retire?

1b.) 你為甚麼會退休？

Why did you retire?

2a.) 你熟悉退休前工作的公司的退休政策嗎？

Were you familiar with the retirement policy of your company?

2b.) 你退休前工作的公司有為準退休員工作出甚麼退休後的安排嗎？

Did your company have any retirement arrangement for pre-retirees?

3a.) 你對現時的退休生活感到滿意嗎？

Are you satisfied with current retirement life?

3b.) 你心目中或理想的退休生活是怎樣的？

What is your preferred retirement life?

3c.) 你認為現時的退休生活符合你預期的設想嗎？

Does current retirement life meet your expectation?

4a.) 退休前，你有為退休生活作任何打算嗎？

Did you have any retirement planning before retirement?

4b.) 在預備退休生活的過程中遇到甚麼阻礙嗎？

Had you encountered any barriers during your retirement planning?

4c.) 你又會如何解決有關的阻礙？

How did you tackle the barriers?

### *退休後的工作和安排*

#### ***Post-retirement job and arrangement***

5a.) 你現時有繼續工作嗎？（有答 5b-5d，無只答 5e）

Do you have job now? (Please answer 5b-5d if currently employed, please answer 5e if currently jobless)

5b.) 若有，原因為何？

If currently employed, why?

5c.) 你滿意現時的工作情況（例：工作環境、性質或薪酬）嗎？

Are you satisfied with current working condition? (e.g. working environments, working nature and salary)

5d.) 你覺得自己有能力勝任這份工作嗎？

Do you feel capable for this job?

5e.) 若無，原因為何？

If currently jobless, why?

6a.) 如果再有一次機會決定，你屬意的退休後之工作或生活模式是怎樣？

If you have a chance again, what is your preferred life or work mode after retirement age?

6b.) 以下列舉了一些退休後之工作或生活模式，請選取其中三項，並請說明選取原因。Please pick up three options from the below and then explain your choice.

<p>退休後之工作/生活模式 Mode of retirement/life</p>	<p>描述 Descriptions</p>
<p>1. 完全退休 Full retirement</p>	<p>員工不再投身工作，盡情享受退休生活。 Employees would not work again and fully enjoy their retirement.</p>
<p>2. 全職工作 Full-time working</p>	<p>員工與退休前無異，仍以全職僱員身份繼續工作。 The role of employees remains unchanged. They are still full-time employees.</p>
<p>3. 半職/兼職工作 Part-time working/Part year working</p>	<p>員工在退休後繼續工作，工作時間會較全職工作短。 Employees would continue working, but with shorter working hours.</p>
<p>4. 工作分攤制 Job Share</p>	<p>以降低工作時數的方式，讓更多人分擔固定工作量，藉此保障現有員工續任。 Reduced working hours with others to share the workload.</p>
<p>5. 居家工作 Occasional homeworking</p>	<p>員工在家工作，充分地享受工作時間及地點的自由。 Employees work at home and enjoy flexible working time and working place.</p>
<p>6. 固定合約聘用關係 Fixed term contract</p>	<p>根據不同的項目，僱主與員工簽訂合約，規定該項目內容和期限。合約期後，僱傭關係便會自動無效。 According to different projects' requirements, employers and employees sign a contract which specifies the terms of condition and duration. The terms of employment would automatically lapse while the contract is expired.</p>
<p>7. 彈性工作時間 Flexi-time/Compressed hours</p>	<p>員工可依據自己的需要，並在僱主同意下自行調整或縮減上下班時間。 Employees are able to adjust or reduce working hours with the agreement of employers.</p>
<p>8. 停薪休假/停薪留職 Additional planned unpaid leave/ Career break</p>	<p>員工可要求無薪休假/停薪留職一段時間，從而獲得額外的休息時間及進行其他自己屬意的活動。 Employees are able to take a break from</p>

	paid work to undertake travel or other leisure activities without permanently leaving the employment.
9. 工作性質轉換 Bridging jobs	員工可與僱主商議轉換自己的角色和工作職能，以及減少工作時間。 Employees are able to negotiate with employers for a change of role and responsibilities and reduce working hours.
10. 自僱工作 Self-employment	為本身工作而非受僱，例如自行經營業務者。 Employees are self-employed and self-financed.
11. 其他, 請註明: _____ Others, please specify	

### **「彈性退休」**

#### **Optional retirement**

7.) 你覺得甚麼是「彈性退休」？

What is optional retirement?

8.) 你同意在香港推行「彈性退休」嗎？

Do you agree to promote optional retirement in Hong Kong?

9.) 你退休前工作的公司有甚麼推動「彈性退休」的措施嗎？

What measures did your company have on promoting optional retirement?

10.) 你認為在推動「彈性退休」上會有甚麼難度和挑戰？

What are the difficulties and challenges while promoting optional retirement?

11.) 你認為政府在「彈性退休」的政策中應扮演甚麼角色？

What role should the government perform in optional retirement policy?

### **其他**

#### **Others**

12.) 各自發表其他有關退休範疇的意見。

Any other business on retirement.

## Appendix 4 Focus Group Guide for Pre-retirees

### Pre-retirees' interview guide 準退休人士焦點小組訪談大綱

嶺南大學亞太老年學研究中心現正進行「從人力資源管理看香港推行彈性退休偏好及可行性研究」的研究調查，從而了解香港推行彈性退休的可行性，以及潛在的挑戰及困難。您所提供的資料有助我們建立一個適合香港「彈性退休」的模式，提交意見予政府作參考和長遠考慮，因此您的意見非常寶貴。

Asia-Pacific Institute of Ageing studies of Lingnan University is now conducting “A Study On The Preferences and Feasibility of Optional Retirement in Hong Kong: A Human Resources Management Perspective”. The research aims are to understanding the feasibility of the practice of optional retirement in Hong Kong, and its underlying challenges as well as difficulties. Your information provided will be helpful for us to formulate an appropriate optional retirement for Hong Kong context, and share with the government for further reference and consideration. Therefore, your opinions are very treasurable.

#### *退休生活的目標與展望*

#### *Goals and prospects of retirement life*

1a.) 你現在從事甚麼工作？

What is your job now?

1b.) 你有考慮在何時退休嗎？

Have you ever thought about when should get retired?

1c.) 甚麼因素會令你想/不想退休？

What factors do affect your retirement decision?

2a.) 你有為退休生活作任何打算嗎？

Do you have any planning for your retirement?

2b.) 在預備退休生活的過程中遇到甚麼阻礙嗎？你會如何解決有關的阻礙？

What is the obstacle when you plan for your retirement? How do you tackle it?

2c.) 你心目中理想的退休生活是怎樣？

How is your preferred retirement life?

### 退休後的工作和安排

#### **Post-retirement job and arrangement**

3a.) 你願意在退休後繼續工作嗎？

Do you wish carrying on work after retirement?

3b.) 若願意，原因為何？ Why do you wish to?

若不願意，原因為何？ Why do you not wish to?

3c.) 你覺得自己有能力勝任退休後的工作嗎？

Do you feel capable to work after retirement?

4.) 據你理解，你現時工作的公司有為準退休員工作出甚麼退休後的安排嗎？

Does your company have any retirement arrangement for pre-retirees?

5a.) 當你步入退休年齡後，你屬意的退休後之工作或生活模式是怎樣？

What is your preferred life or work mode after retirement age?

5b.) 以下列舉了一些退休後之工作或生活模式，請選取其中三項，並請說明選取原因。 Please pick up three options from the below and then explain your choice.

退休後之工作/生活模式 Mode of retirement/life	描述 Descriptions
1. 完全退休 Full retirement	員工不再投身工作，盡情享受退休生活。 Employees would not work again and fully enjoy their retirement.
2. 全職工作 Full-time working	員工與退休前無異，仍以全職僱員身份繼續工作。 The role of employees remains unchanged. They are still full-time employees.
3. 半職/兼職工作 Part-time working/Part year working	員工在退休後繼續工作，工作時間會較全職工作短。 Employees would continue working, but with shorter working hours.
4. 工作分攤制 Job Share	以降低工作時數的方式，讓更多人分擔固定工作量，藉此保障現有員工續任。 Reduced working hours with others to share the workload.



5. 居家工作 Occasional homeworking	員工在家工作，充分地享受工作時間及地點的自由。 Employees work at home and enjoy flexible working time and working place.
6. 固定合約聘用關係 Fixed term contract	根據不同的項目，僱主與員工簽訂合約，規定該項目內容和期限。合約期後，僱傭關係便會自動無效。 According to different projects' requirements, employers and employees sign a contract which specifies the terms of condition and duration. The terms of employment would automatically lapse while the contract is expired.
7. 彈性工作時間 Flexi-time/Compressed hours	員工可依據自己的需要，並在僱主同意下自行調整或縮減上下班時間。 Employees are able to adjust or reduce working hours with the agreement of employers.
8. 停薪休假/停薪留職 Additional planned unpaid leave/ Career break	員工可要求無薪休假/停薪留職一段時間，從而獲得額外的休息時間及進行其他自己屬意的活動。 Employees are able to take a break from paid work to undertake travel or other leisure activities without permanently leaving the employment.
9. 工作性質轉換 Bridging jobs	員工可與僱主商議轉換自己的角色和工作職能，以及減少工作時間。 Employees are able to negotiate with employers for a change of role and responsibilities and reduce working hours.
10. 自僱工作 Self-employment	為本身工作而非受僱，例如自行經營業務者。 Employees are self-employed and self-financed.
11. 其他，請註明: _____ Others, please specify	

### 彈性退休

#### *Optional retirement*

6.) 你覺得甚麼是「彈性退休」？

What is optional retirement?

7.) 你同意在香港推行「彈性退休」嗎？

Do you agree to promote optional retirement in Hong Kong?

8.) 你現時工作的公司有甚麼推動「彈性退休」的措施嗎？

What measures does your company have on promoting optional retirement?

9.) 你認為在推動「彈性退休」上會有甚麼難度和挑戰？

What are the difficulties and challenges while promoting optional retirement?

10.) 你認為政府在「彈性退休」的政策中應扮演甚麼角色？

What role should the government perform in optional retirement policy?

*其他*

*Others*

11.) 各自發表其他有關退休範疇的意見。

Any other business on retirement.

## **Appendix 5 In-depth Interview Guide for Employers, Administrators and Human Resources Directors**

多謝您應邀接受我們的訪談！嶺南大學亞太老年學研究中心現正進行「從人力資源管理看香港推行彈性退休偏好及可行性研究」的研究調查，從而了解香港推行彈性退休的可行性，以及潛在的挑戰及困難。您所提供的資料有助我們建立一個適合香港「彈性退休」的模式，提交意見予政府作參考和長遠考慮，因此您的意見非常寶貴。

Asia-Pacific Institute of Ageing studies of Lingnan University is now conducting “A Study On The Preferences and Feasibility of Optional Retirement in Hong Kong: A Human Resources Management Perspective”. The research aims are to understanding the feasibility of the practice of optional retirement in Hong Kong, and its underlying challenges as well as difficulties. Your information provided will be helpful for us to formulate an appropriate optional retirement for Hong Kong context, and share with the government for further reference and consideration. Therefore, your opinions are very treasurable.

### ***退休的行政管理和安排***

#### ***Retirement management and arrangement***

1a.) 現時貴公司員工退休安排是怎樣的？

How's your company's retirement arrangement?

1b.) 貴公司現時對於退休年齡是否有明確規定？

Does your company specify a retirement age?

1c.) 據你理解，準退休員工對公司的退休安排及所定的退休年齡有甚麼意見？

According to your understanding, what are the views towards retirement arrangement and retirement age from soon-to-be-retired employees?

2a.) 貴公司會否考慮延長員工的退休年齡？為甚麼？

Would your company consider extending the retirement age? Why?

2b.) 據你理解，貴公司的準退休員工對於退休後繼續工作有甚麼意見？

According to your understanding, what are the views towards post-retirement work from soon-to-be-retired employees?

3.) 貴公司現時對於招聘已屆退休年齡的人士有甚麼政策、意見和立場？

What are the policies, views and standpoints of your company on employing old-aged employees?

4a.) 貴公司現時有為年長員工設計專門的培訓項目嗎？

Does your company offer specialized training to old-aged employees?

4b.) 有否因應年長員工的需要提供適當的工作環境？

Have your company provided suitable working environments in terms of the needs of old-aged employees?

### **「彈性退休」**

#### ***Optional retirement***

5.) 你覺得甚麼是「彈性退休」？

What is optional retirement?

6.) 你同意在香港推行「彈性退休」嗎？

Do you agree to promote optional retirement in Hong Kong?

7.) 貴公司現時有甚麼推動「彈性退休」的措施嗎？

What measures does your company have on promoting optional retirement?

8.) 你認為在推動「彈性退休」上會有甚麼難度和挑戰？

What are the difficulties and challenges while promoting optional retirement?

9.) 你認為政府在「彈性退休」的政策中應扮演甚麼角色？

What role should the government perform in optional retirement policy?

10a.) 當你步入退休年齡後，你屬意的退休後之工作或生活模式是怎樣？

What is your preferred life or work mode after retirement age?

10b.) 以下列舉了一些退休後之工作或生活模式，請選取其中三項。

Please pick up three options from the below and then explain your choice.

退休後之工作/生活模式 Mode of retirement/life	描述 Descriptions
1. 完全退休 Full retirement	員工不再投身工作，盡情享受退休生活。 Employees would not work again and fully enjoy their retirement.
2. 全職工作 Full-time working	員工與退休前無異，仍以全職僱員身份繼續工作。 The role of employees remains unchanged. They are still full-time employees.
3. 半職/兼職工作 Part-time working/Part year working	員工在退休後繼續工作，工作時間會較全職工作短。 Employees would continue working, but with shorter working hours.
4. 工作分攤制 Job Share	以降低工作時數的方式，讓更多人分擔固定工作量，藉此保障現有員工續任。 Reduced working hours with others to share the workload.
5. 居家工作 Occasional homeworking	員工在家工作，充分地享受工作時間及地點的自由。 Employees work at home and enjoy flexible working time and working place.
6. 固定合約聘用關係 Fixed term contract	根據不同的項目，僱主與員工簽訂合約，規定該項目內容和期限。合約期後，僱傭關係便會自動無效。 According to different projects' requirements, employers and employees sign a contract which specifies the terms of condition and duration. The terms of employment would automatically lapse while the contract is expired.
7. 彈性工作時間 Flexi-time/Compressed hours	員工可依據自己的需要，並在僱主同意下自行調整或縮減上下班時間。 Employees are able to adjust or reduce working hours with the agreement of employers.

8. 停薪休假/停薪留職 Additional planned unpaid leave/ Career break	員工可要求無薪休假/停薪留職一段時間，從而獲得額外的休息時間及進行其他自己屬意的活動。 Employees are able to take a break from paid work to undertake travel or other leisure activities without permanently leaving the employment.
9. 工作性質轉換 Bridging jobs	員工可與僱主商議轉換自己的角色和工作職能，以及減少工作時間。 Employees are able to negotiate with employers for a change of role and responsibilities and reduce working hours.
10. 自僱工作 Self-employment	為本身工作而非受僱，例如自行經營業務者。 Employees are self-employed and self-financed.
11. 其他，請註明:_____	
Others, please specify	

### **其他**

#### **Others**

11.) 各自發表其他有關退休範疇的意見。

Any other business on retirement.