

Early Retirement Program: Study on the Motivating Factors

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Abstract— This study aims to determine the factors that motivating employees in taking early retirement program. In this study, the author uses the theory of intuition, the theory of dismissal, the theory of retirement, and the theory of early retirement. This research used descriptive with a qualitative approach. Respondents generally were all employees who apply for and passed the early retirement in 2019 at PT. Bank Muamalat Indonesia, Tbk. Bandung Branch. The instruments used are researchers, observation and interview guides. The analysis used an interactive model analysis. The results show that there are six factors that motivating employees to take early retirement program such as to take care of the family, taking advantage and opportunity of program offered by the company, get another job, motivation to become an entrepreneur, dissatisfaction of benefits, the desire to enjoy old age with retirement. Take care of the family is considered as the main factor since the employee who decides to take early retirement program are dominated by women employee. This research is expected to contribute as a reference especially for the Human Resource Department in the banking industry to perform better management of human capital.

Keywords—Early Retirement Program, Early Retirement Factors, Intention, Termination, Motivating

I. INTRODUCTION

No longer as a business entity, the Islamic financial industry not only operated to fulfill the religious obligations of the Muslim community but also to cater to the needs and demands of new customers as well [1]. It is in line with the financial services industry in Indonesia which is currently growing very rapidly. Technology development is one of the factors driving the development of the industry. Banking as a financial industry that utilizes technology in its activities must certainly be able to adapt to technological developments that are so fast as well as customers' demand.

Technology-based products facilitate lower risk than traditional banking products, give opportunities to have significant cost advantages and increasing profitability [2]. To take advantage of this condition, companies are required to be able to adapt to these changes so that the company maintains good performance. adaptation carried out by the company can be in the form of policy changes, new system implementation or changes to the organization.

Organizational change is one of the efforts that can be taken to maintain a company's performance. Organizational change is a change in an organization, such as adding new people, modifying a program and so on. Changes do not have to be implemented in an organization. Specifically,

organizations must make changes in the organization itself to improve the performance of the organization and leave behind the slumps that occur [3].

Changes in business conditions and environmental forces such as organization changes usually cause a surplus of employees. To manage the employee's surplus the organization should develop balanced strategies. Proactive strategic planning such as offering voluntary separation plans can be a choice to adopt and implemented to manage employees' surplus [4]. Manthis and Jackson's early retirement intended to motivating employees who more senior to leave more organization the beginning of what should be. Employers interested in voluntary separation plans because it significantly reduce payroll costs [5]. Early retirement is one form of retirement which occurs by the will of the employee itself or organizational motivatingment made earlier than proper retirement provisions [6].

PT. Bank Muamalat Indonesia, Tbk., as one of the financial services industry players, certainly faces the same challenge namely having to be able to maintain its performance due to changes that have occurred. Reorganization or organizational change is one of the choices made to maintain the performance of the company. In this case, PT. Bank Muamalat Indonesia, Tbk., offers a Voluntary Employment Separation Program (VESPa). This program is expected to be a solution for employees who want to end their employment relationship with the company. This program offers very interesting benefits and is intended for all employees. Implementation of termination of employment in programs that began to be offered from 30 November to 7 December 2018 will be carried out in early 2019.

With the launch of the Voluntary Employment Separation Program (VESPa) by PT. Bank Muamalat Indonesia, Tbk., In this case the researcher wants to describe the factors that motivating employees to take the program by qualitative research using descriptive research methods.

II. METHODS

This research's type is a qualitative research using descriptive research methods. Sugiyono stated entering data that is not guided by theory, but guided by facts found at the time the research was conducted in the field. In qualitative descriptive studies, data collection attempts to discover "the who, what and where of events" or experiences. This includes, but is not limited to focus groups, individual interviews, observation, and the examination of documents or artifacts [7].

This research was conducted specifically at PT. Bank Muamalat Indonesia Branch Bandung. The focus of this research object is the number of employees who volunteered to participate in the Voluntary Employment Separation Program (VESPa) of 49 people. The type of data in this study is qualitative, primary data obtained by interviewing secondary data in the form of data files, as well as staffing documentation at PT. Bank Muamalat Indonesia Bandung Branch.

III. RESULTS AND DISCUSSION

Research conducted at PT. Bank Muamalat Indonesia Bandung Branch uses secondary data in the form of employee profile data that apply for the Voluntary Work Separation Program (VESPa), which is then processed as follows (Table I):

TABLE I. DEMOGRAPHY OF EMPLOYEE BY GENDER VS AGE.

Gender	Age Group				Sum	(%)
	A	B	C	D		
Female	13	12	4	2	31	63%
Male	3	13	1	1	18	37%
Total	16	25	5	3	49	100%
(%)	33%	51%	10%	6%	100%	

Legend :

- A. till 30 years old
- B. 31 to 40 years old
- C. 41 s/d 44 years old
- D. ≥ 45 years old

Table I shows employee demographic data based Gender and Age Group which classified into four groups as follow a show as follows:

- 1) In all, there were 49 employees who apply for the Voluntary Employment Separation Program (VESPa).
- 2) There are 31 female employees, which means there are 63% who apply for the Voluntary Employment Separation Program (VESPa) are female employees.
- 3) There are 18 male employees, which means only 37% who apply for the Voluntary Employment Separation Program (VESPa) are male employees.
- 4) There are 16 employees in the age group “A”, which means there are 33% who apply for the Voluntary Employment Separation Program (VESPa) are in the age range up to 30 years old.
- 5) There are 25 employees in the age group “B”, which means there are 51% who apply for the Voluntary Employment Separation Program (VESPa) are in the age range 31 to 40 years old.
- 6) There are 5 employees in the age group “C”, which means there are 10% who apply for the Voluntary Employment Separation Program (VESPa) are in the age range 31 to 43 years old.
- 7) There are 3 employees in the age group “D”, which means there are 6% who apply for the Voluntary Employment Separation Program (VESPa) are in the age range equal or more than 45 years old.

TABLE II. DEMOGRAPHY OF EMPLOYEE BY GENDER VS YEAR OF SERVICE (YoS) ILLUSTRATION STYLE ON ROMANTIC COMIC

Gender	Year of Service (YoS)						Sum
	A	B	C	D	E	F	
Female	4	14	5	3	3	2	31
Male	7	8	1	1	1	0	18
Total	11	22	6	4	4	2	49
%	22%	45%	12%	8%	8%	4%	100%

Legend :

- A. Year of Service < 6 years
- B. Year of Service 6 to < 12 years
- C. Year of Service 12 to < 15 years
- D. Year of Service 15 to < 18 years
- E. Year of Service 18 to < 21 years
- F. Year of Service 21 to < 24 years
- G. Year of Service > 24 years

Table II shows employee demographic data based on Year of Services classified into seven groups as follows:

- 1) There are 11 employees in the year of service group “A”, which means there are 22% who apply for the Voluntary Employment Separation Program (VESPa) has joined with the company for less than 6 years.
- 2) There are 22 employees in the year of service group “B”, which means there are 45% who apply for the Voluntary Employment Separation Program (VESPa) has joined with the company for 6 years but less than 12 years.
- 3) There are 6 employees in the year of service group “C”, which means there are 12% who apply for the Voluntary Employment Separation Program (VESPa) has joined with the company for 12 years but less than 15 years.
- 4) There are 4 employees in the year of service group “D”, which means there are 8% who apply for the Voluntary Employment Separation Program (VESPa) has joined with the company for 15 years but less than 18 years.
- 5) There are 4 employees in the year of service group “E”, which means there are 8% who apply for the Voluntary Employment Separation Program (VESPa) has joined with the company for 18 years but less than 21 years.
- 6) There are 2 employees in the year of service group “F”, which means there are 4% who apply for the Voluntary Employment Separation Program (VESPa) has joined with the company for 21 years but less than 24 years.
- 7) There is no employee who apply for the Voluntary Employment Separation Program (VESPa) has joined the company for more than 24 years (year of service group “G”).

TABLE III. THE MOTIVATING FACTORS FOR FEMALE EMPLOYEES.

Motivating Factors	Female	(%)
Take care of the family	17	55%
Taking advantage and opportunity of the program offered by the company	6	19%
Get another job	4	13%
The desire to enjoy old age with retirement	2	6%
Motivation to become an entrepreneur	2	6%
Dissatisfaction of benefits	0	0%
Total	31	100%

Table III shows factors that motivating employee to apply for the Voluntary Employment Separation Program (VESPa) especially for the female employee as follows:

- 1) There were 31 female employees who apply for the Voluntary Employment Separation Program (VESPa).
- 2) There are 17 female employees, which means there are 55% of female employees who claimed there are take care of the family as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).
- 3) There are 6 female employees, which means there are 19% of female employee who claimed taking advantage and opportunity of program offered by company as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).
- 4) There are 4 female employees, which means there are 13% of female employee who claimed get another job as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).
- 5) There are 2 female employees, which means there are 6% of female employee who claimed the desire to enjoy old age with retirement as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).
- 6) There are also 2 female employees, which means there are 6% of female employee who claimed motivation to become an entrepreneur as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).

TABLE IV. THE MOTIVATING FACTORS FOR MALE EMPLOYEES.

Motivating Factors	Male	(%)
Dissatisfaction of benefits	6	33%
Motivation to become an entrepreneur	5	28%
Get another job	4	22%
Taking advantage and opportunity of the program offered by the company	2	11%
The desire to enjoy old age with retirement	1	6%
There are take care of the family	0	0%
Total	18	100%

Table IV shows factors that motivating employee to apply for the Voluntary Employment Separation Program (VESPa)

especially for the male employee as follows:

- 1) There were 18 male employees who apply for the Voluntary Employment Separation Program (VESPa).
- 2) There are 6 male employees, which means there are 33% of male employees who claimed dissatisfaction of benefits as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).
- 3) There are also 5 male employees, which means there are 28% of male employees who claimed motivation to become an entrepreneur as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).
- 4) There are 4 male employees, which means there are 22% of male employee who claimed to get another job as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).
- 5) There are 2 male employees, which means there are 11% of male employee who claimed taking advantage and opportunity of the program offered by the company as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).
- 6) There is only 1 male employee, which means there is 6% of male employee who claimed the desire to enjoy old age with retirement as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).

TABLE V. THE MOTIVATING FACTORS FOR THE EMPLOYEE IN GENERAL

Motivating Factors	Sum	(%)
There are take care of the family	17	35%
Taking advantage and opportunity of the program offered by the company	8	16%
Get another job	8	16%
Motivation to become an entrepreneur	7	14%
Dissatisfaction of benefits	6	12%
The desire to enjoy old age with retirement	3	6%
Total	49	100%

Table V shows factors that motivating employee to apply for the Voluntary Employment Separation Program (VESPa) as follows:

- 1) There are 17 employees, which means there are 35% of the employee who claimed there are take care of the family as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).
- 2) There are 8 employees, which means there are 16% of the employee who claimed taking advantage and opportunity of the program offered by the company as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).
- 3) There are 8 employees, which means there are 16% of the employee who claimed to get another job as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).

- 4) There are 7 employees, which means there are 14% of the employee who claimed motivation to become an entrepreneur as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).
- 5) There are also 6 employees, which means there are 12% of the employee who claimed dissatisfaction with benefits as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa) are female employees.
- 6) There are 3 employees, which means there are only 6% of the employee who claimed the desire to enjoy old age with retirement as a factor that motivating to apply for the Voluntary Employment Separation Program (VESPa).

Organizational needed to recognize situational factors, such as employee demographics, that effected turnover intentions within the organization. Such as gender, disparities of gender had a moderating effect on psychological contracts, and turnover intentions [8].

Perception of the employee for job satisfaction and work environment indirectly correlated with turnover. Factors such as age, length of tenure, pay/benefits satisfaction, job satisfaction, supervisory status, organizational commitment, and work environment were potential turnover antecedents [9].

Surely so many factors that motivate an employee to apply for an early retirement program. Based on primary data and secondary data obtained from interviews and observations researchers try to narrow these factors into several dominant factors either in general or based on the gender of the employee.

From Table I, we can analyze from the demography of employee based on gender and age who apply for the Voluntary Employment Separation Program (VESPa) that:

- Based on gender there are 63% female employees who apply for the Voluntary Employment Separation Program (VESPa), which means that female participants nearly doubled compared to male employees.
- Based on age there are 84% of employees who apply for the Voluntary Employment Separation Program (VESPa) are on the age range up to 40 years old, and only 16% on in the same age range or more than 41 years.
- It can be concluded that employees who apply for the Voluntary Employment Separation Program (VESPa) based on gender are dominated by female employees, whereas based on the age range are dominated by employees with productive ages who still need at least 16 years to enter normal retirement.

From Table II, we can analyze from the demography of employee based on year of services (YoS) who apply for the Voluntary Employment Separation Program (VESPa) that:

- As many as 45% of employees apply for the Voluntary Employment Separation Program (VESPa) dominated by employees with a range of years of services 6 to less than 12 years.

- As many as 22% of employees apply for the Voluntary Employment Separation Program (VESPa) are employees with a range of years of services of less than 6 years, the second largest population.
- As many as 12% of employees apply for the Voluntary Employment Separation Program (VESPa) are employees with a range of years of services 12 to less than 15 years.
- Combination in the years of services groups C, D and F there are 10% of employees apply for the Voluntary Employment Separation Program (VESPa) are employees with a range of years of services 15 to less than 24 years.
- No employee applies for the Voluntary Employment Separation Program (VESPa) and is employees with a range of years of services for more than 24 years.

From Table III, we can analyze the factors that motivating female employees to apply for the Voluntary Employment Separation Program (VESPa) sorted by the most factors up to the least as follows:

- The first factor is there are take care of the family.
- The second factor is taking advantage and the opportunity of the program offered by the company.
- The third factor is getting another job
- The fourth factor is the desire to enjoy old age with retirement.
- The fifth factor is motivation to become an entrepreneur.

From Table IV, we can analyze the factors that motivating male employees to apply for the Voluntary Employment Separation Program (VESPa) sorted by the most factors the least as follows:

- The first factor is the Dissatisfaction of benefits.
- The second factor is motivation to become an entrepreneur.
- The third factor is getting another job
- The fourth factor is taking advantage and the opportunity of the program offered by the company.
- The fifth factor is the desire to enjoy old age with retirement.

From the comparison between the Table III. and the Table IV. we can analyze that there are significant differences or similarities in the factors that motivating female employees and male employees apply for the Voluntary Employment Separation Program (VESPa) as follows:

- Significant differences between the main factors that motivating female employees and male employees apply for the Voluntary Employment Separation Program (VESPa) is 'there are take care of the family' as the main factors that motivating female employees to apply not to be the factors that motivating male employees to apply for, so does 'dissatisfaction of benefits' as the main factor that motivating male employees to apply does not motivating female employees to apply for.

- The similarity between the factor that motivating female employees and male employees to apply for the Voluntary Employment Separation Program (VESPa) is ‘the desire to enjoy old age with retirement’.
- The first factor is there are take care of the family.
- The second factor is taking advantage and the opportunity of the program offered by the company.
- The third factor is getting another job
- The fourth factor is the motivation to become an entrepreneur.
- The fifth factor is the dissatisfaction with benefits.
- The sixth factor is the desire to enjoy old age with retirement.

Compared to previous research, in the current study, there are several different factors that motivate employees to take early retirement programs such as take care of the family, motivation to become an entrepreneur and dissatisfaction of benefits [10].

According to Sianipar and Haryati, turnover intention is the desire of the employee to retire from the company for voluntary or approach by the company [11]. From the result of research and relate it to existing theory, the desire of the employee to take Voluntary Employment Separation Program in PT. Bank Muamalat Indonesia volunteerism of employees not because of intervention.

IV. CONCLUSION

The finding of the research concludes that there were six factors that motivate employees to take an early retirement program. The first factor is taken care of the family. This becomes the main factor since the employee who decides to take an early retirement program is dominated by women employees. The second factor is taking advantage and opportunity of program offered by the company; the third factor is getting another job, the fourth factor is motivation to become an entrepreneur, the fifth factor is the dissatisfaction of benefits, and the sixth factor is the desire to enjoy old age with retirement. This research contributes reference especially for the Human Resource Department in the banking industry, to perform better management of human capital.

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From Table V, we can analyze the factors that motivating employees, in general, to apply for the Voluntary Employment Separation Program (VESPa) sorted by the most factors up to the least as follows:

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