

# CHAPTER 1

## INTRODUCTION

### 1.1 Introduction

In general, the notion of planning is a process of determining the things to be achieved (goals) in the future and determining the various stages needed to achieve these goals. Planning can also be interpreted as a coordinated activity to achieve certain goals within a certain period. In planning, there will be activities to test several directions of achievement, assess uncertainty, measure capacity, determine the direction of achievement, and determine steps to achieve it. In short, planning is the process of thinking logically and making rational decisions before acting.

According to the Deacon, planning is an effort to formulate various basic decisions, which are considered the most important and which ones will be carried out to achieve the goals that have been Individuals who work, both in the government and private sectors, will inevitably experience a climax in their work. The climax of everyone's work is influenced by many factors, each of which has different interactions between individuals. One with the other. One certain thing is that every individual who enters late adulthood or old age will experience various changes, including, in this case, changes in work strength and resilience.

The term pension is generally associated with the end of a person's tenure at an agency or is defined as not working anymore because his term of office has been completed (Big Indonesian Dictionary, 2016).

According to the Oxford Dictionary, pension means:

- "A regular payment made during a person's retirement from an investment fund to which that person or their employer has contributed during their working life".
- "Dismiss someone from employment, typically because of age or ill health, and pay them a pension".

Other factors influence the work climax of everyone, and each factor has a different interaction with one another because there are differences in each individual within the individual.

Every individual who enters late adulthood or old age will certainly experience various changes, including, in this case, changes in work strength and resilience. However, the occurrence of changes in work strength and resilience remains relative to everyone's life.

## **1.2 Background of the Study**

In Indonesia, in general, the retirement age for Civil Servants, BUMN, or the private sector is around 58 years for State Administrative Employees and 60 years for High Leadership Officials (Badan Kepegawaian Negara, 2014). Retirement can be regarded as one of the important social change events in late adulthood that requires realignment of daily life routines and social contacts, thus allowing psychological problems to arise. Problems that arise range from minor issues to attitudes towards retirement, retirement planning, and quality of life in the future. Several factors help a person to be able to adjust to the demands of retirement well, namely personal, social, and financial factors.

The availability of these factors affects their ability to adjust to retirement and affects their attitude towards retirement, quality of life, and well-being after retirement. Attitude toward retirement can be defined as a person's preferences, desires, or beliefs regarding the retirement process. On the other hand, retirement planning can be defined as the actions or procedures that a person has regarding certain issues in retirement.

Retirement is not a stage or situation that comes suddenly but a stage that has gone through various stages. In the retirement process, there are still many who do not understand and know how to retire. The process that occurs along with the stages is not experienced by every individual but depends on the individual alone. In addition, every situation experienced by individuals is not always sequential. It can jump up and down. Ideally, before individuals enter retirement age, they have understood how to respond to retirement, what is meant

by a pension policy, and the factors that influence retirement decisions. As an additional insight, there are several stages in the period leading up to retirement and retirement itself, namely:

1. Pre-Retirement Stage

This stage is divided into two, namely long term and short term. This stage is often prepared with a pre-retirement program that requires the active role of individuals who are about to retire and their families to be fully prepared when retirement comes. The main factors of attitude towards retirement that are most often used are physical health and income.

2. Honeymoon Stage

The first stage is when individuals enter retirement, often marked by a sense of euphoria from feeling new freedom. Individuals determine the length of this stage and how to use it.

3. Disengagement stage

also known as discharge stage. Individuals who have occupied high positions at this stage tend to experience post power syndrome. The depth of this condition is related to their declining health condition, financial limitations, and lack of understanding of their condition.

4. Re-Orientation Stage

reorientation needs to be done if the individual enters retirement and has never faced many obstacles or obstacles to adjust to new situations. At this stage, many retirees can play an active role in various activities to help each other, both formally and informally, not official.

5. Stability Stage

This stage is reached by the individual who can choose what to do or be done when he retires. Followed by the exercise of his choice and enjoying life and performance.

6. Termination Stage

occurs in retirees due to illness and

helplessness or incompetence due to old age. There is a shift in roles for individuals who are sick and unable to do anything else; This condition occurs depending on the physical condition and individual independence.

### **1.3 Problem Statement**

The use of retirement planning is becoming popular in society due to the growing economy and level of consciousness. Still, only 12 per cent of the population is affected by retirement planning. Such a situation is worrying for a developing society like Indonesia. Although initial has been made in the community, especially in the urban population, the potential in this area remains to be fully utilized. It becomes very important to know the obstacles in implementing effective retirement planning and establish a link between these obstacles.

In Indonesia, adjustment problems and other psychological problems in those facing retirement have not been systematically studied. Investigations into the changes happening to people who have begun to retire have led to different perceptions of those who will live after retirement. Retirement can lead to depression when someone loses their identity, comfort, and income. However, even after retirement, when one's existence is recognized and one is healthy and happy, one can be satisfied with the individual's sense of accomplishment. Of these two perceptions of retirement, this negative perception scares workers who are about to retire.

### **1.4 Research Objectives**

This study aimed to identify the main barriers to retirement planning for civil servants and private employees in Palembang, Indonesia. This study aims to determine whether career commitment, attachment to work, and Expectations relating to professional development affect retirement planning in Indonesia.

This research examines the following:

1. To determine the relationship of a career commitment to retirement planning
2. To determine the relationship of attachment to work on retirement planning.

3. To determine expectations related to professional development in retirement planning.

### **1.5 Research Questions**

In this study, several research questions need to be answered:

1. Does career commitment affect Retirement Planning?
2. Does Attachment to work affect Retirement Planning?
3. Does Expectations relate to professional development affect Retirement Planning?

### **1.6 Significance of the Study**

#### **1.6.1 Academics**

This research can help academics in further research on retirement planning. In addition, this research is expected to provide knowledge that can be used as a potential research source in this field.

#### **1.6.2 Employee**

This research will provide enlightenment about retirement planning. This will make a real contribution to both workers and is expected to be a reference for workers who want to know and deepen their understanding of retirement perceptions.

### **1.7 Limitation of the Study**

Due to the nature of the research questions, surveys for that study did not statistically validate the results for most of these studies. This research focuses on the Palembang area, where most questionnaires are distributed to offices. However, the authors have limitations and difficulties in distributing the questionnaires. A common drawback when having a questionnaire survey form is that the data may be invalid or in error. This research uses a survey method and gets a sample of 114 people.

## **1.8 Summary of the Chapter**

Chapter 1 is a brief initial explanation of the research topic carried out. Forms the basis of the research project and its operations. Starting from the introduction, then a background of the study, problem statement, research objectives, research questions, the significance of the study, Limitation of the study, and a summary of the chapter.