A Quantitative Motivational and Cultural Study: Retiree Healthcare in the United States

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Abstract

This paper presents a quantitative exploratory study of employee awareness, understanding and preference of retiree healthcare benefits in the United States. This benefit is analyzed within the cultural frameworks of the Hofstede (1980) and House (2004) models. The motivational aspects of this benefit are explored through Vroom’s Expectancy Theory (1964) and through Needs Theory as presented by Maslow (1943) and Herzberg (1959, 1966). This non-mandated retiree healthcare benefit is an expensive liability on company books in the United States and warrants a quantitative review of its role. Surveys were distributed to 200 employees within organizations offering a Traditional Retiree Healthcare Plan (TRHP), resulting in 136 respondents. Only 20% of the respondents were aware of their company retiree healthcare benefit. Approximately 3% of those 20% knew the basic design of their benefit. Across all respondents 26% expressed an interest in having the benefit in its current form, while 69% preferred to receive the money in some other form. In a second sample, within organizations offering a Savings Retiree Healthcare plan (SRHP), 93% of the 49 employees knew the basic design of their benefit and 87% were satisfied with the current benefit design. This study suggests that SRHPs are more congruent with American employee values and therefore warrant further investigation as an effective model for delivering retiree healthcare benefits in the United States.