Article

Review of Public Personnel Administration
2020, Vol. 40(4) 691–716

DOI: 10.1177/0734371X19850886
journals.sagepub.com/home/rop
SAGE

Retirement and the Sectors: Do Private and Public Personnel Differ in Their Retirement Decision?

Racheli Levi[1], Dana R. Vashdi[1], and Eran Vigoda-Gadot[1]

Abstract

Retirement is a field of growing interest in both the public and the private sectors. Given the aging workforce in Western countries, understanding the factors that contribute to an employee's decision to retire is an area of increasing interest to political, economic, social, and organizational scholars. Most retirement studies concentrate on a narrow set of factors, examining their impact on retirement in isolation of the broader context. Drawing from public management theory, and based on theories of person–organization fit (POF), we examine whether and when private and public personnel differ in their retirement decision. Findings indicate that previously shown relationships between individual-level financial status and the decision to retire are contingent on employment sector. The results of this research extend knowledge regarding the normative influence of mechanisms driving retirement and demonstrate the broader implications of sector on retirement decision-making.

Keywords

retirement decision, public sector, private sector, person–organization fit, attraction–selection–attrition

The retirement decision-making process is an area of increasing interest to political, economic, social, and organizational scholars in both the public and private sectors (Beehr & Nielson, 1995; Wang & Shultz, 2010). As the generation of the baby boomers is reaching retirement age, an escalating number of people living in the

[1]Division of Public Administration and Policy, School of Political Sciences, The University of Haifa, Israel

Corresponding Author:
Racheli Levi, The University of Haifa, Haifa 31905, Israel.
Email: for.racheli@gmail.com

developed world are leaving the workforce. In addition, smaller cohorts born toward the end of the 20th century are reaching the age of occupational work, leading to a lower replacement rate and high expenditure on pensions and health. Based on Toosi's (2006) study, by 2020, nearly 24% of the total U.S. workforce will be 55 years or older, up from just under 13% in 2000, leading to an increasing number of employees who will transition into retirement in the next decade. Similar demographic trends are expected in the European Union (EU) between 2000 and 2050, in that people in retirement (aged 65 years and above) will outnumber (up to twice as much) those working (Organisation for Economic Co-operation and Development [OECD], 2011).

While retirement-related issues in the public and private sectors are characterized by key similarities, certain issues may be more associated with the public sector, especially regarding the structure of the pension plans (i.e., defined-benefit [DB] plans vs. defined-contribution [DC] plans) and financial pressures (Ali & Frank, 2019; Clark, Pathak, & Pelletier, 2018). These issues may affect the decision to retire in a manner different from what might be expected in the private sector, yet studies actually examining the differences between sectors regarding retirement *behavior* are scarce. Thus, a major goal of our study is to address a simple question: Do private and public sector personnel differ in their retirement decision? Our theoretical and rational arguments are based on the person–organization fit (POF) and the attraction–selection–attrition theories (ASA; Schneider, Goldsstein, & Smith, 1995). Specifically, we examine the impact of the employment sector on the decision to retire. We further ask how the sector might serve as a "situational opportunity and constraint" (Johns, 2006, p. 1), affecting the well-studied relationship between financial resources and the retirement decision (Gruber & Wise, 1999; Kim & Feldman, 2000; Quinn & Burkhauser, 1990).

In the following sections, we review existing literature on sector comparative research and build hypotheses regarding the impact sector has on the retirement decision. After presenting our analysis and findings, we discuss the theoretical and practical implications of this study.

The Decision to Retire: A Look From the Sectoral Bridge

Public management research and theory has given much attention to differences between public and private sector employees, their attitudes, perceptions, behavioral intentions, and actual behaviors. According to accumulated knowledge, it is quite accepted that public and private employees are essentially different in many of those aspects (e.g., Buelens & Van den Broeck, 2007; Fottler, 1981; Gkorezis & Petridou, 2012; Houston, 2000; Perry & Rainey, 1988; Rainey, Traut, & Blunt, 1986). In contrast, a review by Baarspul and Wilderom (2011), covering 28 employee-level, public–private sector comparisons challenged this assumption. Their study revealed that no consistent pattern of unequivocal significant differences exists to support the widely held notion that public personnel are different from their private counterparts. Almost every individual-level variable showed mixed results and did not demonstrate a clear link between sector and employee variations. However, not one of the 28 studies they reviewed focused on differences between the sectors in individual's actual behavior;

rather, they focused on the individual employee's work-related attitudes such as job satisfaction (Rainey, 1983) and organizational commitment (Lynos, Duxbury, & Higgins, 2006), assuming these attitudes probably reflect individual behavior (Baarspul & Wilderom, 2011). Notably, Baarspul and Wilderom (2011) themselves noted that "most stakeholders in this line of research are more interested in how employees across sectors act or behave rather than how they differ in what they believe and feel" (p. 989). While there is research conducting sector comparisons with regard to behaviors within the workplace (e.g., Bysted & Hansen, 2015), when it comes to retirement behavior (i.e., the decision to actually retire), the literature on differences between the public and private sectors has little to say (Christensen & Wright, 2011).

Is the decision to retire upon eligibility likely to be at least partially influenced by sector of employment? While work-related issues in the public and private sectors are characterized by key similarities, as discussed above, certain retirement issues are associated more with the public sector. Funding shortfalls in public employee pension systems, for example, have created a financial crisis brought about by the combined impact of several factors in recent years. The 2008 recession, compounded by lagging income tax revenues in most states, and fiscal instability, together with the continuing retirement of the baby boom generation resulted in a sharp decline in asset values held in pension trusts and lower government revenues (Clark, 2011). Financial pressures that have affected the capacity of state governments to maintain established pension systems have forced them to reconsider the generosity and structure of their retirement plans. As a result, public employers have begun to move toward DC plans, which shift investment risk to the employee, as opposed to the traditional DB plans, which put investment risk on the employer (Clark et al., 2018). While changing the system may alleviate near-term funding pressures, this strategy will place significant stress on funds by increasing the current unfunded instability. Greenhouse (2011) highlighted this instability by arguing "as contributions move to individual investment accounts, less money goes into the traditional plan to help finance pensions promised to other workers" (p. 2). Furthermore, many states, in the United States, Europe, and beyond, are changing their pension plans. They are adopting antispiking rules (i.e., rules that cap the increase in salary that is used in the final retirement salary calculation) and trying to reduce the employer cost of these plans by raising the retirement age and increasing the employee portion of the plan costs in attempts to slow the growth of annual expenditures on retirement benefits.

In light of these changes, it is important to understand the impact these changes have on the decision to retire and whether they result in differences between the sectors regarding retirement behavior. By understanding the contributing factors to the decision to retire, employers and governments can better adjust to the needs of their aging populations with regard to flexibility in staffing and estimating future demands on pension plans.

Past and more recent studies, such as Beehr (1986) and Wang, Adams, Beehr, and Shultz (2009), classified the predictors of the retirement decision as falling into three broad categories: micro-, meso-, and macro level factors. More recently, Wang and Shi (2014) developed a multilevel model of retirement that represents how individual "behaviors and actions throughout the retirement process are not only influenced by individual-level variables (i.e. micro-level) but also shaped by the larger context of their retirement (i.e. the macro and mesolevel variables)" (p. 10). In other words, there is value in considering variables from different levels of analysis to understand and predict retirement behavior.

A great deal of research has been conducted on the first category of retirement decision predictors—the individual level. Specifically, research has found the older the individual is, the more likely it is that the individual will retire (Adams & Rau, 2004; Lewis & Pitts, 2018; Wang, Zhan, Liu, & Shultz, 2008). Individuals in a better financial situation tend to retire earlier than those whose situation is not as good (Jex, Wang, & Zarubin, 2007; Quinn & Burkhauser, 1990) and healthy workers are likely to stay employed, whereas workers in poor health will be more likely to retire (Barnes-Farrell, 2003; Shultz & Wang, 2007; Wang & Shi, 2014). Even though macro and meso factors have been examined and found to directly contribute to workers' desire to retire, such as job satisfaction and job commitment—both of which occur in a broader economic and political context (Herzog, House, & Morgan, 1991; Lewis & Pitts, 2018; Lin & Hsieh, 2001; Schmidt & Lee, 2008)—most research on retirement has concentrated on a comparatively narrow set of predictors, investigating their impact on retirement decisions in isolation of other predictors (Beehr, 2014; Feldman & Beehr, 2011). This restricted focus has precluded the development of models examining the interaction of micro and meso/macro factors (Adams & Beehr, 2003; Feldman & Beehr, 2011), which are important as they have the potential to show that the individual-level factors affecting retirement are contingent on such context-related variables (Beehr, 2014). Many existing retirement studies are also methodologically limited, as noted by Wang and Shultz (2010). Only a few research studies have used measurements at several points in time or longitudinal designs (Feldman & Kim, 2000, 1998, 2000). Predictor scores are often subject to retrospective bias and, if not, the criterion measures are limited to retirement plans or intentions as opposed to reflecting actual retirement practices. The current study addresses the gaps noted above and, to the best of our knowledge, examines, for the first time, the potential differences between public and private employees with regard to their actual retirement decisions.

The Retirement Decision: Between the Sectors and POF

Studies show mixed results with regard to the common conceptions that public personnel are different from their private counterparts (e.g., Boyne, 2002). In addition, with regard to the research on retirement, a great deal of work has concentrated on investigating differences between sectors regarding employee *financial* planning. The primary focus has been on the recent trend in public organizations to adopt "private" retirement programs that transfer retirement planning responsibly from the employer to the employee (Ali & Frank, 2019) and the positive effects of this shift on worker behavior (Hira & Loibl, 2005; Holland, Goodman, & Stich, 2008). Yet, it is unclear whether these effects will also affect the actual decision to retire. We draw on the ASA frameworks in an attempt to understand this matter.

The ASA model (Schneider et al., 1995) predicts that the homogeneity in employee characteristics will increase through three processes. The first process is attraction, which refers to the organization seeking out individuals who have needs, values, and personal characteristics that fit those of the organization. The second process is selection, which involves organizations and job candidates choosing each other on the basis of the mutual fit between the individual's characteristics and the characteristics of the organization, as well as between the individual and the specific job. The third process is attrition, which refers to employees leaving their workplace, presumably because they can avail themselves of a more attractive opportunity, or because they decide for some reason that the job is no longer a good fit for them. Attraction and attrition can be seen as two sides of the same coin because the values characteristic of a certain job might attract some people yet give others reason to leave the position. These three processes apply to candidates in the external labor market as well as to individuals already employed in an organization. All these processes rely on notions of POF (Bright, 2008; Gould-Williams, Mostafa, & Bottomley, 2015; Kim, 2012; Steijn, 2008) which pertain to employees' perceptions of congruence between their own values and those of their organization that influence work-related outcomes (Bright, 2008; Kristof-Brown, Zimmerman, & Johnson, 2005; Meglino & Ravlin, 1998; Steijn, 2008; Vandenabeele, 2008; Verquer, Beehr, & Wagner, 2003; Wright & Pandey, 2008).

Recently, researchers have claimed that beyond attraction and selection, POF can be achieved by socialization (Choi & Chung, 2017; Moynihan & Pandey, 2007; Wright & Christensen, 2010; Wright & Grant, 2010). The premise of these arguments is that high POF may be the result of a change in employees' values in the direction of the organization's values and not the result of attraction and selection processes that chose employees who already have values that fit the organization's values (Choi & Chung, 2017; De Cooman et al., 2009). Indeed, Choi and Chung, (2017) examined the effects of socialization and found a change in monetary and job security values over time. Similarly, in a study examining choice of work sector, Christensen and Wright (2011) investigated the relationship between an individual's public service motivation and sector employment choice over time. They found that while public service motivation may not significantly predict the employment sector in a person's first job, it does increase the probability that a respondent's subsequent job will be in the public sector. Thus, it seems that the fit in values becomes more internalized and entrenched over the years. In a similar vein, Jensen and Vestergaard (2017) found a positive relationship between employee tenure and public service motivation behaviors, suggesting that socialization processes are more likely to affect longer tenured workers due to "their increased experience with observation, acceptance, and adoption of organizational value and norms" (Kim, 2018, p. 336).

Thus, due to initial attraction and selection, socialization, or moving into a job with more value congruence, public sector retirement-eligible employees are likely to have stronger public sector values. Indeed, in their comprehensive study, Baarspul and Wilderom (2011) concluded that "only one empirical finding was found consistently: civil servants show a higher level of community-service motivation" (p. 987). We claim that these values, such as prosocial values to serve others, may delay public sector employees' choice to retire in comparison with private sector retirement-eligible employees (Buelens & Van den Broeck, 2007; Houston, 2000; Rainey, 1982). More specifically, previous findings have demonstrated that individuals' intrinsic motivation diminishes over time, whereas their extrinsic motivation increases (Mortimer & Lorence, 1979; Ward, 2014). Due to the POF processes described above, such as selection or socialization, public sector personnel are likely to have started off with less extrinsic motivation, or to have gained higher levels of prosocial/public-service motivation over the years in their job, and not extrinsic motivation. Thus, on average, when eligible for retirement, they are likely to be less extrinsically motivated than their private counterparts. The more extrinsically motivated private sector retirement-eligible employees are likely to wish to maximize their economic utility more than their public sector counterparts and thus are more likely to retire and collect their benefits. In accordance with this, we hypothesize that

> **Hypothesis 1:** Public personnel are less likely to fully retire upon eligibility than their private counterparts.

The Moderating Role of Sector on the Financial Resources–Retirement Decision Relationship

In addition to the direct effect of sector on the decision to retire discussed above, we examine an additional role which the employment sector may play in the decision to retire. As noted by several researchers (Baarspul & Wilderom, 2011; Buelens & Van den Broeck, 2007), most public–private comparative studies assumed that the significant differences they found are nearly entirely attributable to the sector variable. Few studies have tested broader models. Buelens and Van den Broeck (2007) and Rainey (1982), for example, reported that (a) most observed differences between sectors can be explained by demographic and/or job content variables, and (b) other variables can explain greater variance in the dependent variable than just sector. Baarspul and Wilderom, (2011), for instance, illustrated this issue by claiming that

> Simply showing that individuals differ on a particular variable is therefore not enough . . . Sector may to some no longer be regarded as the explanatory variable par excellence in individual-level differences between sectors; other factors may have a more important impact on how employees feel, think and act within an organization. (p. 991)

Thus, recent studies are attempting to explore broader models in public–private comparative research (Jiang, Liu, McKay, & Lee, 2012; Wang, Yang, & Wang, 2012).

Such broader models, with regard to the decision to retire, may examine the moderating role of employment sector on previously found relationship between individual-level inputs and the decision to retire. Such models have already been examined in research regarding turnover, which is a different form of organizational attrition (Adams & Beehr, 1988) from retirement. For example, Wang et al. (2012) found sector of employment moderated the relationship between extrinsic job satisfaction and turnover in Taiwan. More specifically, the negative relationship between extrinsic job satisfaction (i.e., monetary rewards, promotion) and turnover intentions was weaker among public sector workers than among their private sector worker counterparts. In addition, Jiang et al. (2012) found job embeddedness was more negatively related to turnover intentions and to actual turnover among public personnel than among private employees. Their findings were based on the ASA model and the different characteristics of workers in public versus private organizations (i.e., public workers value intrinsic factors such as the desire to serve the public, whereas private workers value extrinsic factors such as pay and promotion).

When it comes to retirement, one well-reported factor that has been shown to influence the decision to retire is financial resources (Jex et al., 2007; Quinn & Burkhauser, 1990). This consistent finding conveys that financially comfortable individuals tend to retire upon eligibility more than those who are not as economically secure. Yet, as we explain below, based on what we know about the differences between the sectors regarding the role financial resources play, it may be that sector will moderate the relationship between financial resources and the decision to retire.

While most individual-level variables studied showed inconclusive results regarding the differences between public and private employees, one very consistent result is that public sector workers value *monetary* rewards less than workers in the private sector (e.g., Bullock, Stritch, & Rainey, 2015). In the above-mentioned review by Baarspul and Wilderom (2011), most results regarding pay were significant across sectors; six out of eight studies found public personnel value pay less than private sector employees do. For example, in the analysis of differences in work motivation between sectors, Buelens and Van den Broeck (2007) found public personnel are less motivated by salary than are employees of private sector organizations. In fact, this variable had the highest *T* value for all the sector differences. Solomon (1986) reported that pay was a more important incentive in the private sector and Wittmer (1991) and Juriewicz, Massey, and Brown (1998) found that higher pay was the most important reward for employees of private sector firms. More recently, Bullock et al. (2015) found evidence that public personnel are less motivated by monetary gain than their private sector counterparts. In the same vein, Gkorezis and Petridou (2012) found monetary incentives had a stronger effect on private employees' empowerment as compared with their public counterparts.

Even when looking at the public administration literature on "pay for performance," it seems that "performance-related pay in the public sector consistently fails to deliver on its promise" (Perry, Engbers, & Jun, 2009, p. 43). Perry et al. analyzed a sample of 57 studies and concluded that financial incentives are ineffective in enhancing performance in the public sector. More recently, and consistent with Perry et al.'s (2009) conclusion, Belle and Cantarelli (2015) found the impact of financial

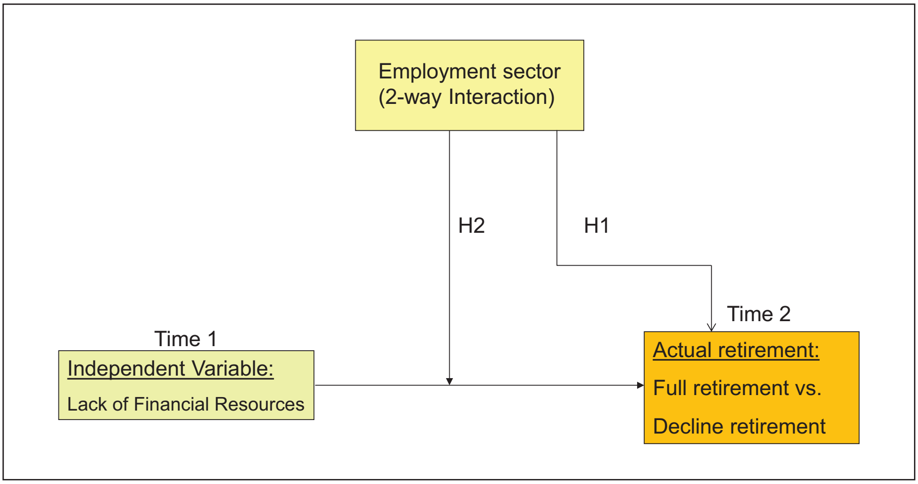

Figure 1. The research model.
Note. H1 and H2 = Hypotheses 1 and 2.

rewards on public managers' performance was insignificant even with additional bonus offers, including 5%, 10%, 25%, and 50% of their current salary.

Given the difference between private and public workers regarding the salience of financial value in their work life, and assuming retirement decision-making is similar to what has been addressed by Jiang et al. (2012) regarding turnover behavior (i.e., extrinsic rewards have a weaker effect on employee turnover in the public sector), we can expect a similar pattern regarding the salience of financial security in retirement decision-making. More specifically, to the extent that private sector employees are more likely than their public sector counterparts to prioritize monetary considerations (i.e., cost-benefit analysis) in evaluating their retirement decisions, we posit that the impact of financial status on retirement will be conditioned by sector. Thus, public personnel who find financial security to be less salient in their decision-making process are likely to be less influenced by their financial status when deciding whether to retire or not than employees working in the private sector.

On the basis of the above discussion, we propose that

> **Hypothesis 2:** Employment sector will moderate the positive relationship between financial resources and the decision to retire. The relationship between financial resources and the decision to retire will be weaker among public personnel versus their private counterparts.

The model presented in Figure 1 depicts the main and interaction effects of sector on the retirement *decision*. We test this model by employing a survey on retirement-eligible workers from both sectors and returning to these same workers after a year to examine whether they actually decided to retire.

Table 1. Sample Description.

Variable	Sample characteristics
N	722
Gender	Male = 93%, female = 7%
Age group	*M* = 4.18 (equivalent to ~56 years)
Seniority	*M* = 25.9 years
Sector	Public = 30%, private = 70%
Education	Some high school = 4.9%
	High school = 47.9%
	Some college = 31.5%
	Two-year degree = 8%
	Bachelor's degree = 4.7%
	Master's degree = 1.2%

Method

Sample

We tested the above hypotheses on the basis of a longitudinal data collection effort conducted by the Smithers Institute of Cornell University, between 2002 and 2005. Participants were a random sample of members of eight different unions identified as being within 6 months of retirement eligibility. Retirement-eligible workers were defined as individuals who meet their union's criteria for *eligibility* for early or full retirement benefits. All individuals included in the sample were employed in three blue-collar occupations in the United States: Transportation, Manufacturing, and Construction. Forty-eight percent of the transportation workers were public personnel and the rest were private sector employees. The data were collected at two points in time, with all participants interviewed approximately 6 months (±2 weeks) prior to their retirement eligibility date (T1) and 1 year (±2 weeks) after the first interview (T2), on the basis of computer-aided telephone interviews. At Time 1, the sample size was 1,050 out of a target sample of 2,812, with an overall response rate of 46%. With a dropout rate of 30% between Time 1 and Time 2, the total sample size at Time 2 was 735 individuals. An additional 13 observations were excluded from our analysis due to missing (i.e., unanswered items) or suspicious data, leaving us with a final sample size of 722. A demographic breakdown of those 722 individuals indicates that 93% were male, average age was 56, mean level of seniority was 25.9, and an average level of "High school and some college" education (see Table 1).

Measures

Retirement decision. Retirement decision was assessed by the actual decision to retire made by the individual at T2 (12 months after the first sampling point at which the employee could retire). The employees were asked which of the following describes their retirement status the best:

1. Still working, same employer, same employment;
2. Retired (on time or early) on full benefits—not currently working;
3. Retired on partial benefits—and continuing to work (part-/full-time);
4. On medical leave.

According to Beehr's (1986) model, retirement as a dependent variable has different categories of retirement dimensions. The most common dimensions are as follows: Voluntary versus Involuntary, On-time versus Early, and Part-time versus Full-time retirement. According to Beehr (1986), it is essential to investigate the different factors of each retirement dimension as they are based on different psychological processes and thus influenced by different antecedents. For this study, we chose the category of full retirement versus deferred retirement. We coded retirement upon eligibility as 1 if the individual exited the organization on full benefits (Option 2 above) or 0 if the individual continued working (Options 1 and 3 above). As only 1.5% of the sample was on medical leave, we disregarded these observations.

Lack of financial resources. A lack of financial resources was assessed on the basis of Ilfeld's (1976) financial stressors measure. Participants were asked, "How often does it happen that you do not have enough money to afford . . ." followed by a list of five events such as "The kind of food you or your family should have?" "The kind of medical care you or your family should have?" and "The ability to pay a monthly bill?" For each item, participants provided answers on a Likert-type scale (1 = *never*, 3 = *sometimes*, 5 = *very often*). A high financial stress score is inversely related to financial resources and directly related to the lack of financial resources.

As noted by Krause (1996), there are two broad approaches to assessing the financial difficulties of an individual: an objective measure such as income versus a subjective measure of one's own financial state. We chose the subjective measure for three main reasons: First, as noted by Krause (1995), relying solely on income might be inaccurate because, in addition to income, we need to know the ratio of income to expenses to get a more accurate picture of the potential retiree's financial needs and, therefore, the potential financial difficulty faced by an individual. Second, as noted by Crystal (1986), self-reported income from older people may contain substantial error and may be underestimated by as much as 46%. Third, as suggested by Krause (1995; as cited in Krause, 1996, p. 346), a subjective indicator is "more strongly related to well-being in later life than an objective measure . . ."

Sector of employment. Sector of employment was assessed based on the individual's employment in a private or public sector organization.

Even though many authors have written about the importance of the public–private distinction and its employment (Fottler, 1981; Perry & Rainey, 1988), there is no clear consensus regarding what actually constitutes a "public" organization. Often, distinctions such as "public" and "private" may "well involve oversimplifications and stereotypes involved in popular discourse about the public, private, and nonprofit sectors" (Rainey & Chun, 2005, p. 73). Moreover, authors have argued that the "sectors" involve a lot of diverse sets of management settings such that public–private distinctions become confusing and unclear (Rainey & Bozeman, 2000; Rainey & Chun, 2005).

The private sector workers studied in this research fit the precise definition of private sector employees, whose agencies are owned and funded by private/for profit organizations, and having social control by market exchange (Perry & Rainey, 1988). Public personnel, however, fall on the pure bureaus–private enterprise continuum as they are employed by the transit authority, which is a state-owned enterprise. The ownership is entirely public (i.e., owned by the state of New York), funding is largely private but with government subsidy, and control is mixed, as it is regulated but still competes with other transport companies on certain routes. In addition, Leland and Smirnova (2009) pointed to the following:

> the majority organizations responsible for directly delivering public transportation in the United States are no longer private companies, but instead are public agencies . . . However, these public agencies are likely to contract out their services indirectly to private companies . . . (p. 857)

Control variables. In examining the hypotheses noted above, we controlled for age, health, gender, seniority, and educational level. These factors have consistently been found to have significant impact on the decision to retire (Beehr, 1986; Ruhm, 1989).

Age was assessed using a categorical variable with 1 indicating individuals born between 1957 and 1963, 2 = born between 1952 and 1956, 3 = born between 1947 and 1951, 4 = born between 1942 and 1946, 5 = born between 1937 and 1941, and 6 = born between 1930 and 1936.

Ill health was assessed on the basis of the 11-item physical health measure originally developed by the National Institute on Aging (1986) and updated by Colsher and Wallach (1990). Participants were asked, "Have you ever been diagnosed by a physician with any of the following?" followed by a list of 11 described diagnoses ("Heart disease or heart attack," "High blood pressure," "Cancer," "Stomach or intestinal disease," etc.). For each item, participants provided Yes or No answers.

Seniority was assessed by asking participants on "How long have you been working for your current employer?" (Answer was given in years.)

Education level was assessed using a categorical variable with 1 indicating individuals with educational background of some high school, 2 = with educational background of high school degree or equivalent, 3 = educational background of some college, 4 = educational background of 2-year degree, 5 = educational background of a bachelor's degree, and 6 = educational background of a master's degree.

In addition, in order for our results regarding the influence of sector to be above and beyond effects caused by factors such as job-related predictors, we controlled for job satisfaction, which has been found to influence the retirement decision (Shultz, Morton, & Weckerle, 1998; Wang et al., 2008). *Job satisfaction* was measured using the Pond and Geyer (1991) scale. The scale includes the following items:

(a) If you had to decide all over again whether to take the job you now have, what would you decide? (1 = *definitely would not take the job*, 5 = *definitely take the job*)
(b) Would you recommend your job to a close friend or family member? (1 = *definitely would not recommend at all*, 5 = *definitely would recommend strongly*)
(c) How does this job compare with your ideal job? (1 = *very far from ideal*, 5 = *very close to ideal*)
(d) All things considered, how satisfied are you with your current job? (1 = *very dissatisfied*, 5 = *very satisfied*)

Analysis

Our hypotheses were tested using a logistic regression as the dependent variable was a binary variable (retire vs. decline retirement). As our participants were a random sample of members of eight different unions, we conducted additional analyses examining our models with union both as a fixed (including dummy variables for the various unions) or as a random effect (using SAS generalized linear mixed model—GLIMMIX). In both cases, we received results similar to those apparent in Table 3.[1]

The hypotheses were tested on the basis of a hierarchical method, with the first model examining the effect of the control variables on retirement decision, the second model testing the main effect (i.e., sector), and the third model examining the role of sector as a moderating variable. Furthermore, all the control, main, and moderating variables were measured at Time 1, whereas the retirement decision (i.e., dependent variable) was measured at Time 2, allowing us to perform a cross-sectional design with an examination of factors in temporal relation to retirement (Wang & Shultz, 2010).

Findings

Descriptive Statistics

Table 2 displays means, standard deviations, and correlations among the variables. The bivariate results indicate that the retirement decision is positively related to age and seniority (r = .31, .27, respectively; $p < .01$). They also indicate a significant inverse correlation with job satisfaction and education, as well as lack of financial resources ($r = -.1$, –.13, and –.15, respectively; $p < .01$). A significant negative correlation was also found between the retirement decision and sector of employment ($r = -.175$, $p < .01$), indicating that the odds of retirement were larger for private sector personnel than for public sector personnel.

As explained above, logistic regression was conducted to test Hypotheses 1 and 2. All control variables including gender, seniority, education, job satisfaction, age, ill health, and lack of financial resources were entered in the first step and presented in

Table 2. Means, Standard Deviations, and Intercorrelations (Pearson) of the Measured Variables.

	Variable	*N*	*M*	*SD*	1	2	3	4	5	6	7	8
1	Retirement (1 = *full*, 0 = *no/part_ret*)	722	0.50137	0.50034								
2	Job satisfaction	722	3.63996	1.07731	−.101**							
3	Gender (1 = *female*, 2 = *male*)	722	1.06465	0.24608	−.04	.03						
4	Seniority	722	26.0014	11.152	.273**	−.165**	−.008					
5	Education level	722	2.69876	1.11033	−.134**	−.026	.046	−.173**				
6	Ill health	722	1.03576	1.02252	.059	−.083*	.045	.051	−.065†			
7	Age group	722	4.18457	0.98069	.316**	.017	−.169**	.202**	−.199**	.122**		
8	Lack of financial resources	722	1.14044	0.33957	−.154**	−.02	.079*	−.026	.018	.086*	−.12**	
9	Sector (1 = *public*, 0 = *private*)	722	0.3022	0.45953	−.175**	.063†	−.051	.162**	−.069†	.047	−.059	.164**

†$p < .10$, *$p < .05$, **$p < .01$.

Table 3. Analysis Examining the Main and Moderation Effect of Sector on the Retirement Decision: A Logistic Regression With Retirement (1 = *full retirement*, 0 = *full- or part-time work*) as the Dependent Variable.

Variables	Model 1		Model 2		Model 3	
	Control		Main effect		Interaction effect	
	722		722		722	
N	Est.	*SE*	Est.	*SE*	Est.	*SE*
Intercept	−1.47*	0.75	−2.51**	0.78	−3.01**	0.79
Job satisfaction	−0.17*	0.08	−0.14†	0.08	−0.14†	0.08
Gender (1 = *female*, 2 = *male*)	−0.18	0.33	−0.02	0.34	−0.06	0.34
Seniority	0.04**	0.007	0.05**	0.01	0.05**	0.01
Education level	−0.10	0.08	−0.13	0.08	−0.12	0.08
Ill health	0.03	0.08	0.05	0.08	0.06	0.08
Age	0.59**	0.09	0.54**	0.09	0.53**	0.09
Lack of financial resources	−0.91**	0.28	−0.70*	0.29	−0.25	0.32
Sector (1 = *public*, 0 = *private*)	—	—	0.89**	0.18	2.34**	0.70
Lack of Financial Resources × Sector	—	—	—	—	−1.29*	0.61
−2 log (pseudo) likelihood	870.46		847.08		842.28	
Delta −2 log likelihood			23.38**		4.80*	

†$p < .10$, *$p < .05$, **$p < .01$.

Model 1 of Table 3. As Table 3 shows, and in line with previous research, seniority, age, and lack of financial resources were found to be significantly related to the decision to retire (Seniority: estimate = 0.04, $p < .01$; Age: estimate = 0.59, $p < .01$; Lack of financial resources: estimate = −0.91, $p < .01$). Ill health was not found to be significantly related to the decision to retire (estimate = 0.03, ns) above and beyond all the above-mentioned variables. In addition, gender was not found to be significantly related to the retirement decision (estimate = −0.18, ns) above and beyond the other demographic variables. This result may stem from the low percentage of women in our research sample.

Sector as a Main Effect on the Decision to Retire. Hypothesis 1 predicted that employment sector will have a direct effect on the retirement decision. First we examined the overall percentage of retirement among the two sectors. Overall, 56.61% of the private sector employees chose to fully retire while only 36.82% of the public personnel made a similar choice. A chi-square test showed a significant difference between the sectors with regard to the retirement probability ($p < .0001$). In addition, as can be seen in Model 2 of Table 3, sector was a significant predictor of employees' odds of retiring upon eligibility (estimate = 0.89, $p < .01$). The inclusion of public sector resulted in a significant increase in the total effect size relative to the model with only control variables (delta −2 log likelihood = 23.38, < .01).

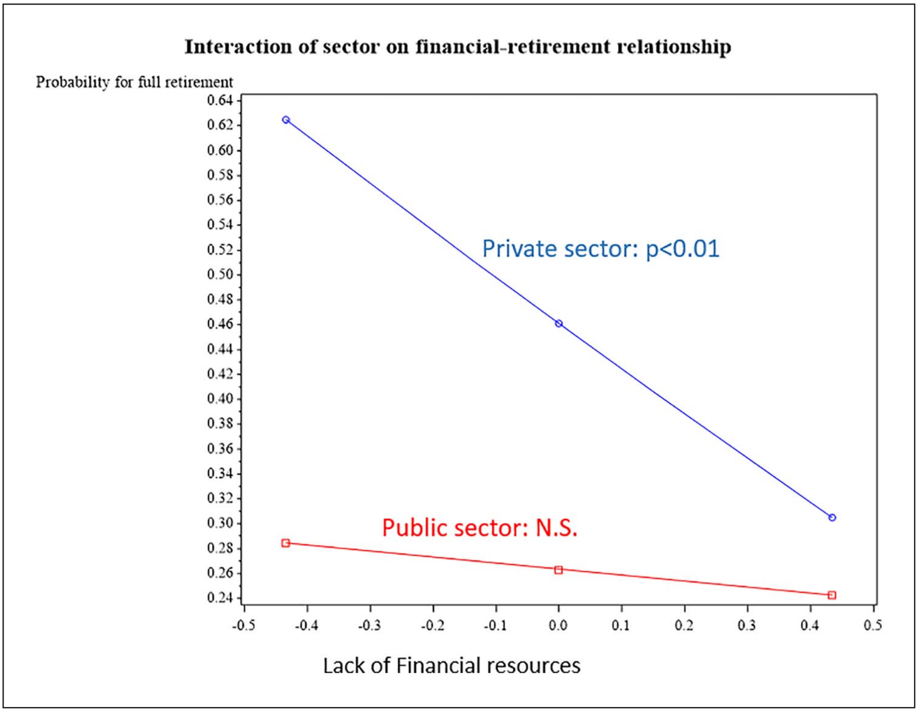

Figure 2. Interaction of sector on the financial–retirement relationship.
Note. N.S. = not significant.

Sector as a Moderating Effect on the Decision to Retire. To test Hypothesis 2 which claimed that the relationship between financial resources and the retirement decision will be weaker for public personnel versus private sector employees, we first centered the variables included in the interaction effect, namely, sector and lack of financial resources (Aiken & West, 1991). As shown in Model 3 of Table 3, in line with our prediction, employment sector moderated the relationship between lack of financial resources and the retirement decision, such that the relationship between lack of financial resources and the retirement decision is weaker for public personnel than for their private sector counterparts (estimate = −1.29, $p < .05$). Notably, the inclusion of the interaction term resulted in a significant increase in the total effect size relative to the main effect model (delta −2 log likelihood = 4.80, $p < .05$).

To interpret the moderating effects of sector on the relationship between lack of financial resources and the decision to retire, we followed the procedure outlined by Aiken and West (1991). Figure 2 depicts the association between lack of financial resources and the decision to retire for the two sectors. The simple slope analyses revealed that the slope of the relationship between lack of financial resources and the decision to retire is in the expected downward trend (i.e., a negative relationship between lack of financial resources and the decision to retire) for private sector employees (slope = -1.53, $p < .01$), while for public personnel the slope is almost flat and nonsignificant (slope = -0.24, ns). Overall, these results suggest that lack of financial resources influences the likelihood of fully retiring only for private sector employees and not for their public sector counterparts.

Discussion

What is the contribution of our model and findings to the current knowledge on retirement in the public sector and around it? Our findings support the idea of a multilevel model of retirement (Wang & Shi, 2014) and are consistent with the context perspective (Bamberger, 2008; Johns, 2006; Van Loon, 2017), such that the influence of individual differences on the retirement decision has differential effects depending upon the context within which the individual is situated. More specifically, these findings demonstrate that sector of employment is important not only as a direct predictor, but also as a context, as it influences relationships between individual-level variables (i.e., the relationship between financial resources and the retirement decision of eligible-to-retire employees depends on sector). Moreover, these effects explain variance in the probability of a retirement decision above and beyond what is explained by the more widely studied demographic and economic predictors, such as age, gender, tenure, health, and wealth.

As the decades progress, it seems that research finds less and less difference between work-related attitudes of public and private sector employees (Baarspul & Wilderom, 2011). Yet, we did find that the likelihood of full retirement is higher in the private sector than in the public sector upon eligibility. One implication of such findings is that public managers need to be aware of changes in the private sector as far as retirement trends and plans are concerned as any change in such trends may have implications on their employees' well-being. More specifically, if over time the gap between the private and public sector employees minimizes as private employees put off retirement similarly to their public sector counterparts, this may require managers to deal with sector comparisons even at the very final stages of employees' work life.

However, sector may play an additional role beyond its possible contribution as a directly differentiating factor of individual-level attitudes and behaviors. Sector is a context in which there is a normative message among employees, based on accepted standards and values, regarding what is acceptable. Such normative messages may serve as a conditioning factor for certain phenomena to occur. For instance, we found that the clearly substantiated relationship between financial strain and the decision to retire (Jex et al., 2007; Quinn & Burkhauser, 1990) does not exist in the public sector context. Thus, this may indicate that in the public sector the norm is to put off retirement regardless of one's financial situation. While this is only one study, it substantiates recent understandings that more complex, multilevel models are needed to understand the impact of sector in today's world (Baarspul & Wilderom, 2011).

As a context providing normative messages, one finding that has been consistently shown to differentiate between the sectors is the salience of financial rewards (e.g., Belle & Cantarelli, 2015). As Jung, Bozeman, and Gaughan (2018) put it, the private and public sectors "create distinct environments for the provision of extrinsic and intrinsic rewards" (p. 4). Indeed, in a study across 30 countries, Bullock et al. (2015) found evidence that public sector workers have higher levels of public service–oriented motives and are less motivated by monetary gain. When considering the timing of retirement, individuals often have to make decisions that require weighing tradeoffs between financial situation and other factors influencing their retirement (e.g., their age and health). Indeed, based on our interaction result, when public sector retirees, who due to contextual influences are less likely to value extrinsic rewards, are faced with making the decision to retire, their financial situation will have less of an impact compared with retirees in the private sector.

This study provides a number of contributions. First, the major goal of this study was to contribute to the retirement literature by demonstrating that contextual factors such as sector interact with individual predictors to explain incremental variance in retirement upon eligibility behavior. A majority of previous retirement studies have focused on investigating the role of individual-level predictors (i.e., age, health, financial status, etc.) and meso-level work-related predictors (i.e., job satisfaction, job stress, etc.) on the retirement behavior. Yet, in many cases, even if employees are old enough, with sufficient financial resources and stress-free work, they may be reluctant to retire from a job in which they are embedded. Although researchers have begun studying the unique predictive role of normative and relational factors on retirement *planning* (Settersten & Hagestad, 1996) and retirement upon eligibility *behavior* (Bamberger & Bacharach, 2014), most were conducted at one point in time. As such, this study is unique in that it not only offers additional evidence regarding the validity of incorporating contextual influences into retirement literature, but also it provides early confirmation for sector potential contributions in predicting who will actually retire upon eligibility.

Second, the results of this study contribute to the literature on employment sector. This research demonstrates that prior work showing that value differences, specifically regarding monetary rewards between public and private personnel (e.g., Buelens & Van den Broeck, 2007; Karl & Sutton, 1998), are applicable to the retirement decision upon eligibility. However, this research also shows that these value differences have an indirect effect as they influence the relationship between individual-level factors and the decision to retire. Although we may have concluded in the past that financial strain is related to the decision to retire regardless of work context, this study shows that at least for unionized public sector workers this is not the case. Sector differences may have additional effects on other relationships thought to be beyond context.

Third, most previous research examined the differences between public and private personnel with regard to the first years of employment with special emphasis on job entry (Jacobesen & Kjeldsen, 2011; Wright & Christensen, 2010). This research, on the contrary, offers evidence of sector differences in the very last career stage: retirement, providing an initial step for theorists wishing to propose theories regarding the changing impact of sector throughout the entire career path.

Finally, this research offers a significant methodological contribution. Most retirement studies use a research design with predictor scores that are likely to be subject to retrospective bias or criterion measures likely to be limited to self-reported retirement plans or intentions. In contrast, this research employs a prospective design using Phase 1 data for the independent measures and Phase 2 data for the actual retirement behavior measure. With this design, the results reported above are likely to be less subject to the retrospective biases and can be generalizable with regard to the causal relations among individual-level characteristics and the decision to retire.

Limitations and Future Research

Despite the contributions of our study, there are still some limitations that should be addressed in future research. First, this research may offer limited generalizability in that it focused only on unionized blue-collar workers employed in the United States. In the United States today, 34% of public sector and around 8% of the private sector workers are unionized.[2] Although we found no effect of union when we conducted additional analysis with union as a random effect, future research may wish to examine if our results hold for nonunionized employees. In addition, unionized blue-collar workers mostly choose a single career. Future studies may wish to extend the results of this research, particularly with regard to white-collar employees who may pursue more than a single career (such as career military personnel or university professors) and who retire for reasons other than disengaging from work. Similarly, our sample included very few women (7%). Research has shown that women express a strong desire for greater job security and maintaining a stronger work–life balance (Ng & Sears, 2015); yet, these differences are more representative of early career considerations. In fact, research has shown that differences between participation in the work force shrink as employees grow old (Peracchi & Welch, 1994). Thus, our nonsignificant finding may indeed be representative of the decision to retire. Yet, it is important that future research examine the robustness of this finding. However, to examine whether gender may play a role beyond its direct effect, we did conduct a post hoc analysis to examine whether the proposed moderation effect is itself influenced by gender. More specifically, we ran an additional analysis including a three-way interaction between lack of financial resources, sector, and gender. This interaction was nonsignificant. At least in this sample, gender had no relationship with the decision to retire.

Second, as noted by many researchers (Fottler, 1981; Perry & Rainey, 1988), there is no full agreement on what constitutes the definitions of the public and private sectors. Although Perry and Rainey (1988) proposed a typology of subcategories across the public–private continuum (i.e., by cross-classifying Ownership, Funding, and mode of Social Control), still, these public–private terms are often applied in "vague and ill-defined ways" and include "huge . . . diverse populations of organizations and members that overlap or resemble each other" (Rainey & Chun, 2005, p. 75). As we mentioned above, the private sector employees studied in this research fit the precise definition of private sector employees as they are owned and funded by private/for profit organizations and have social control by the market (Perry & Rainey, 1988). The public personnel, however, fall somewhere on the continuum of the definition as they are employed by the transit authority, which is a state-owned enterprise (see "Method" section). The fact that in the current research we found a difference between public and private employees, despite our sample not being "typical" public workers such as social service or enforcement agency employees, may be a strength as even such a small degree of separation between the sectors is enough to find the proposed effects. Yet, our findings should be replicated, particularly with regard to other types of public personnel.

Third, the distinction we made between employees who have fully retired and employees who are still working (either full- or part-time) may also limit the generalizability of our results to other types of retirement decisions. In accordance with Beehr's (1986) retirement dimensions described above, research may wish to examine the influence sector has on other types of retirement decisions, such as the decision to retire voluntarily versus involuntarily.

Beyond addressing these limitations, more research is also needed to examine the multilevel implications of the individual–retirement relationship. The review of the retirement literature identified only few multilevel research studies (Bamberger & Bacharach, 2014; Wang, 2007) that indicated the effect of group/family-level context variables on retirement behavior. In the same vein, we were unable to find even one study that examined the potential of multilevel relations among sector–individual–retirement relationships, or a simple main effect of sector on retirement decision. This is in line with Baarspul and Wilderom's (2011) critique on current public–private comparative literature and their suggestion to "test broader models in which sector is only one of a range of variables" (p. 967). Accordingly, future research is needed to examine the potential retirement behavior differences between sectors and the underlying mechanism supporting it.

Conclusion

From a theoretical perspective, the results of this study may shed new light on the differences between private and public personnel with respect to the decision to retire. More specifically, this research demonstrates that to support the notion that individual differences between sectors exist, it is important to incorporate additional factors, beyond "sector" alone (e.g., "lack of financial resources").

From a practical perspective of the public sector, it may be useful for public managers to administer periodic job value surveys along their employees' career paths, to more effectively design jobs, reward systems, and human resource policies that are in line with their retirement policy planning. Better managing public employees largely depends on their retirement plan and decision beyond many other important decisions along the lifetime career of public servants. The public normative context seems to influence whether personal factors relate to the decision to retire or not. Hence, it is important to examine this normative context and make sure that public managers and public organizations pay enough attention to such considerations and adjust to them in advance.

Adams and Beehr (2003) noted, "There is much that we already know and much yet to be learned about retirement decisions . . ." (p. 293). Taking this into account, the most significant finding of this research is the notion that the retirement decision of eligible-to-retire employees is not made in isolation of other factors, but rather is influenced, at least in part, by the context surrounding the employees. Specifically, in this study, sector of employment moderated the impact of lack of financial resources on the decision to retire. Furthermore, the results offer some of the first evidence for the sector differences with regard to retirement behavior for eligible workers.

Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) disclosed receipt of the following financial support for the research, authorship, and/or publication of this article: Data for this study were collected in the context of a broader study conducted by the Smithers Institute for Alcohol-Related Workplace Studies of Cornell University, and supported by the National Institute of Alcoholism and Alcohol Abuse (Grant Number 5 R01 AA011976).

Notes

1. When regarding union as a fixed effect, we found support for both Hypothesis 1 (H1) and Hypothesis 2 (H2); when regarding union as random effect using SAS generalized linear mixed model—GLIMMIX, we sound support for H2 but not for H1. Yet, in all the models corresponding to Models 1, 2, and 3 of Table 3, the random variance of union was nonsignificant.
2. See https://www.epi.org/publication/a-profile-of-union-workers-in-state-and-local-government-key-facts-about-the-sector-for-followers-of-janus-v-afscme-council-31/

ORCID iDs

Racheli Levi https://orcid.org/0000-0002-0050-3244

Eran Vigoda-Gadot https://orcid.org/0000-0002-6545-5255

References

Adams, G. A., & Beehr, T. A. (1998). Turnover and retirement: A comparison of their similarities and differences. *Personnel Psychology*, *51*, 643-665.

Adams, G. A., & Beehr, T. A. (2003). *Retirement: Reasons, processes and results*. New York, NY: Springer.

Adams, G. A., & Rau, B. (2004). Job seeking among retirees seeking bridge employment. *Personal Psychology*, *57*, 719-744.

Aiken, L. A., & West, S. G. (1991). *Multiple regression: Testing and interpreting interactions*. Newbury Park, CA: SAGE.

Ali, S. B., & Frank, H. A. (2019). Retirement planning decisions: Choices between defined benefit and defined contribution plans. *American Review of Public Administration*, *49*, 218-235.

Baarspul, H. C., & Wilderom, C. P. (2011). Do employees behave differently in public- vs private-sector organizations? A state-of-the-art review. *Public Management Review*, *13*, 967-1002.

Bamberger, P. A. & Bacharach, S. B. (2014). Predicting retirement upon eligibility: An embeddedness perspective. *Human Resource Management*, *53*, 1-39.

Bamberger, P. (2008). Beyond contextualization: Using context theories to narrow the micro-macro gap in management research. *Academy of Management Journal*, *51*, 839-846.

Barnes-Farrell, J. L. (2003). Beyond health and wealth: Attitudinal and other influences on retirement decision making. In G. A. Adams & T. A. Beehr (Eds.), *Retirement: Reasons, processes, and results* (pp. 159-187). New York, NY: Springer.

Beehr, T. A. (1986). The process of retirement: A review and recommendations for future investigation. *Personnel Psychology*, *39*, 31-55.

Beehr, T. A. (2014). To retire or not to retire: That is not the question. *Journal of Organizational Behavior*, *35*, 1093-1108.

Beehr, T. A., & Nielson, N. L. (1995). Descriptions of job characteristics and retirement activities during the transition to retirement. *Journal of Organizational Behavior*, *16*, 681-690.

Belle, N., & Cantarelli, P. (2015). Monetary incentives, motivation, and job effort in the public sector: An experimental study with Italian government executives. *Review of Public Personnel Administration*, *35*, 99-123.

Boyne, G. A. (2002). Public and private management: What's the difference? *Journal of Management Studies*, *39*, 97-122.

Bright, L. (2008). Does public service motivation really make a difference on the job satisfaction and turnover intentions of public employees? *The American Review of Public Administration*, *38*, 149-166.

Buelens, M., & Van den Broeck, H. (2007). An analysis of differences in work motivation between public and private sector organizations. *Public Administration Review*, *67*, 65-74.

Bullock, J. B., Stritch, J. M., & Rainey, H. G. (2015). International comparison of public and private employees' work motives, attitudes, and perceived rewards. *Public Administration Review*, *75*, 479-489.

Bysted, R., & Hansen, J. R. (2015). Comparing public and private sector employees' innovative behaviour: Understanding the role of job and organizational characteristics, job types, and subsectors. *Public Management Review*, *17*, 698-717.

Choi, Y., & Chung, H. (2017). Attraction-selection and socialization of work values: Evidence from longitudinal survey. *Public Personnel Management*, *46*, 66-88.

Christensen, R. K., & Wright, B. E. (2011). The effects of public service motivation on job choice decisions: Exploring the contributions of person-organization fit and person-job fit. *Journal of Public Administration Research and Theory*, *21*, 723-743.

Clark, R. (2011). Evolution of public-sector retirement plans: Crisis, challenges, and change. *ABA Journal of Labor & Employment Law*, *27*, 257-273.

Clark, R., Pathak, A., & Pelletier, D. (2018). Supplemental retirement savings plans in the public sector: Participation and contribution decisions by school personnel. *Journal of Labor Resource*, *39*, 383-404.

Colsher, P. L., & Wallach, R. B. (1990). Elderly men with histories of heavy drinking: Correlates and consequences. *Journal of Studies on Alcohol*, *51*, 528-535.

Crystal, S. (1986). Measuring income and inequality among the elderly. *The Gerontologist*, *26*, 56-59.

De Cooman, R., De Gieter, S., Pepermans, R., Hermans, S., Du Bois, C., Caers, R., & Regers, M. S. (2009). Person-organization fit: Testing socialization and attraction-selection-attrition hypotheses. *Journal of Vocational Behavior*, *74*, 102-107.

Feldman, D. C., & Beehr, T. A. (2011). A three-phase model of retirement decision making. *American Psychologist*, *66*, 193-203.

Feldman, D. C., & Kim, S. (2000). Bridge employment during retirement: A field study of individual and organizational experiences with post-retirement employment. *Human Resource Planning*, *23*, 14-25.

Fottler, M. D. (1981). Is management really generic? *Academy of Management Review*, *6*(1), 1-12.

Gkorezis, P., & Petridou, E. (2012). The effect of extrinsic rewards on public and private sector employees' psychological empowerment: A comparative approach. *The International Journal of Human Resource Management*, *23*, 3596-3612.

Gould-Williams, J. S., Mostafa, A. M. S., & Bottomley, P. (2015). Public service motivation and employee outcomes in the Egyptian public sector: Testing the mediating effect of person-organization fit. *Journal of Public Administration Research and Theory*, *25*, 597-622.

Greenhous, S. (2011, February 28). Pension funds strained, states look at 401(k) plans. *The New York Times*. Retrieved from https://www.nytimes.com/2011/03/01/business/01pension.html?mtrref=www.google.com&gwh=8278CCF3F7AA6904C5C46ECDD7050D02&gwt=pay

Gruber, J., & Wise, D. (1999). Social security and retirement: An international comparison. *American Economic Review*, *88*, 158-163.

Herzog, A. R., House, J., & Morgan, J. (1991). Relation of work and retirement to health and well-being in older age. *Psychology and Aging*, *6*, 202-211.

Hira, T., & Loibl, C. (2005). Understanding the impact of employer-provided financial education and assistance program. *Journal of Consumer Affairs*, *39*, 173-194.

Holland, H. J., Goodman, D., & Stich, B. (2008). Defined contribution plans emerging in the public sector: The manifestation of defined contributions and the effects of workplace financial literacy education. *Review of Public Personnel Administration*, *27*, 367-384.

Houston, D. J. (2000). Public-service motivation: A multivariate test. *Journal of Public Administration Research and Theory*, *4*, 713-727.

Ilfeld, F. (1976). Characteristics of current social stressors. *Psychological Reports*, *39*, 1231-1247.

Jacobesen, C. B., & Kjeldsen, A. M. (2011, June 2-4). *Public service motivation and employment sector: Attraction or socialization?* Paper presented at the PMRA Conference, Syracuse, NY.

Jensen, U. T., & Vestergaard, C. T. (2017). Public service motivation and public service behaviors: Testing the moderating effect of tenure. *Journal of Public Administration Research and Theory*, *27*, 52-67.

Jex, S., Wang, M., & Zarubin, A. (2007). Aging and occupational health. In K. S. Shultz & G. A. Adams (Eds.), *Aging and work in the 21st century* (pp. 199-224). New York, NY: Psychology Press.

Jiang, K., Liu, D., McKay, P. F., & Lee, T. W. (2012). When and how is job embeddedness predictive of turnover? A meta-analytic investigation. *Journal of Applied Psychology*, *97*, 1077-1096.

Johns, G. (2006). The essential impact of context on organizational behavior. *Academy of Management Review*, *31*, 396-408.

Jung, J., Bozeman, B., & Gaughan, M. (2018). Fear in bureaucracy: Comparing public and private sector workers' expectations of punishment. *Administration & Society*. Advance online publication. doi:10.1177/0095399718783647.

Juriewicz, C. L., Massey, T. K., & Brown, R. G. (1998). Motivation in public and private organizations: A comparative study. *Public Productivity & Management Review*, *21*, 230-250.

Karl, K. A., & Sutton, C. L. (1998). Job values in today's workforce: A Comparison of public and private sector employees. *Public Personnel Management*, *27*, 515-527.

Kim, J. (2018). The effects of relative organizational tenure on job behavior in the public sector. *Public Personnel Management*, *47*, 335-355.

Kim, S. (2012). Does person-organization fit matter in the public-sector? Testing the mediating effect of person-organization fit in the relationship between public service motivation and work attitudes. *Public Administration Review*, *72*, 830-840.

Kim, S., & Feldman, D. C. (1998). Healthy, wealthy, or wise: Predicting actual acceptances of early retirement incentives at three points in time. *Personnel Psychology*, *51*, 623-642.

Kim, S., & Feldman, D. C. (2000). Working in retirement: The antecedents of bridge employment and its consequences for quality of life in retirement. *Academy of Management Journal*, *43*, 1195-1210.

Krause, N. (1995). Stress and well-being in later life: Using research findings to inform intervention design. In L. A. Bond, S. J. Cutler & A. Grams (Eds.), *Promoting successful and productive aging* (pp. 203-219). Thousand Oaks, CA: SAGE.

Krause, N. (1996). Neighborhood deterioration and self-rated health in later life. *Psychology and Aging*, *11*, 342-352.

Kristof-Brown, A., Zimmerman, R. D., & Johnson, E. C. (2005). Consequences of individuals' fit at work: A meta-analysis of person-job, person-organization, person-group, and person-supervisor fit. *Personnel Psychology*, *58*, 281-342.

Leland, S., & Smirnova, O. (2009). Reassessing privatization strategies 25 years later: Revisiting Perry and Babitsky's comparative performance study of urban bus transit services. *Public Administration Review*, *69*, 855-867.

Lewis, G. B., & Pitts, D. (2018). Deciding to retire from the federal service. *Review of Public Personnel Administration*, *38*, 49-82.

Lin, T. C., & Hsieh, A. T. (2001). Impact of job stress on early retirement intention. *International Journal of Stress Management*, *8*, 243-247.

Lynos, S. T., Duxbury, L. E., & Higgins, C. A. (2006). A comparison of the values and commitment of private sector, public sector, and parapublic sector employees. *Public Administration Review*, *66*, 605-618.

Meglino, B. M., & Ravlin, E. C. (1998). Individual values in organizations: Concepts, controversies, and research. *Journal of Management*, *24*, 351-389.

Mortimer, J. T., & Lorence, J. (1979). Work experience and occupational value socialization: A longitudinal study. *American Journal of Sociology*, *84*, 1385-1391.

Moynihan, D. P., & Pandey, S. K. (2007). The role of organizations in fostering public service motivation. *Public Administration Review*, *67*, 40-53.

National Institute on Aging. (1986). Established populations for epidemiologic studies of the elderly. In: J. Cornoni-Huntley, D. W. Brock, A. M. Ostfeld, J. O. Taylor, and R. B. Wallace (Eds.), Resource data book. Bethesda, MD: National Institutes of Health.

Ng, E. S., & Sears, G. J. (2015). Toward representative bureaucracy: Predicting public service attraction among underrepresented groups in Canada. *Review of Public Personnel Administration*, *35*, 367-385.

Organisation for Economic Co-operation and Development. (2011). *Pensions at a glance 2011: Retirement-income systems in OECD and G20 countries*. Paris, France: Author.

Peracchi, F., & Welch, F. (1994). Trends in labor force transitions of older men and women. *Journal of Labor Economics*, *12*, 210-242.

Perry, J. L., Engbers, T. A., & Jun, S. Y. (2009). Back to the future? Performance-related pay, empirical research, and the perils of persistence. *Public Administration Review*, *69*, 39-51.

Perry, J. L., & Rainey, H. G. (1988). The public-private distinction in organization theory: A critique and research strategy. *Academy of Management Review*, *13*, 182-201.

Pond, S. B., & Geyer, P. D. (1991). Differences in the relation between job satisfaction and perceived work alternatives among older and younger blue-collar workers. *Journal of Vocational Behavior*, *39*, 251-262.

Quinn, J. F., & Burkhauser, R. V. (1990). Work and retirement. In B.H. Binstock & L.K. George (Eds.), *Handbook of aging and the social sciences* (3rd ed., pp. 307-327). New York, NY: Academic Press.

Rainey, H. G. (1982). Reward preferences among public and private managers: In search of the service ethic. *American Review of Public Administration*, *16*, 288-302.

Rainey, H. G. (1983). Public agencies and private firms: Incentive structures, goals, and individual roles. *Administration & Society*, *15*, 207-242.

Rainey, H. G., & Bozeman, B. (2000). Comparing public and private organizations: Empirical research and the power of the a priori. *Journal of Public Administration Research and Theory*, *10*, 447-470.

Rainey, H. G., & Chun, Y. H. (2005). Public and private management compared. In E. Ferlie, L. E. Lynn & C. Pollitt (Eds.), *The Oxford handbook of public management* (pp. 72-102). Oxford, UK: Oxford University Press.

Rainey, H. G., Traut, C., & Blunt, B. (1986). Reward expectancies and other work-related attitudes in public and private organizations: A review and extension. *Review of Public Personnel Administration*, *6*, 50-72.

Ruhm, C. J. (1989). Why older Americans stop working. *The Gerontologist*, *29*, 294-299.

Schmidt, J. A., & Lee, K. (2008). Voluntary retirement and organizational turnover intentions: The differential associations with work and non-work commitment constructs. *Journal of Business and Psychology*, *22*, 297-309.

Schneider, B., Goldsstein, H. W., & Smith, D. B. (1995). The ASA framework: An update. *Personnel Psychology*, *48*, 747-773.

Settersten, R. A., & Hagestad, G., Jr. (1996). What's the latest? Cultural age deadlines for educational and work transitions. *The Gerontologist*, *36*, 602-613.

Shultz, K. S., Morton, K. R., & Weckerle, J. R. (1998). The influence of push and pull factors on voluntary and involuntary early retirees' retirement decision and adjustment. *Journal of Vocational Behavior*, *53*, 45-57.

Shultz, K. S., & Wang, M. (2007). The influence of specific physical health conditions on retirement decisions. *The International Journal of Aging and Human Development*, *65*, 149-161.

Solomon, E. E. (1986). Private and public sector managers: An empirical investigation of job characteristics and organizational climate. *Journal of Applied Psychology*, *71*, 248-259.

Steijn, B. (2008). Person-environment fit and public service motivation. *International Public Management Journal*, *11*(1), 13-17.

Toosi, M. (2006, November). A new look at long term labor force projections to 2050. *Monthly Labor Review*, pp. 19-39.

Vandenabeele, W. (2008). Government calling: Public service motivation as an element in selecting government as an employer of choice. *Public Administration*, *86*, 1089-1105.

Van Loon, N. M. (2017). Does context matter for the type of performance-related behavior of public service motivated employees? *Review of Public Personnel Administration*, *37*, 405-429.

Verquer, M. L., Beehr, T. A., & Wagner, S. H. (2003). A meta-analysis of relations between person-organization fit and work attitudes. *Journal of Vocational Behavior*, *63*, 473-489.

Wang, M. (2007). Profiling retirees in the retirement transition and adjustment process: Examining the longitudinal change patterns of retirees' psychological well-being. *Journal of Applied Psychology*, *92*, 455-474.

Wang, M., Adams, G. A., Beehr, T. A., & Shultz, K. S. (2009). Career issues at the end of one's career: Bridge employment and retirement. In S. G. Baugh & S. E. Sullivan (Eds.), *Maintaining focus, energy, and options through the life of span* (pp. 135-162). Charlotte, NC: Information Age.

Wang, M., & Shi, J. (2014). Psychological research on retirement. *Annual Review of Psychology*, *65*, 209-233.

Wang, M., & Shultz, K. (2010). Employee retirement: A review and recommendations for future investigation. *Journal of Management*, *36*, 172-206.

Wang, M., Zhan, Y., Liu, S., & Shultz, K. (2008). Antecedents of bridge employment: A longitudinal investigation. *Journal of Applied Psychology*, *93*, 818-830.

Wang, Y. D., Yang, C., & Wang, K. Y. (2012). Comparing public and private employees' job satisfaction and turnover. *Public Personnel Management*, *41*, 557-573.

Ward, K. D. (2014). Cultivating public service motivation through AmeriCorps service: A longitudinal study. *Public Administration Review*, *74*, 114-125.

Wittmer, D. (1991). Serving the people or serving for pay: Reward preferences among government, hybrid sector, and business managers. *Public Productivity & Management Review*, *14*, 369-383.

Wright, B. E., & Christensen, R. K. (2010). Public service motivation: A test of the job attraction-selection-attrition model. *International Public Management Journal*, *13*, 155-176.

Wright, B. E., & Grant, A. M. (2010). Unanswered questions about public service motivation: Designing research to address key issues of emergence and effects. *Public Administration Review*, *70*, 691-700.

Wright, B. E., & Pandey, S. K. (2008). Public service motivation and the assumption of person—Organization fit: Testing the mediating effect of value congruence. *Administration & Society*, *40*, 502-521.

Author Biographies

Racheli Levi is a PhD graduate from the Division of Public Administration and Policy, The University of Haifa, Israel. Her research focuses on retirement behavior and specifically in public–private comparisons. In addition, her master's thesis on team-based pay turned into a research paper which won "best paper" by Emerald and is recognized as one of the basic studies on the topic. She is a high-tech company employee, working in project management, developing experimental designs, and building and testing statistical models.

Dana R. Vashdi is a senior lecturer in the Division of Public Administration and Policy at The University of Haifa, Israel. She received her PhD in industrial psychology from the Technion, The Israel Institute of Technology. Her research focuses on teamwork and

specifically on learning and innovation in teams. She also investigates factors influencing public employee well-being. She has published this research in scholarly journals including *Academy of Management Journal, Journal of applied psychology, Applied Psychology: An International Review, Public Administration, Public Administration Review, Journal of Occupational Health Psychology, Human Resource Management*, and *British Medical Journal*.

Eran Vigoda-Gadot is professor of public administration and Management at the School of Political Science, The University of Haifa, Israel. He currently serves as the Herta and Paul Amir dean of the Faculty of Social Sciences and is the former head of the School of Political Science and founder of the Center for Public Management and Policy (CPMP). He is one of the leading public administration and management researchers in Israel and is well-recognized internationally. He is the author and coauthor of more than 170 articles and book chapters, 11 books and symposia, as well as many other scholarly presentations and working papers. More details about his work, publications, citations, and public activities can be found on https://sites.google.com/edu.haifa.ac.il/prof-eran-vigoda-gadot.